

# POLICY TERMS & CONDITIONS



**DISCOUNT**   
insurance

**COMMERCIAL PROPERTY OWNERS  
INSURANCE**

# Discount Insurance

## Introduction

Thank you for choosing **Discount Insurance**. This is **your** Commercial Property Owners Insurance Policy Wording, setting out **your** insurance protection in detail.

**Your** premium has been based upon the information shown in the policy certificate and recorded in **your** statement of fact.

This insurance offers a comprehensive cover, as well as extended options - please refer to **your** insurance certificate and statement of fact for **your** cover level.

If you have any questions, please contact **Discount Insurance** on 020 8847 8000 or free phone 0800 294 4522

It is most important that **you** tell **us** of any material change in **your** circumstances which may affect this insurance cover. Material facts can have an effect on what **you** are covered for and how much **you** pay. If **you** are not sure whether something is important, please tell **us** anyway, since a failure to disclose a material fact relevant to this insurance, could result in **your** cover being invalid.

**We** recommend that **you** keep a copy or a record of all information **you** give to **us**.

This insurance has been arranged and administered by Home and Travel Limited, trading as **Discount Insurance** and is underwritten by Ageas Insurance Limited.

Home and Travel Limited is authorised and regulated by the Financial Conduct Authority. This can be checked on the FCA website at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting them on 0800 111 6768.

**Discount Insurance** adhere to the Codes of Practice of the Association of British Insurers (ABI) and the Financial Ombudsman Service, and are covered by the Financial Services Compensation Scheme (FSCS). Full details are available at [www.fscs.org.uk](http://www.fscs.org.uk). **Your** personal details and information provided are also covered by the Data Protection Act.

This policy is a contract between **you** and **us** and is based on the information **you** have given on **your** proposal and any other information **you** have supplied.

**We** have agreed to insure **you** under the conditions and exclusions in this policy and any endorsements.

**We** will indemnify **you** by payment, repair or reinstatement for any liability, loss, **damage**, accident or injury that happens during the **period of insurance** for which **you** have paid or agreed to pay the premium.

# General information

## Important

This policy is a legal contract and it is important that **you** read it carefully to make sure that it meets **your** requirements. If it does not, or if **your** insurance requirements change, please let **your** insurance adviser know immediately.

**We** would remind **you** that **you must** tell **us** immediately of any facts or changes which might affect **our** assessment or acceptance of this insurance. If **you** do not disclose all relevant facts **you** may invalidate **your** policy or **your** policy may not operate fully.

**You** should read this policy together with **your** current certificate and statement of fact which give precise details of the cover.

## Contents

• Introduction	1
• General information	2
• Definitions	7
• General conditions	9
• Claims conditions	13
• General exclusions	14
• Section 1 - Property damage	15
• Section 2 - Business interruption	26
• Section 3 - Property owners' liability	37
• Section 4 - Employers' liability	45
• Section 5 - Eviction of squatters legal costs	49
• Endorsements, special clauses and policy exclusions	52

## If you need to make a claim

### All sections other than section 5 - Eviction of squatters legal costs

It is important that **you** comply with the claim procedures contained in the policy wording and the policy conditions. Failure to do so may prejudice **your** position or delay the handling of **your** claim. **We** would refer **you** also to the claims conditions of the policy set out on page 13.

In the event of a loss, theft or malicious act, **you** must report the **incident** to the police within 24 hours of the **incident** and obtain the crime reference number.

To make a claim, **you** should first contact **Discount Insurance** on 0208 847 8007.

When **you** contact **Discount Insurance** about a claim **you** will need to tell them:

- **your** name and address;
- the place where the loss or **damage** occurred;
- what caused the loss or **damage**.

### Section 5 - Eviction of squatters legal costs

Claims are handled on **our** behalf by MSL Legal Expenses Limited (MSL) and in the event of an **incident** that may result in a claim they should be contacted as shown below. Reference to **we, us** or **our** in this section in relation to the control and handling of any claim **you** make under this section may refer to either **us** or MSL acting on **our** behalf.

**We** would refer **you** also to the special conditions of the section set out on pages 49-50.

No.1 Lakeside Cheadle Royal Business Park Cheadle Cheshire SK8 3GW

Telephone: 01245 396312 quoting reference Squatters

In all communications with **us** please quote **your** policy number.

## Our Complaints Procedure

We are committed to treating our customers fairly. However, we realise that there may be times when things go wrong. If this happens, please use the most suitable contact from the following list.

If you have a complaint about your claim, please telephone us on the number shown in your claims documents. Alternatively you can write to us at the address shown below or email us through our website at [www.ageas.co.uk/complaints](http://www.ageas.co.uk/complaints).

Please tell us your name and your claim number or policy number and the reason for your complaint.

We may record phone calls.

Customer Service Advisor  
Ageas Insurance Limited  
Ageas House  
Hampshire Corporate Park  
Templars Way  
Eastleigh  
Hampshire  
SO53 3YA

If your complaint is about the way your policy was sold to you, please contact your insurance agent to report your complaint.

- Try to resolve your complaint by the end of the next working day. If we are unable to do this, we will write to you within five working days;
- Tell you the name of the person managing your complaint when we send our acknowledgment letter; and
- Aim to resolve your complaint within 20 working days. If this is not possible for any reason, we will write to let you know when we will contact you and provide you with our final response.

### **Financial Ombudsman Service**

You may be able to pass your complaint to the Financial Ombudsman Service if you are not satisfied with our final response, or if we have not issued our final response within 8 weeks from you first raising the complaint. The Financial Ombudsman Service is an independent organisation and will review your case.

Their address is:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR.

Phone: 0800 023 4567 if calling from a land line or 0300 123 9123 if calling from a mobile

You can visit the Financial Ombudsman Service website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The ombudsman's service is available to personal policyholders. Their service is also open to charities, trustees and small businesses with income or assets within defined limits. You can get more information from us or the ombudsman.

If you take any of the actions mentioned above, it will not affect your right to take legal action.

### **Prudential Regulation Authority & Financial Conduct Authority**

Ageas Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. You can check the Financial Conduct Authority website at [www.fca.org.uk](http://www.fca.org.uk), which include a register of all the firms they regulate. Or you can phone them on 0800 111 6768

### **Financial Services Compensation Scheme**

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations you may be entitled to compensation under the scheme. You can get more information from the Financial Services Compensation Scheme at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling 0800 678 1100 or 0207 741 4100.

## **Privacy Notice**

Please read this notice carefully as it contains important information about our use of your personal information.

In this notice, we and us and our mean Ageas Insurance Limited. Your personal information means any information we hold about you and any information you give us about anyone else. You should show this notice to anyone else insured or proposed to be insured under your policy as it will also apply to them. It explains how we use all the information we have about you and the other people insured under your policy.

Please note that if you give us false or inaccurate information this could give us the right to avoid your insurance policy or it could impact your ability to claim.

### **Sensitive information**

Some of the personal information that we ask you to provide is known as "sensitive personal data". This will include information relating to health issues, race, religion and any criminal convictions. We need to use sensitive personal data to provide you with quotes, arrange and manage your policy and to provide the services described in your policy documents (such as dealing with claims).

## **How we use your personal information**

We are part of the Ageas group of companies. We may share your personal information with other companies in the group for any of the purposes set out in this notice. If you want to know more about the Ageas group please go to [www.ageas.co.uk](http://www.ageas.co.uk).

We will use your personal information to arrange and manage your insurance policy, including handling underwriting and claims and issuing renewal documents and information to you or your insurance adviser. We will also use your personal information to assess your insurance application and provide information to credit reference agencies.

We may research, collect and use data about you from publically available sources including social media and networking sites. We may use this data for the purposes set out in this notice, including fraud detection and prevention.

We may have to share your personal information with other insurers, statutory bodies, regulatory authorities, our business partners or agents providing services on our behalf and other authorised bodies.

We will share your personal information with others:

- if we need to do this to manage your policy with us including settling claims;
- for underwriting purposes, such as assessing your application and arranging your policy;
- for management information purposes;
- to prevent or detect crime, including fraud (see below);
- if we are required or permitted to do this by law (for example, if we receive a legitimate request from the police or another authority); and/or
- if you have given us permission.

You can ask for further information about our use of your personal information. If you require such information, please write to the Data Protection Officer at the address set out below.

