

# Matrix Underwriting Management

Property Owners Insurance Policy [POLD-1217]

## Summary of Cover

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

### Confidentiality

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

### Introduction and Your Obligations

It is important that **You** read all **Your** documents carefully and let **Your Broker** 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 **Us**.

If **You** breach **Your** duty to provide a fair presentation and any such breach was deliberate or reckless, **We** 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, **Our** remedy shall depend upon what **We** would have done if **You** had complied with the duty of fair presentation:

1. **We** may regard the **policy** as void if **We** would not have entered into the **policy** on any terms in the absence of the breach. In this case, **We** must return the premium paid.
2. If **We** 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 **We** so require.
3. If **We** would have entered into the **policy** but would have charged a higher premium **We** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims).

### Material Information

**You** must search for all material information and disclose it to **Us** without misrepresentation. Material information is anything which might reasonably influence **Our** decision to offer **You** insurance or the terms (including the premium) on which any offer is made. It includes facts, circumstances, allegations and events. Material information includes special or unusual facts concerning **You** or **Your Business**, any particular concerns **You** may have which have led **You** to seek or increase **Your** insurance cover and any other facts relevant to the risk taken by **Us**. **You** should assume that all information specifically sought by **Us** is material, whether in a **Statement of Fact**, **Proposal Form** or otherwise.

### 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 Broker**.

### 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**.

### **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 Broker**. **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 Broker**.

## **General Policy Conditions**

**Adjustment**- if any items are estimated the premium is adjusted on accurate records 3 months after the year end

### **Basis of claims settlement:**

- Stock - cost price
- deeds documents etc - value as stationary plus labour cost of writing up,
- computer systems records - value of materials plus labour cost of reproducing,
- patterns, models, moulds, plans & designs - value of materials plus labour cost of reinstatement
- employee & visitor effects - cost of repair or replacement after allowance for fair wear , tear and depreciation up to £500
- rent - loss of rent receivable or payable by you for the indemnity period or period necessary to reinstate the property
- all other property- the cost of reinstatement subject to 85% average

**Cancellation** - **You** may cancel within 14 days at no charge, thereafter pro rata less 10% of the premium in the first year and less 5% in subsequent years. **We** may cancel this policy giving fourteen days notice subject to a pro rata refund. All provided no claims have occurred

**Change in risk** - Cover cease if **Your** interest ceases, the business is wound up or carried on by a liquidator or receiver or permanently discontinued or any alteration is made to the risk which increases **Our** risk .

**Claims** - **You** must advise **Us** as soon as practicle,

- not make any admission of liability or promise of payment, notify the police as soon as practicle following theft, riot, vandalism or malicious act or if accidentally lost. Submit claims details at **Your** own expense
- in the case of loss, destruction or damage caused by riot, civil commotion, strikes, labour disturbances or malicious persons **You** must notify **Us** **within seven days**
- give all such information and assistance as **We** may request.

**Contracts (Rights of Third Parties) Act 1999** - No one who is not named as the **insured** shall have any right under the act

**Data Protection Act 1998**- Any information **You** provide to **Us** will be processed by **Us** 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.

**Death** - In the event of **Your** death **We** will indemnify **Your** personal representatives.

**Fraudulent Claims and Dishonest Acts** - If **You**, or anyone acting on **Your** behalf, make a fraudulent or fraudulently exaggerated claim or otherwise seek dishonestly to deceive **Us** during the course of any claim, **We** will terminate the policy. And not pay **Your** claim and

**Insurance Premium Tax** - The premium will be subject to insurance premium tax at the prevailing rate.

**Law applicable**- English law applies.

**Other insurance** - if there is any other insurance in force which covers the same loss, destruction, damage or legal liability, **Our** liability will be limited to its rateable proportion.

### **Reasonable care-**

- take all reasonable precautions to prevent a claim,
- keep the **premises, buildings** and other maintainable property in a satisfactory state of repair,
- comply with all relevant statutory requirements and other regulations
- as soon as possible after discovery, cause any defect or danger to be made good or remedied,
- exercise due care in the selection and supervision of **employees**.

**Reinstatement of sum insured-** cover is automatically reinstated following a loss provided **You** pay an appropriate premium and implement immediately any recommendations made by **Us** to prevent further loss.

**Rights-** **We** will be entitled to enter any building where 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.

**Sanctions-** **We** shall not pay any claim to the extent that this would expose **Us** to any sanction prohibition.

**Security-** **You** must put all security devices into full and effective operation whenever the **premises** are closed for **business** or left unattended, remove all keys, keep all security devices in efficient working order and kept clear of obstruction. Security devices shall not be withdrawn, altered or varied without **Our** prior consent

**Subjectivity-** The Cover may be subject to **You** carrying something out or to a survey or providing some information, **We** may subsequently change **Our** terms and conditions.

**Subrogation-** **We** are entitled to recover in **Your** name **Our** outlay from third parties.

**Underinsurance-** if **Your** sums insured are inadequate **You** are deemed to be **Your** own insurer for the difference and have to pay **Your** proportion of any loss.