## **Preventing and detecting crime**

We may use your personal information to prevent crime. In order to prevent and detect crime we may:

- check your personal information against our own databases;
- share it with fraud prevention agencies. Your personal information will be checked with and recorded by a fraud prevention agency. Other companies within the financial services industry may also search such fraud prevention agencies when you make an application to them for financial products (including credit, savings, insurance, stockbroking or money transmission services). If such companies suspect fraud, we will share your relevant personal information with them. The information we share may be used by those companies when making decisions about you. You can find out which fraud prevention agencies are used by us by writing to our Data Protection Officer at the address set out below; and/or
- share it with operators of registers available to the insurance industry to check information and prevent fraud. These include the Claims and Underwriting Exchange Register administered by Insurance Database Services Ltd. We may pass information relating to your insurance policy and any incident (such as an accident, theft or loss) to the operators of these registers, their agents and suppliers.

## **Dealing with others on your behalf**

To help you manage your insurance policy, subject to answering security questions, we will deal with you or your husband, wife or partner or any other person whom we reasonably believe to be acting for you if they call us on your behalf in connection with your policy or a claim relating to your policy. For your protection only you can cancel your policy or change the contact address.

## **Marketing**

We may use your personal information and information about your use of our products and services to carry out research and analysis.

We will only use your personal information to market our products and services to you if you agree to this.

## **Monitoring and recording**

We may record or monitor calls for training purposes, to improve the quality of our service and to prevent and detect fraud. We may also use CCTV recording equipment in and around our premises.

**Further information**

You are entitled to receive a copy of any of your personal information we hold. If you would like to receive a copy, or if you would like further information on, or wish to complain about, the way that we use your personal information, please write to the Data Protection Officer at Ageas Insurance Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA giving your name, address and insurance policy number. We may charge you a small fee for this.

If we change the way that we use your personal information, we will write to you to let you know. If you do not agree to that change in use, you must let us know as soon as possible.

# Definitions

The following definitions apply in all sections of this policy unless otherwise stated. Each time one of the words below is used it will have the same meaning wherever it appears in the policy or certificate and/or statement of fact. To help identify these words they will appear in bold in the policy wording.

## Business

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The business stated in the certificate and/or statement of fact

## Damage

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Loss, destruction or damage insured by this policy

## Excess

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This is the first part of any claim that **you** will have to pay after the application of all other terms and conditions of the insurance including average (General condition 12).

## Employee

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Any person who is

- a) under a contract of service or apprenticeship with **you**;
- b) a labour master or supplied by a labour master;
- c) employed by labour only sub-contractors;
- d) self-employed and working for **you** and under **your** control;
- e) hired to or borrowed by **you**;
- f) supplied to **you** for the purposes of study, work or training experience;
- g) a prospective employee who is undergoing practical work experience whilst being assessed by **you** as to his or her suitability for employment;
- h) a voluntary helper while working under **your** supervision and control in connection with the **business**; or
- i) an outworker or homeworker employed under a contract to personally carry out any work in connection with the **business** while they are engaged in that work.

## Heating process

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Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.

## Money

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Coins, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, giro drafts, national giro payment orders, travellers cheques, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, national savings stamps, war bonds, premium savings bonds, franking machine impressions, credit company sales vouchers, luncheon vouchers, trading stamps, VAT invoices, travel vouchers, travel tickets, airline tickets, uncrossed dividend warrants, consumer redemption vouchers, gift tokens, certificates of deposit, phonecards, promisory notes, electronic money cards and credit cards.

## Period of insurance

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The period from the effective date shown in the certificate until midnight on the expiry date shown in the certificate. This includes any subsequent period for which **we** may accept payment for renewal of this policy.

## Pollution

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Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and all loss, **damage** or injury, directly or indirectly caused by such pollution or contamination.

## Premises

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The premises stated in the certificate and/or statement of fact.



## **Discount Insurance**

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Discount Insurance is a trading style of Home and Travel Limited, an independent insurance intermediary arranging this insurance. Home and Travel Limited act as administrators of **your** policy.

## **Unoccupied**

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Any building or part of any building that has not been lived in continuously or in use by **you** or any authorised person

## **We/Us/Our**

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Ageas Insurance Limited as insurers or Home and Travel Limited as arrangers and administrators of your policy as the context may require.

## **You/Your/Yourselves**

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The policyholder named in the certificate and/or statement of fact.

# General Conditions

## 1. Policy voidable

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This policy shall be voidable if there has been any misrepresentation, misdescription or non-disclosure of any material fact.

## 2. Observance

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It is a condition precedent to any liability that **you** comply with all the terms, conditions and endorsements of this policy and the truth of the statements and answers in the proposal except where it is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to compulsory insurance.

## 3. Non vitiation

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This policy will not be vitiated or avoided

- a) so far as the facility agent is concerned, as a result of any misrepresentation, act or neglect of failure to disclose on the part of any insured party or any circumstance beyond an insured party's control; and
- b) so far as any finance party is concerned, for failure to pay any premium due without **us** first giving to the facility agent at least 14 days' notice in writing.

## 4. Statutory requirements, maintenance and reasonable precautions

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**You** shall at **your** own expense

- a) take all reasonable precautions to prevent or reduce **damage**;
- b) cease any activity which may give rise to liability under this policy;
- c) maintain all **buildings**, furnishings, ways, works machinery, caravans and vehicles in sound condition;
- d) exercise care in the selection and supervision of **employees**;
- e) remedy any defect or danger as soon as possible after discovery and in the meantime take such additional precautions as the circumstances may require; and
- f) comply with all statutory requirements and other safety regulations imposed by any authority.

## 5. Unoccupied property

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It is a condition precedent to **our** liability that immediate notice be given to **us** when any **property** becomes **unoccupied** for more than 30 consecutive days and that **we** shall have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which shall be paid by **you** if required.

## 6. Security of unoccupied property

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It is a condition precedent to **our** liability that in respect of any property that becomes **unoccupied** for more than 30 consecutive days

- a) the gas, electricity (other than power required for an intruder or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down other than mains services which are needed to maintain any sprinkler installation in full working order and in these circumstances heating must be maintained in the property at a minimum temperature of 10 degrees centigrade.
- b) all devices for preventing access to the buildings are in full and effective operation at all times.
- c) the **premises** and yards are clear of all waste materials and redundant contents.
- d) all accessible windows and doors are securely boarded over.
- e) the letter box is permanently sealed shut or a non combustible receptacle is permanently fixed to the letter box.
- f) the **premises** are inspected at least once a week and a log kept by a responsible person to ensure that there is no deterioration in the fabric of the building and that compliance with conditions a) - e) continues.

## 7. Alteration

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This policy shall be avoided if

- a) any alteration after the commencement of this insurance increases the risk of injury, **damage** or liability; or
- b) **your** interest ceases except by will or operation of law unless **we** agree in writing to continue the policy.

## 8. Average

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Wherever a sum insured is stated to be subject to average, if at the time of any **damage** such sum insured on any item of the property insured is less than the total value of such property, **you** shall be considered as being **your** own insurer for the difference and shall bear a rateable share of the loss accordingly.

## 9. Cancellations

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### Your Cancellation Rights

- a. **You** policy may be cancelled by **you** within 14 days from inception of **your** policy (this is known as the "cooling off" period). If **you** elect to cancel within this period **you** should return all documents to **your** broker, intermediary or agent and **we** will pay a refund of premium for the full amount paid to **you**. If a claim has been made or an incident advised that could give rise to a claim during the "cooling off" period **your** policy will be treated by **us** as in force and no refund of premium will be made.
- b. Cancellations made after 14 days of the start date will be subject to a cancellation fee of up to £35. **We** will also retain a pro-rata premium for time on cover, unless a claim has been made (or an incident advised that could give rise to a claim) during the period of insurance when no refund of premium for the period of insurance will be made.
- c. Where **you** pay by instalments any amount of premium returned under this condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

Please note any administration fees charged for policy set up are non-refundable if cancelled after the 14 days cooling off period.

### Our Cancellation Rights

- a. **We** may cancel **your** policy (or any Section of it) at any time and in any period of insurance by giving a minimum of 14 days notice to **you** in writing at **your** last known address.
- b. **You** will be entitled to a proportionate refund of the total premium, based on the number of days remaining in the policy period, unless a claim has been made (or an incident advised that could give rise to a claim) during the period of insurance when no refund of premium will be made.
- c. Where **you** pay by instalments any amount of premium refunded under this condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

In relation to cancellation in any of the circumstances outlined above you shall immediately return to us any effective Employers Liability certificate(s) of insurance.

## 10. Index linking

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*(Applies only to section 1 – Property damage and section 2 - Business interruption)*

### Renewal

Where the certificate and/or statement of fact states that index linking applies, **we** will adjust the amounts insured to take into account movements in the appropriate index shown below.

#### *Building and tenants improvements items*

The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

#### *Other items*

The Producer Price Index for Home Sales of Manufactured Products issued by the Department for Trade and Industry.

### Claims

For claims settlement purposes (except under section 2 - **Business** interruption) the adjustments set out above will continue during the **period of insurance** and the period of repair, replacement or reinstatement as long as the work is carried out and completed without undue delay.

NOTE: If either of the above indices is not available **we** may select a suitable alternative.

## 11. Discharge of liability

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**We** may at any time pay the limit of indemnity or the sum insured (less any sum already paid) or any lower amount for which a claim can be settled. **We** shall be under no further liability except for the payment of costs and expenses incurred before the date of payment.

## 12. Excess

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**We** shall not be liable for the amount of the **excess** stated in the certificate and/or statement of fact in respect of each and every loss calculated after the application of all other terms and conditions of this policy.

## 13. Identification

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The policy, schedule, certificates, statement of fact and appendices shall be read together as one contract. Any word or expression to which a specific meaning has been given in any part of the policy, schedule certificates, statement of fact or sections shall have the same meaning wherever it appears unless **we** state otherwise.

## 14. Adjustment of premium

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If the premium has been calculated on estimates given by **you**, **you** must keep an accurate record of all relevant particulars which shall be available to **us** for inspection.

Within a reasonable time after the end of each **period of insurance**, **you** shall supply to **us** an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or returned to **you**.

If **you** do not supply such a statement within a reasonable time after the end of the **period of insurance**, **we** shall be entitled to charge an additional premium in respect of that **period of insurance**.

## 15. Instalments

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Where the premium under this policy is paid by instalments it is a condition precedent to **our** liability that each instalment shall be paid when due otherwise all benefit under the policy shall be forfeited and the policy shall be cancelled from the date when any unpaid instalment was due and **you** shall surrender forthwith to **us** any effective certificate(s) of insurance.

**Discount Insurance** reserves the right (which **we** may not use) to renew the policy each year and continue to collect premiums using this method. **We** may vary the terms of the policy (including the premium) at renewal. If **you** decide that **you** do not want **us** to renew the policy, as long as **you** tell **us** before the next renewal date, **we** will not renew it.

Our right to renew this policy does not affect **your** cancellation rights detailed in condition 9 on page 7 of this policy.

## 16. Contract (Rights of Third Parties) Act 1999

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The terms of this policy are only enforceable by the named insured. A person who is not a named insured has no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 17. Choice of law

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There is a choice of law which can apply to this policy but the pre-contractual offer by **us**, subsequent acceptance by **you** and the contract itself have been made on the basis of English law and this can only be amended with the express written agreement of both parties to the contract. The contract and terms of this policy will be in English.

## 18. Law interpretation

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The proper law for the interpretation of the construction and language of this policy is English law and the courts of England and Wales alone shall have jurisdiction for hearing and determining any litigation arising out of or in connection with any dispute regarding the interpretation of this policy.

## 19. Tax

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**You** will pay any tax due on the premium in accordance with current legislation.

## 20. Employers' Liability Tracing Office

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By entering into this insurance policy **you** will be deemed to specifically consent to the use of **your** insurance policy data in the following way and for the following purposes.

1. Certain information relating to **your** insurance policy including, without limitation,
  - a) the policy number(s);

- b) employers' names and addresses (including subsidiaries and any relevant changes of name);
  - c) dates of cover;
  - d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
  - e) Companies House reference numbers (if relevant)
- will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database (database).
2. This information will be made available by **us** to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.
  3. The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants)
    - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
    - b) to identify the relevant employers' liability insurance policies.
  4. The database will be managed by ELTO.
  5. The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

# Claims Conditions

## These claims conditions shall not apply to section 5 - Eviction of squatters legal costs.

1. If any claim is in any respect fraudulent or if **you** or anyone acting on **your** behalf use any fraudulent means to obtain any benefit under this policy or deliberately cause **damage** all benefit under this policy shall be forfeited.
2. On the discovery of any incident which may give rise to a claim under this policy **you** shall
  - a) notify **us** by telephone immediately and in writing as soon as practicable;
  - b) notify the police as soon as possible in respect of **damage** caused by malicious persons or thieves if insured by this policy;
  - c) take all reasonable steps to prevent further **damage** and to minimise any interruption of the **business**;
  - d) deliver to **us** at **your** expense within 30 days (7 days in the case of **damage** caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons if insured by this policy) after the incident or after expiry of the indemnity period or such further time as **we** may allow
    - i) full information in writing of the claim;
    - ii) details of any other insurance relating to the claim;
    - iii) any **business** books, documents, proofs, information and other evidence as **we** may reasonably require; and
    - iv) if required, a statutory declaration of the truth of the claim and of any matter connected with it.
3. **We** will not pay any claim under this policy unless **you** have complied with the terms of condition 2.
4. If **we** choose or are required to reinstate or replace any property, **you** shall at **your** own expense give **us** all such plans, documents, books and information as **we** may reasonably require.

**We** shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to pay out more than the sum insured on any item.

5. a) In the event of any **damage** for which a claim is or may be made under this policy, **we** and any person authorised by **us** may without incurring any liability or diminishing **our** right to rely upon any conditions of this policy enter, take or keep possession of the building or **premises** where the **damage** has happened and any property insured under this policy.

If **you** or anyone acting on **your** behalf does not comply with **our** requirements or hinders or obstructs **us** in doing any of the above then all benefit under this policy shall be forfeited. **You** shall not in any case be entitled to abandon any property to **us** whether **we** take possession of it or not.
- b) **You** or anyone acting on **your** behalf must not make any admission, offer, promise or payment without **our** written consent. **We** have the right to take over and conduct in **your** name the defence or settlement of any claim or to prosecute any claim in **your** name for **our** own benefit and **we** shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
- c) **You** shall give all such assistance as **we** may require.
6. Any claimant under this policy shall at **our** request and expense do and allow all such acts and things as **we** may reasonably require for the purpose of enforcing any rights and remedies **we** may have of obtaining recovery or indemnity from third parties, irrespective of whether **we** require this before or after **we** indemnify **you**.
7. **You** must send **us** unanswered every letter, claim, writ, summons and process in connection with the incident immediately on receipt. **You** shall also give **us** written notice immediately **you** know of any prosecution or inquest in connection with any occurrence which may give rise to a claim under this policy.
8. If at the time of any claim there is any other insurance covering **your** interest in the property **damaged** or the same legal liability, **our** liability under this policy shall be limited to its rateable proportion of such claim.

If the other insurance is subject to any condition of average this policy, if not already subject to any condition of average, shall be subject to average in the same way.

If any other insurance effected by **you** or on **your** behalf covers any of the property insured but is subject to any provision which excludes it from ranking concurrently with this policy either in whole or in part or from contributing rateably to the **damage**, **our** liability under this policy shall be limited to such proportion of the **damage** as the sum insured bears to the value of the property.

9. Not applicable to section 3 – Property owners’ liability and section 4 - Employers’ liability

If any difference as to the amount to be paid under this policy (liability being otherwise admitted) arises, it may be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is referred to arbitration the making of any award shall be a condition precedent to any right of action against **us**.

## General exclusions

This policy does not cover the following.

1. The failure of any computer system, whether or not **your** property, to be date or time compliant including failure of any correction, attempted correction, conversion, renovation, rewriting or replacement of any computer system relating to date or time compliance.
2. Any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever.
3. Any liability assumed by **you** under any express warranty, agreement or guarantee unless such liability would have attached to **you** irrespective of such express warranty or guarantee.
4. Death, disablement or **damage** to any property whatsoever, any loss or expense whatsoever resulting or arising therefrom, any **consequential loss** or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
  - a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or its nuclear components; or
  - c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

### NOTE

- 1) When related to section 4 – Employers’ liability paragraphs a) and b) shall only apply in respect of bodily injury to an **employee** when **you** under a contract or agreement have undertaken
  - i) to indemnify another party; or
  - ii) to assume the liability of another partyin respect of such bodily injury.
5. *Not applicable to section 3 – Property owners’ liability or section 4 – Employers’ liability*  
**Damage** directly or indirectly caused by or arising out of terrorism. This exclusion also excludes loss, **damage**, costs or expenses of whatsoever nature directly or indirectly caused by or arising out of any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.  
If **we** allege that by reason of this exclusion any loss, **damage** or expense is not indemnified by this insurance, the burden of proving to the contrary shall be upon **you**.
6. *Not applicable to section 3 – Property owners’ liability or section 4 - Employers’ liability.*  
Damage directly caused by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
7. *Not applicable to section 3 – Property owners’ liability or section 4 - Employers’ liability.*  
The following items unless specifically mentioned.
  - a) **Money**, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs, curiosities, rare books or works of art.
  - b) Goods held in trust or on commission, documents, manuscripts, **business** books, computer systems, records, explosives, video tapes or cassettes for sale or hire.
  - c) Property in transit.
  - d) Patterns, models, moulds, plans and designs.
8. **Damage** or **consequential loss** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of civil commotion.
9. Not applicable to section 3 – Property owners’ liability or section 4 - Employers’ liability  
Any liability caused by or arising out of **pollution**.
10. Not applicable to section 4 - Employers’ liability  
Any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in consequence to a loss.