### General Policy Exclusions

- Radio Contamination & Explosive Nuclear Assemblies
- Biological or Chemical materials
- War Invasion act of foreign enemy, hostilities
- Terrorism
- Pressure waves
- Confiscation, nationalisation
- Electronic Data
- Pollution or Contamination
- Application of Heat
- Over running, pressure, self heating
- Theft by **Your** Household
- Ceased to trade, unfurnished
- Disappearance
- riot, civil commotion and strikers, locked out workers or persons taking part in labour disturbances or malicious persons in Northern Ireland
- Mould, Mildew etc
- Asbestos
- Misuse of the Internet and extra-net
- Electronic cyber liabilities
- Sanctions

### Section 1 - Property Damage

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

#### Additional covers:

- Architects' and surveyors' fees
- Buildings theft of fixed materials up to £5,000.
- Capital additions up to 10% or £500,000 whichever is the lesser
- Collusion Where Insured peril 5 (*Theft Etc*) is operative
- Contents of Common parts up to £25,000
- Contracting purchaser, in respect of Buildings sold but not completed
- Debris removal costs
- Debris removal costs of tenants contents up to £25,000
- Designation, as per **Your** books
- Exhibitions up to £10,000
- Extensions, are insured under most appropriate item in schedule
- External CCTV equipment and security lighting up to £5,000
- Extinguishment expenses
- Foundations, excluded more than 8cm below lowest storey unless within 60cm of structural support
- Incompatibility of computer records up to £50,000
- Interested parties, anything unknown to **You** or tenant which increases risk shall not prejudice **Your** interest
- Involuntary betterment up to 10% or £50,000, whichever is the lesser amount
- Loss of Keys up to £5,000
- Landscapes up to £50,000
- Loss Minimisation and Prevention Expenditure up to £25,000
- Metered supply charges up to £25,000
- Non-invalidation, anything unknown to **You** or beyond **Your** control which increases risk shall not invalidate the policy
- Other interests, to be notified to **Us** in the event of a claim
- Public authorities costs

- Service pipes or cables
- Subrogation waiver to Parent or Subsidiary
- Temporary removal
- Temporary repairs
- Theft damage to the premises where peril 5 of Section 1 is covered
- Trace and access following Insured Perils 12 or 14 of Section 1 up to £15,000
- Unoccupied buildings, **You** must tell **Us** if any part of the Insured Building becomes unoccupied and when occupied again
- Workmen, allowed onto premises without prejudice to cover

### Special Extensions

- alternative accommodation up to 10%
- Unauthorised use of electricity gas or water up to £25,000

### Main exclusions

- loss to any outbuilding or property stored therein other than by Insured Perils 1 to 4 of Section 1 (Fire, Lightning, Explosion and Aircraft) unless of the same construction and secured in the same manner.
- loss to any property stored in any basement cellar or room 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.
- loss or damage caused by theft or attempted theft occurring outside **business hours** to any till or cash register unless its drawer has been left in an open position.
- loss or damage to property covered by any marine policy
- loss or damage to electrical plant or apparatus caused by self ignition.
- loss or damage caused by or consisting of Electronic Data Loss other than to electronic data storage medium specified in the Schedule as a result of an Insured Peril.
- consequential loss of any kind or description (other than loss of rent when such loss is included in the insurance by this section).
- the relevant **Excess** as stated in the schedule.

### Main Condition

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

### Security

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

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

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

## Section 2 - Rent

This section affords protection against loss of Gross Rent receivable during the indemnity period shown in the schedule following loss or damage by any of the perils selected by **You** under the Property Damage section.

The sum insured should be based on an estimate of **Your** annual Gross Rent receivable. Remember to make allowances for anticipated growth, inflationary factors and the period necessary to reinstate **Your** business fully. If **You** need help on how to establish the correct sum insured please consult **Your** professional insurance adviser.

If the sum insured is inadequate at the time of loss the amount paid will be proportionately reduced.

### Additional cover:

Alternative trading	Payments on account
Capital additions	Professional accountants
Contageous Diseases	Rent review
Contracting purchaser	Tenants' additional expenditure
Denial of Access	Utilities
Managing Agents fees	

## Section 3 - Employers' Liability

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

### Additional cover

- Compensation for court attendance any director or partner £500 employee £250
- Corporate Manslaughter not exceeding £2,000,000
- Cross liabilities
- Health and Safety at Work etc. Act 1974 up to £250,000
- Indemnity to other persons

### Main exclusions

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

## Sections 4 - Property Owners Liability

Legal liability for accidental injury to the public or damage to their property arising out of the ownership of the Insured Building or land.

### Additional cover

- Compensation for court attendance any director or partner £500 employee £250
- Corporate Manslaughter
- Cross liabilities
- Defective premises Act 1972
- Indemnity to other persons
- Indemnity to managing agents
- Leased, hired and rented premises

### Main exclusions

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

**Note:** special conditions apply in respect of the burning of waste or other materials.

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## Information

### Law applicable to the contract

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

### Premiums

Premiums are payable annually. Insurance premium tax, as imposed by current legislation, is incorporated into all premiums. Any fees are shown in the Policy Schedule.

### Notification of a claim

General Condition 6. (Claims) of **Your** policy 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.

Individual **Insurer** Claims procedures are shown in appendix 1 to the rear of the Policy document.

### Complaints

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

Individual **Insurer** Complaints procedures are shown in appendix 2 to the rear of the Policy document.