# Section 1 - Property Damage

## Definitions

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The following words will have the same meaning wherever they appear in this section of the policy or in the certificate and/or statement of fact relating to this section. To help identify these words they will appear in bold in the section wording.

### Buildings

*Applies also to Section 2 - **Business** interruption)*

- a) Buildings (being built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the certificate and/or statement of fact).
- b) Landlords' fixtures and fittings (including fixed glass and fitted carpets) and tenants' improvements for which the landlord is responsible in on or around the buildings.
- c) Furnishings and other contents of common parts of the buildings including seasonal items introduced to shopping centres.
- d) Gangways, pedestrian malls and pedestrian access bridges.
- e) Small outside buildings, extensions, annexes, gangways.
- f) Walls, gates and fences, yards, car parks, roads, pathways and loading bays.
- g) **Services**.
- h) Roads, pavements, car parks and hardstanding.
- i) Landscaping excluding trees, shrubs, plants, turf and external ponds and lakes but including garden furniture, ornaments and statues.
- j) Patios, terraces, footpaths, swimming pools, tennis courts and drives.
- k) Landlords' contents up to a limit of £25,000 unless specifically insured on the certificate and/or statement of fact.

### Property insured

**Buildings**, landlords' contents, all other contents and other property at the **premises** (subject to any specific exclusions) all as defined below or more fully described in the certificate and/or statement of fact and all belonging to **you** or for which **you** are responsible but excluding

1. property which is more specifically insured.
2. unless specifically notified to and accepted by **us** as insured
  - a) land, piers, jetties, bridges, culverts or excavations; and
  - b) livestock, growing crops or trees unless they form part of all other property.

### Landlord's contents

Furniture, furnishings, building management systems, security equipment and other similar property or property for which **you** are responsible all whilst contained in or on the **buildings**.

### Services

Telephone, gas, electricity, water mains, drains and sewers, electrical instruments, meters, piping, cabling and the accessories thereto providing services to or from the **buildings** and for which **you** are responsible.

## Insuring clause

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**We** will at **our** option pay for, repair or reinstate any **property insured** that sustains **damage** at the **premises** directly caused by any of the covers listed below provided they are shown as applying in the certificate and/or statement of fact.

Our liability in any one **period of insurance** shall not exceed

1. the total sum insured;
2. in respect of any item its sum insured; or
3. any other stated limit of liability.



## Covers

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1. Fire, lightning and explosion but not **damage** caused by
  - i) earthquake, subterranean fire, riot, civil commotion.
  - ii) its undergoing any **heating process** or any process involving the application of heat.
  - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. Aircraft or other aerial devices or articles dropped from them but not **damage** caused by
  - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
  - ii) fire.
3. Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons but not **damage** arising from
  - i) confiscation, requisition or destruction by order of the government or any public authority.
  - ii) stopping work.
  - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
  - iv) theft or attempted theft directly caused by malicious persons to any building which is **unoccupied** for more than 30 consecutive days.
  - v) **damage** caused by tenants.
4. Earthquake or subterranean fire.
5. Storm but not **damage**
  - i) caused by lightning, frost, subsidence, ground heave or landslip.
  - ii) in respect of movable property in the open, fences and gates.
6. Flood but not **damage**
  - i) attributable solely to change in the water table level.
  - ii) caused by lightning, frost, subsidence, ground heave or landslip.
  - iii) in respect of movable property in the open, fences and gates.
7. Escape of water or oil from any tank apparatus or pipe but not **damage**
  - i) by water discharged or leaking from any automatic sprinkler installation.
  - ii) in respect of any building which is **unoccupied** for more than 30 consecutive days.
8. Accidental escape of water from any automatic sprinkler installation in the **premises** but not **damage** caused by
  - i) freezing whilst the building is **unoccupied** for more than 30 consecutive days.
  - ii) explosion, earthquake, subterranean fire or heat caused by fire.
9. Impact by any road or rail vehicle or animal.
10. Accidental **damage** but not
  - i) **damage** caused by
    - a) any of the covers specified above.
    - b) the causes expressly excluded from the covers specified above whether or not insured.
    - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials.
    - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this shall not include subsequent **damage** which itself results from a cause not otherwise excluded.
    - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
    - f) change in temperature, colour, flavour, texture or finish.
    - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services.
    - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them.
    - i) mechanical, electronic, electrical or computer breakdown or derangement of the particular

machine, apparatus or equipment in which such breakdown or derangement originates but this shall not exclude subsequent **damage** so long as it is not excluded above.

- j) **pollution** or contamination.
  - k) normal settlement or bedding down of new structures.
  - l) acts of fraud or dishonesty.
  - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
  - n) **damage** to a building or structure caused by its own collapse or cracking.
  - o) any process of production, packing, treatment, testing, commissioning, servicing or repair.
  - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- ii) **damage** to
- a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust.
  - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft.
  - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy.
  - d) glass.
  - e) any building or structure caused by its own collapse or cracking.
11. a) Glass breakage at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the certificate and/or statement of fact including the cost of boarding up and any lettering and artwork.
- b) **Damage** to
- i) the contents of display windows;
  - ii) windows and doorframes, vitrolite, marble, marmarile and similar materials, intruder alarm foils and other detection devices and circuits;
  - iii) electric light fittings; or
  - iv) neon and illuminated signs
- as a direct result of glass breakage as defined under paragraph 11. a) provided that **our** liability shall not exceed £2,500 in total.
12. Breakage of fixed sanitaryware but not breakage or **damage**
- i) in vehicles, vending machines or to stock in trade.
  - ii) in any building which is **unoccupied** for more than 30 consecutive days.
  - iii) in transit or while being fitted.
  - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion.
  - v) existing before the start of the **period of insurance**.
  - vi) of neon and illuminated signs and electric light fittings.
  - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft.
  - viii) of bulbs or tubes unless the signs or fittings are also **damaged**.
  - ix) caused by fire or explosion.
13. Theft or attempted theft but not **damage**
- i) which does not involve
  - a) entry to or exit from a building by forcible and violent means; or
  - b) actual or threatened assault or violence.
  - ii) from any part of the building not occupied by **you** for the purpose of the **business**.
  - iii) from the open or from any outbuilding not communicating with the main building unless otherwise specified.
  - iv) to property in transit.
  - v) to **money** and securities of any description.
14. Subsidence, ground heave or landslip of any part of the site on which the property stands but not **damage**

- i) to yards, carpark, roads, pavements, walls, gates and fences unless also affecting the structure of a building.
- ii) caused by
  - a) normal settlement or bedding down of new structures.
  - b) settlement or movement of made up ground.
  - c) coastal or river erosion.
  - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
- iii) which originated before the inception of this cover.
- iv) resulting from
  - a) demolition, construction, structural alteration or repair of any property; or
  - b) groundwork or excavation at the same **premises**.

### Special condition to cover 14

- a) **You** must notify **us** immediately **you** become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- b) **We** shall then have the right to vary the terms or cancel this cover.

### Excess

An **excess** applies to the covers under this section as shown in the certificate and/or statement of fact.

## Extensions of cover

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### 1. Additional metered water or gas charges

**We** will pay for costs incurred by **you** as a result of **damage** except those in respect of any loss which has not been discovered and remedial action taken within 30 days of occurrence of the **damage**.

**We** will not pay more than £25,000 any one claim.

### 2. Additional sprinkler costs

**We** will pay for the costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council (LPC) Rules solely as imposed upon **you** by **us** following **damage** to the **buildings** provided that at the time of **damage** the installation conformed

- a) to the 28th or 29th Edition Rules; or
- b) to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those rules.

### 3. Additions

The insurance extends to include alterations, additions and improvements to buildings anywhere in the United Kingdom to the extent that they are not insured elsewhere subject to the following.

- a) Cover under this extension in any one situation is limited to the value of the alterations, additions or improvements but not exceeding 10% of the sum insured on **buildings** or £2,000,000 whichever is the lesser.
- b) **You** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

### 4. Automatic reinstatement after a loss

Unless **we** advise **you** to the contrary, **our** liability shall not be reduced by the amount of any loss as long as

- a) **you** pay the appropriate additional premium for reinstatement of cover; and
- b) **you** carry out any reasonable recommendations **we** put forward to prevent further loss.

If the **damage** is by theft (if insured) automatic reinstatement shall apply once in each **period of insurance**.

## 5. Clearing of drains

**We** will pay for costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at **your premises** and in the immediate vicinity for which **you** are responsible in consequence of **damage**.

**We** will not pay more than the sum insured.

## 6. Contract works

**We** will pay for contract works to the extent to which **you** have contracted to arrange cover subject to a limit of £100,000 any one claim at any **premises** and excluding the first £250 or each and every loss. This insurance shall only apply in so far as the contract works are not otherwise insured.

## 7. Contracting purchaser's interest

If at the time of **damage**, **you** have contracted to sell **your** interest in any building insured and the purchase has not been but will be completed, the purchaser on completion shall be entitled to benefit under this policy without prejudice to the rights and liabilities of **you** or **us** from the date of the **damage** until completion as long as the purchaser has not otherwise insured the building against such **damage**.

## 8. Contractor's interest

Where **you** are required to effect insurance on the **buildings** in the joint names of **yourselves** and the contractor under the terms of a contract condition, then the interest of the contractor in the **buildings** as a joint insured is noted, subject to details of any single contract valued in excess of £100,000 having been advised to **us** before work commences and an additional premium being paid as appropriate.

## 9. Debris removal

**We** will pay for costs and expenses you necessarily incur with **our** consent for

- a) removing debris from,
- b) dismantling and/or demolishing,
- c) shoring or propping up of
- d) clearing, cleaning or repairing **services** to

those parts of the **property insured damaged** by any cover insured.

**We will not pay**

- i) more than the sum insured for each item.
- ii) for any costs or expenses
  - a) incurred in removing debris except from the site of property **damaged** and the area immediately adjacent to it;
  - b) arising from **pollution** or contamination of property not insured by this policy; or
  - c) in respect of **damage** which occurred before the granting of cover under this insurance.

## 10. Designation of property

For the purpose of determining the heading under which any property is insured, **we** agree to accept the designation under which such property has been entered in **your** books.

## 11. European Union and public authorities' requirements

**We** will pay for the additional cost of rebuilding or repair as may be incurred with **our** consent in complying with any regulations or requirements of the European Union, public authority or other statutory requirements first imposed upon **you** following the **damage**.

However, **we** shall not be liable in respect of any rate, tax, duty, development or other charge or assessment which may arise out of any capital appreciation as a result of complying with any of the requirements referred to in this extension.

## 12. Failure of third party insurances

(applicable to **buildings** and rent of the **buildings**).

**We** will pay for **damage to buildings** or loss of rent in accordance with the terms, conditions, exclusions, provisions and definitions of this policy at the **premises** defined below, but only to the extent that the lessee or freeholder is unable to recover such amount, equivalent to that which could be payable under this policy if the lessee or freeholder were the insured, as a result of

- a) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease; or
- b) the lessee or freeholder having failed to insure for an adequate amount whether the amount insured had been approved by **you** or not

but excluding any payments in respect of **damage** or loss of rent that **you** recover from any other party.

**We** will not pay more than £500,000 any one premises.

No amount will be recoverable

- i) due to the operation of any **excess** or deductible under any more specific insurance;
- ii) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within their policy as a result of **your** action;
- iii) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim; or
- iv) unless **you** carry out at least annually a check of all properties owned or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for such properties.

For the purpose of this clause, "premises" is defined as all **your** properties anywhere in the United Kingdom which are leased to or by **you** but not specifically insured or referred to elsewhere under this policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with **you**.

### Special conditions

- A. **We** will not pay for rent unless the building to which the rent relates is **damaged** so as to be rendered unfit for occupation and then only for such proportion of the rent payable as may be equivalent to the period necessary for reinstating the **damage** sustained but not exceeding 36 months.
- B. This clause will only take effect if **we** are the sole provider of **buildings** insurance in respect of **your** properties owned in connection with the **business** and where **you** have an obligation to arrange such insurance.

### 13. Fire extinguishing expenses

**We** will pay for the reasonable costs incurred by **you**

- a) for refilling fire-extinguishing appliances and replacing any used sprinkler heads solely in consequence of **damage**.
- b) in extinguishing operations in order to minimise loss.
- c) for **damage** to lawns, trees, shrubs and gardens caused by extinguishing operations.

### 14. Fire protection equipment

**You** shall take all reasonable measures to ensure that

- a) any sprinkler or alarm installation or other fire protection equipment, for which a reduced premium rate is allowed, is maintained in efficient working order;
- b) the routine tests prescribed by **us** are carried out and any defects revealed by such tests are promptly remedied; and
- c) our written consent is obtained to any proposed changes, repairs or alterations to any sprinkler or alarm installation.

### 15. Further investigation expenses

Where a building has suffered **damage** and in the opinion of a competent construction professional there is a reasonable possibility of other **damage** to portions of the same building which is not immediately apparent, **we** will pay for

- a) the reasonable costs incurred by **you** with **our** prior consent in establishing whether or not such **damage** has occurred.
- b) the reasonable costs incurred by **you** in establishing whether or not other buildings in the vicinity have suffered **damage** in the same **incident** but only if such buildings are subsequently found to have suffered such **damage** for which **we** are liable.

**We** will not pay more than £25,000 any one claim.

### 16. General interest clause

The interests of freeholders, lessees, mortgagees or debenture holders in the **property insured** by this policy are noted in the insurance provided by the policy subject to their names being disclosed to **us** by **you** in the event of any claim arising.

### 17. Index linking

Where indicated in the certificate and/or statement of fact, the sum insured will be adjusted during the **period of insurance** in accordance with fluctuations in suitable indices of cost.

In the event of loss, the sum insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the **period of insurance** but at each renewal the premium will be calculated on the revised sum insured.

## 18. Inflation provision (day one basis)

- a) Subject to the following special conditions, the basis upon which the claim will be settled for material **damage** will be the reinstatement of the property **damaged**.  
For this purpose "reinstatement" means
- the rebuilding or replacement of property lost or destroyed which, provided **our** liability is not increased, may be carried out in any manner suitable to **you** or on another site; or
  - the repair or restoration of property **damaged**
- in either case to a condition equal to but not better or more extensive than its condition when new.
- b) The premium has been calculated according to the declared value which **you** gave to **us**.  
"Declared value" means **your** assessment of the cost of reinstatement of the **property insured** arrived at in accordance with paragraph a i) at the level of costs applying at the inception of the **period of insurance**. **You** should ignore any inflationary factors which may operate subsequently. **You** should also make an allowance for
- the additional cost of reinstatement to comply with public authority requirements;
  - professional fees; and
  - debris removal costs.

### Special conditions

- You** will notify **us** of the declared value of the **property insured** for each item at the beginning of each **period of insurance**. In the absence of the declaration, the last amount declared by **you** will be taken as the declared value for the ensuing **period of insurance**.
- If at the time of **damage** the declared value of the property is less than the cost of reinstatement (as defined in paragraph b) above) at the inception of the **period of insurance**, then **our** liability for the **damage** shall not exceed that proportion of the amount of the **damage** which the declared value bears to the cost of reinstatement.
- Our liability for the reinstatement of property partly **damaged** shall not exceed the amount which would have been payable had such property been wholly destroyed.
- No payment beyond the amount which would have been payable in the absence of this clause shall be made
  - unless reinstatement commences and proceeds as quickly as possible;
  - until the cost of reinstatement shall have been actually incurred; or
  - if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- All the other terms and conditions of the policy shall apply
  - in respect of any claim payable under this clause unless they are varied.
  - where claims are payable as if this clause had not been incorporated except that the sum insured shall be limited to the percentage of the declared value stated in the certificate.

## 19. Landscaping

**We** will pay for costs and expenses incurred with **our** consent in making good landscaped gardens or grounds at the **premises damaged** by any cover insured but excluding

- the cost of movement of soil other than as necessary for surface preparation.
- the failure of trees, shrubs or turf to become established following replanting.
- the failure of seeds to germinate.

**We** shall not be liable for the first £1,000 or the amount of the **excess** stated in the certificate and/or statement of fact whichever is the greater in respect of each and every loss arising from **damage** caused by storm, flood or malicious persons (other than by fire or explosion) not acting on behalf of or in connection with any political organisation.

**We** will not pay more than £25,000 or 10% of the sum insured by the relevant item (whichever is the lesser) any one claim.

## 20. Loss minimisation and prevention expenditure

**We** will pay for costs and expenses, that **you** incur with **our** consent, for the sole purpose of avoiding or diminishing the amount of a loss following **damage** which, but for that expenditure, would have occurred.

**We** will not pay more than £25,000 any one claim.

## 21. Loss of market value

If

- a) **you** choose not to repair or rebuild, **we** will pay to **you** the reduction in market value of the **buildings** immediately following **damage** but not exceeding the amount that would have been payable had the **buildings** been repaired or rebuilt.
- b) as a result of **damage**, **you** are required to rebuild or reinstate the **buildings** in a manner different from that immediately before **damage** solely to comply with any regulations or requirements of the European Union, public authority or other statutory requirements (as shown under extension 13. and as a result there is reduction in market value, **we** agree to pay
  - i) the cost of repairing or reinstating the **buildings**; and
  - ii) a cash settlement representing the reduction in market valueso that the total payment made is no greater than the amount that would have been payable had the **buildings** been repaired or reinstated in an identical manner to their condition immediately before the **damage**.

The above are subject to the following.

- i) The total amount recoverable under any item of the policy shall not exceed its sum insured; and
- ii) all other terms and conditions of the policy shall apply as if they had been incorporated in this clause.

## 22. Mortgagees and lessors

Any increase in the risk of **damage** resulting from any act or neglect of any mortgagor, leaseholder, lessee or occupier of any **buildings** insured by this policy will not prejudice the interest of any mortgagee, freeholder or lessor provided that

- a) such increase in risk is without their prior knowledge or authority;
- b) **we** are notified immediately they become aware of such increase in risk; and
- c) **you** pay any additional premium required.

## 23. Non-invalidation

This insurance shall not be invalidated by any act, omission or alteration whereby the risk of **damage** is increased unknown to or beyond **your** control provided that immediately **you** become aware of it **you** tell **us** and pay any additional premium required.

## 24. Other interests

The interest of various lessees, freeholders, mortgagees or debenture holders in the **property insured** are noted at **your** request. **You** undertake to declare the names, nature and extent of such interests at the time of **damage**.

## 25. Privity of contract

**We** will pay for all such sums as **you** become legally liable to pay and will pay as indemnity to any tenant in respect of the repair or reinstatement of **premises** previously owned but which are no longer **your** property and where the current owner has failed to maintain adequate insurance cover, subject to the special conditions stated below.

### Special conditions

- a) The insurance by this clause will not contribute in respect of any more particular insurance effected by the new owner, tenants or sub-tenants.
- b) **You** will take all reasonable and appropriate steps to obtain release from **your** liabilities under the covenants to insure such property on its disposal.

## 26. Professional fees

The sum insured for each item on **buildings** and **landlord's contents** includes an amount for professional fees necessarily and reasonably incurred in the reinstatement of the **property insured** but not for preparing any claim.

## 27. Reinstatement to match

Where a building has suffered **damage**, **you** may replace, repair or restore the property with equivalent property which employs current technology and replacement, repair or restoration shall not for the purposes of this policy be regarded as being better or more extensive than when new.

This policy further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored, provided that **our** total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

When the **buildings** are **damaged** or destroyed in part only, **our** liability shall not exceed the sum representing the cost which **we** could have been called upon to pay for reinstatement if such property had been wholly destroyed.

### 28. Replacement locks

**We** will pay for the reasonable expenses necessarily incurred in replacing locks to the **buildings** or safes or strongrooms in them for which **you** are responsible consequent on

- a) the theft of keys; and
- b) reasonable evidence that the keys have been duplicated by an unauthorised person.

**We** will not pay more than £2,500 any one claim.

### 29. Residential property

In the event of any **damage** resulting in

- a) a residential building or residential portion of any building being uninhabitable; or
- b) access being prevented to such property

**we** will pay for rent receivable as defined in section 2 – **Business** interruption and the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident, including pets, who normally live in the building until the property is habitable or accessible.

**We** will not pay more than 25% of the sum insured applicable to the residential building or residential portion of the building concerned in the aggregate during any one **period of insurance**.

### 30. Subrogation waiver

In the event of a claim arising under this policy, **we** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation against

- a) any company standing in relation of parent (subsidiary to parent) to **you** as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**; or
- b) any company which is a subsidiary of a parent company of which **you** are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**.
- c) any tenant, lessee or managing agent in respect of **damage** applicable to the **premises** unless such **damage** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

### 31. Temporary removal

**We** will pay for **damage** to any landlords' fixtures and fittings or other property within the definition of **buildings** not otherwise insured whilst temporarily at other **premises** for cleaning, renovation or repair or other similar purposes and whilst in transit by road, rail or inland waterway.

**We** will not pay more than £25,000 for any one claim.

### 32. Trace and access

In the event of **damage** resulting from escape of water or oil as covered by this policy, **we** will pay for the costs necessarily and reasonably incurred in locating the source of such **damage**.

**We** will not pay more than £2,500 any one claim.

### 33. Tree removal

**We** will pay for costs and expenses incurred in removing fallen trees and branches from the **premises** resulting from any of the covers insured under this policy.

**We** will not pay more than £500 any one claim or £2,500 in the aggregate during any one **period of insurance**.

### 34. Value Added Tax (VAT)

The insurance by each item on **buildings** extends to include Value Added Tax paid by **you** which is not subsequently recoverable subject to the following.

- a) i) **Your** liability for such tax arises solely as a result of the reinstatement or repair of the **buildings** to which such item relates following **damage**.
  - ii) **We** have paid or agreed to pay for the **damage**.
  - iii) If payment made by **us** in respect of reinstatement or repair of such **damage** is less than the actual cost of reinstatement or repair, any payment under this provision resulting from the **damage** shall be reduced in like proportion.
  - iv) An allowance has been made in the sum insured for Value Added Tax where necessary, it being understood that **you** will still be entitled to indemnity if such allowance has inadvertently not been made.
- b) **Your** liability for such tax does not arise from the replacement **buildings** having greater floor



- area than or being better or more extensive than the destroyed or **damaged buildings**.
- c) Where an option to reinstate on another site is exercised, **we** will not pay more than the amount of tax that would have been payable had the **buildings** been rebuilt on their original site.
- d) **We** will not pay for amounts payable by **you** as penalties or interest for non-payment or late payment of tax.

For the purpose of paragraph c), rebuilding costs shall be exclusive of Value Added Tax.

Our liability may exceed the sum insured by an item or in the whole the total sum insured where such **excess** is solely in respect of Value Added Tax.

### 35. Workmen

Workmen may be employed for repairs and minor structural alterations in any of the **buildings** without prejudice to the insurance.

## Special provisions

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### 1. Rebuilding on another site

The **buildings** may be wholly or partially rebuilt upon another site and in any manner suitable to **your** requirements provided that it does not increase **our** liability.

### 2. Delays in rebuilding

**We** shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with any regulations or requirements of the European Union, public authority or other statutory requirements unless such delays are wholly outside **your** control.

### 3. Our option to rebuild

**We** may at **our** option rebuild or restore the **buildings** destroyed or portions **damaged** but without being bound to rebuild or restore the **property** exactly or completely and only as circumstances permit and in reasonably sufficient manner. **You** shall at **your** own expense produce and give to **us** all such plans, documents, books and information as **we** may reasonably require.

### 4. Condition of average (underinsurance)

The sum insured by each item of this section (other than those applying solely to fees, removal of debris or private dwelling houses) is declared to be separately subject to average.

If, at the time **damage** occurs, the total of the declared value by all **buildings** insured is less than the insurable amount then the amount otherwise payable shall be proportionately reduced.

- a) Declared value shall mean the base value shown in the certificate excluding any provision for inflation but if the loss is settled under the Inflation provision (Day 1) clause, the declared value shall be 130% of the base value.
- b) The insurable amount shall be the total of the Day one rebuilding value of all **buildings** insured.
- c) Day one rebuilding value shall mean the total cost of reinstating the **buildings** insured to a condition substantially the same as when new at the level of costs applying at the beginning of the **period of insurance** in which the **damage** occurred.

### 5. Seventy two hour provision

In respect of covers 5 - Storm, 6 - Flood, 7 - Escape of water or oil and 8 - Accidental escape of water from a sprinkler installation only, **damage** occurring continuously or intermittently during any period of seventy two hours shall be deemed to constitute one loss at each separate **premises** for the purpose of the application of the **excess**.

## Supplementary conditions

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### 1. Security requirements

The following security precautions apply in respect of **buildings** occupied by **you**, for which the security is the direct responsibility of **you** or **your** agents or in respect of any empty or disused **buildings** of which **we** have been notified.

- a) Any additional protection required by **us** shall be fitted in accordance with **our** requirements and, together with all other devices for the protection of the **property insured**, shall be kept

in good order and put into full and effective operation whenever the **premises** are closed for **business** or are left unattended.

- b) All keys, including duplicate keys, relative to the security of a portion of the **premises** or to any safe or strong room containing **property insured** shall be removed from that portion of the **premises** whenever they are closed for **business** or left unattended.

## 2. Reinstatement

Subject to the following special conditions, the basis upon which the amount payable in respect of **buildings** and landlords' contents is to be calculated shall be the reinstatement of the property lost, destroyed or **damaged**.

For this purpose "reinstatement" means

- a) the rebuilding or replacement of property lost or destroyed which, provided **our** liability is not increased, may be carried out
  - i) in any manner suitable to **your** requirements; or
  - ii) upon another site; or
- 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

- a) Our liability for the repair or restoration of property **damaged** in part only shall not exceed the amount which would have been payable had such property been wholly destroyed.
- b) No payment beyond the amount which would have been payable in the absence of this condition shall be made
  - i) unless reinstatement commences and proceeds without unreasonable delay;
  - ii) until the cost of reinstatement shall have been actually incurred; or
  - iii) if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- c) All other terms and conditions of the policy shall apply
  - i) in respect of any claim payable under the provisions of this condition; or
  - ii) where claims are payable as if this condition had not been incorporated.
- d) If, at the time of reinstatement, the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this condition exceeds its sum insured at the commencement of any **damage, our** liability shall not exceed that proportion of the amount of the **damage** which said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time.

Paragraph d) above does not apply to **buildings** and contents indicated in the certificate and/or statement of fact to be indexed linked.

## Section 2 - Business Interruption

### Definitions

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The following words will have the same meaning wherever they appear in this section of the policy or in the certificate and/or statement of fact relating to this section. To help identify these words they will appear in bold in the section wording.

#### **Note 1**

*To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of such tax.*

#### **Note 2**

*For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.*

### **Buildings**

See property damage section for definition.

### **Consequential loss**

Loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of **damage** to property used by **you** at the **premises** for the purpose of the **business**.

### **Incident**

**Damage** to property used by **you** at the **premises** for the purpose of the **business**.

### **Indemnity period**

The period beginning with the occurrence of the **incident** and ending not later than the maximum indemnity period thereafter during which the results of the **business** shall be affected in consequence of the incident.

### **Maximum indemnity period**

As stated in the certificate and/or statement of fact.

### **Rent receivable**

The **money** paid or payable to **you** for accommodation and services provided in course of the **business** at the **premises**.

### **Unoccupied**

Any building or part of any building that has not been lived in continuously or in use by **you** or any authorised person.

### **Insuring clause**

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If any building or other property used by **you** at the **premises** for the purpose of the **business** suffers **damage** by any of the covers specified in the certificate and/or statement of fact and there is a **consequential loss**, **we** will pay **you** in respect of each item in the certificate and/or statement of fact the amount of the loss provided that

1. at the time of the happening of the **damage** there is in force an insurance covering **your** interest in the property at the **premises** against such **damage** and that
  - a) payment has been made or liability admitted; or
  - b) payment would have been made or liability admitted but for the operation of a clause in such insurance excluding liability for losses below a specified amount.
2. our liability under this section shall not exceed
  - a) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the certificate at the time of the **damage**.
  - b) the sum insured remaining after deduction for any other **Consequential loss** occurring during the same **period of insurance** unless **we** have agreed to reinstate any such sum insured.

## Covers

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1. Fire, lightning and explosion but not **Consequential loss** caused by
  - i) earthquake, subterranean fire, riot, civil commotion.
  - ii) its undergoing any **heating process** or any process involving the application of heat.
  - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. Aircraft or other aerial devices or articles dropped from them but not **Consequential loss** caused by
  - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
  - ii) fire.
3. Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons but not **Consequential loss** arising from
  - i) confiscation, requisition or destruction by order of the government or any public authority.
  - ii) stopping work.
  - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
  - iv) theft or attempted theft directly caused by malicious persons to any building which is **unoccupied** for more than 30 consecutive days..
  - v) **damage** caused by tenants.
4. Earthquake or subterranean fire.
5. Storm but not **consequential loss**
  - i) caused by lightning, frost, subsidence, ground heave or landslip.
  - ii) in respect of movable property in the open, fences and gates.
6. Flood but not **consequential loss**
  - i) attributable solely to change in the water table level.
  - ii) caused by lightning, frost, subsidence, ground heave or landslip.
  - iii) in respect of movable property in the open, fences and gates.
7. Escape of water or oil from any tank apparatus or pipe but not **consequential loss**
  - i) caused by water discharged or leaking from any automatic sprinkler installation.
  - ii) in respect of any building which is **unoccupied** for more than 30 consecutive days.
8. Accidental escape of water from any automatic sprinkler installation in the **premises** but not **Consequential loss** caused by
  - i) freezing whilst the building is **unoccupied** for more than 30 consecutive days.
  - ii) explosion, earthquake, subterranean fire or heat caused by fire.
9. Impact by any road vehicle or animal.
10. Accidental **damage** but not
  - i) **Consequential loss** caused by
    - a) any of the covers specified above.
    - b) the causes expressly excluded from the covers specified above whether or not insured.
    - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials.
    - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this shall not include subsequent **damage** which itself results from a cause not otherwise excluded.
    - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
    - f) change in temperature, colour, flavour, texture or finish.
    - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.
    - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them.

- i) mechanical, electronic, electrical or computer breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this shall not exclude subsequent **consequential loss** arising from subsequent **damage** so long as it is not excluded above.
  - j) **pollution** or contamination.
  - k) normal settlement or bedding down of new structures.
  - l) acts of fraud or dishonesty.
  - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
  - n) **damage** to a building or structure caused by its own collapse or cracking.
  - o) any process of production, packing, treatment, testing, commissioning, servicing or repair.
  - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- ii) **Consequential loss** in respect of
- a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust.
  - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft.
  - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy.
  - d) glass.
11. a) Glass breakage at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the certificate and/or statement of fact including the cost of boarding up and any lettering and artwork.
- b) **Damage** to
- i) the contents of display windows;
  - ii) windows and doorframes, vitrolite, marble, marmere and similar materials, intruder alarm foils and other detection devices and circuits;
  - iii) electric light fittings; or
  - iv) neon and illuminated signs
- as a direct result of glass breakage as described under paragraph 11a) provided that **our** liability shall not exceed £2,500 in total.
12. Breakage of fixed sanitaryware but not breakage or **consequential loss**
- i) in vehicles, vending machines or to stock in trade.
  - ii) in any building which is empty or not in use unless specifically agreed by **us**.
  - iii) in transit or while being fitted.
  - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion.
  - v) existing before the start of the **period of insurance**.
  - vi) of neon and illuminated signs and electric light fittings.
  - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft.
  - viii) of bulbs or tubes unless the signs or fittings are also **damaged**.
  - ix) caused by fire or explosion.
13. Theft or attempted theft but not **Consequential loss**
- i) which does not involve
    - a) entry to or exit from a building by forcible and violent means; or
    - b) actual or threatened assault or violence.
  - ii) from any part of the building not occupied by **you** for the purpose of the **business**.
  - iii) from the open or from any outbuilding not communicating with the main building unless otherwise specified.
  - iv) to property in transit.
  - v) to **money** and securities of any description.

14. Subsidence, ground heave or landslip of any part of the site on which the property stands but not **consequential loss**
- i) to yards, car parks, roads, pavements, walls, gates and fences unless also affecting the structure of a building.
  - ii) caused by
    - a) normal settlement or bedding down of new structures.
    - b) settlement or movement of made up ground.
    - c) coastal or river erosion.
    - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
  - iii) which originated before the inception of this cover.
  - iv) resulting from
    - a) demolition, construction, structural alteration or repair of any property; or
    - b) groundwork or excavationat the same **premises**.

#### **Special condition applicable to cover 14**

- a) **You** must notify **us** immediately **you** become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- b) **We** shall then have the right to vary the terms or cancel this cover.

## **Extensions of Covers**

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### **1. Action of competent authorities**

**We** will pay for loss resulting from interruption or interference with the **business** in consequence of action by the police or other competent local, civil or military authority following a danger or disturbance in the vicinity of the **premises** whereby access shall be prevented provided always that there will be no liability under this extension for loss resulting from interruption of the **business** during the first 12 hours of the **indemnity period**.

**We** will not pay

- i) more than £1,000,000; or
  - ii) for more than 3 months **maximum indemnity period**
- under this extension.

### **2. Additions**

The insurance extends to include additional rent as a result of alterations, additions and improvements to buildings anywhere in the United Kingdom to the extent that they are not insured elsewhere subject to the following.

- a) Cover under this extension in any one situation is limited to the value of the anticipated amount of additional rent but not exceeding 10% of the sum insured on rent or £500,000 whichever is the lesser.
- b) **You** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

### **3. Alternative trading**

If during the **indemnity period** the **business** shall be conducted elsewhere than at the **premises**, the **money** paid or payable to **you** in respect of such other **premises** will be brought into account in arriving at the **rent receivable** during the **indemnity period**.

### **4. Buildings awaiting sale**

If, at the time of the **damage**, **you** have contracted to sell **your** interest in the **buildings** or have accepted an offer in writing to purchase **your** interest in the **buildings** subject to contract and the sale is cancelled or delayed solely in consequence of the **damage**, provided that **you** have made all reasonable efforts to complete the sale of the **buildings** as soon as practicable after the **damage**, **you** may opt for the amount payable by **us** to be as follows.

- a) Loss of rent, being the actual amount of the reduction in the **rent receivable** by **you** solely in consequence of the **damage**, during the period before the date upon which, but for the **damage**, the **buildings** would have been sold.
- b) Loss of interest during the period commencing with the date upon which, but for the **damage**,

the **buildings** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier. Loss of interest will be

- i) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the **business**;
  - ii) the investment interest lost to **you** on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) less any amount receivable in respect of rent.
- c) Additional expenditure, being
- i) the expenditure necessarily and reasonably incurred in consequence of the **damage** solely to avoid or minimise the loss payable under paragraphs a) or b) immediately above but not exceeding the amount of loss avoided by such expenditure; and
  - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the **damage** but not exceeding either an amount equivalent to the expenditure incurred immediately before the **damage** or £50,000 whichever is the lesser except
    - 1) the amount payable shall be adjusted to provide for any benefit derived by **you** from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by **you**.
    - 2) in the event of underinsurance the amount payable shall be adjusted in accordance with Special provision 4 below.

## 5. Contingency rent

Where there is provision in the lease agreed between the landlord and tenant of the **buildings** for an abatement of rent in the event of any loss as described below, or where the **rent receivable** by the landlord is reduced as a direct consequence of the turnover of the lessee's **business** being reduced by any such loss, the insurance by the item on rent is extended to include the following.

### A) Failure of utilities

Loss as insured caused by the failure of the supply of

- i) electricity at the terminal ends of the supply authority's service feeders at the **buildings**;
- ii) gas at the supply authority's meters at the **buildings**; or
- iii) water at the supply authority's main stop cock serving the **buildings**

by any accidental cause other than the deliberate act of any supply authority or by any such authority exercising its power to withhold or restrict supply or by drought.

### B) Notifiable disease, vermin, defective sanitary arrangements, murder and suicide

Loss as insured caused by

- i) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of
  - a) any occurrence of notifiable disease (as defined below) at the **buildings** or attributable to food or drink supplied from the **buildings**.
  - b) any discovery of an organism at the **buildings** likely to result in the occurrence of a notifiable disease (as defined below) at the **buildings**.
- ii) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority.
- iii) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority.
- iv) any occurrence of murder or suicide at the **buildings**.

#### Definition

Notifiable disease shall mean injury or illness sustained by any person resulting from

- a) food or drink poisoning; or
- b) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the competent public authority has stipulated shall be notified to them.

For the purpose of this clause the **indemnity period** shall commence

- a) in the case of paragraphs i) and iv) above with the occurrence or discovery of the incident.
- b) in the case of paragraphs ii) and iii) above with the date from which the restrictions on the **buildings** are applied.

- c) the **maximum indemnity period** any one claim is restricted to 3 months.

**We** shall not be liable under this clause for

- i) any costs incurred in the cleaning, repair, replacement recall or checking of **property**.
- ii) loss arising at **buildings** which are not directly subject to the occurrence or accident.
- iii) more than £250,000 any one occurrence.

## 6. Cost of reletting

**We** will pay for the costs necessarily and reasonably incurred with **our** consent during the **indemnity period** in reletting the **buildings** (including legal fees in connection with the reletting) solely in consequence of the incident.

## 7. Increased cost of working

The insurance under this item is limited to increased cost of working and the amount payable as indemnity will be the increased expenditure reasonably incurred by **you** during the **indemnity period** in order to minimise any interruption of or interference with the **business** in consequence of the incident.

**We** will not be liable for

- i) more than one third of the sum insured in respect of such additional expenditure arising in the first quarter of the **maximum indemnity period** following the date of the incident; or
- ii) more than an equal proportion of the balance of the sum insured per month in respect of the additional expenditure in the remainder of the **maximum indemnity period**.

## 8. Legionellosis

**We** will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of any outbreak of legionellosis at the **premises** causing restrictions on their use on the order or advice of the competent local authority subject to the following.

- a) **Premises** shall mean only those **premises** which are stated in the certificate and/or statement of fact to be insured and which are directly affected by the incident.
- b) **Indemnity period** shall mean the period during which the results of the **business** shall be affected in consequence of the occurrence or discovery, beginning with the date from which the restrictions on the **premises** are applied and ending not later than the **maximum indemnity period** thereafter.

**We** will not pay

- i) for any costs incurred in cleaning, repair, replacement or checking of **property** except those **costs and expenses** necessarily incurred with **our** consent in cleaning and decontamination of the air-conditioning or water supply equipment at the **premises**, the use of which has been restricted on the order or advice of the competent local authority;
- ii) more than £1,000,000 at any one situation; or
- iii) for more than 3 months' **maximum indemnity period** under this extension.

## 9. Loss of attraction (leased premises)

The insurance by the item on rent is extended to include loss as insured resulting solely from **damage** by any of the covers insured to **buildings** or other property at any location in the immediate vicinity of the **premises** in consequence of which the turnover of the lessee's **business** is affected and **rent receivable** by **you** is reduced.

**We** shall not pay under this clause more than 5% of the sum Insured or £250,000 whichever is the lesser any one occurrence.

## 10. Loss of investment income on late payment of rent

If, as a result of **damage**, **we** are paying indemnity in respect of loss of rent and the payment by **us** to **you** is made later than the date upon which **you** would normally have expected to receive the rent from a lessee, **we** will pay a further sum representing the investment interest lost to **you** during the delay period.

## 11. Managing agents' premises

The insurance by each item on rent is extended to include loss as insured resulting solely from **damage** by any of the covers insured to **buildings** or other property at any location in the United Kingdom owned or occupied by **your** managing agents for the purposes of their **business** in consequence of which **rent receivable** by **you** is reduced.



## 12. New business

For the purpose of any claim arising from an **incident** occurring before the completion of the first year's trading of the **business** at the **premises**, the term "standard rent receivable" shall be defined as follows.

### Standard rent receivable

The proportional equivalent for a period equal to the **indemnity period** of the **rent receivable** realised during the period between the commencement of the **business** and the date of the **incident**, to which such adjustments shall be made as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** whether before or after the **incident** or which would have affected the **business** had the **incident** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **incident** would have been obtained during the relative period after the **incident**.

## 13. Notifiable diseases, murder and suicide

**We** shall pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of

- a) i) any occurrence of a notifiable disease at the **premises** or attributable to food or drink supplied from the **premises**; or
- ii) any discovery of an organism at the **premises** likely to result in the occurrence of a notifiable disease.
- b) the discovery of vermin or pests at the **premises**.
- c) any accident causing defects in the drains or other sanitary arrangements at the **premises** which causes restrictions on the use of the **premises** on the order or advice of the competent local authority.
- d) any occurrence of murder or suicide at the **premises** subject to the following.

- a) Notifiable disease shall mean injury or illness sustained by any person resulting from
  - i) food or drink poisoning; or
  - ii) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the competent public authority has stipulated shall be notified to them.
- b) **Indemnity period** shall mean the period during which the results of the **business** shall be affected in consequence of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph d) above, with the date of the occurrence) and ending not later than the **maximum indemnity period** thereafter.
- c) **Premises** shall mean only those **premises** which are stated in the certificate and/or statement of fact to be insured and which are directly affected by the occurrence.

**We** will not pay for

- i) any costs incurred in the cleaning, repair, replacement, recall or checking of property.
- ii) any loss arising at **premises** not directly affected by the occurrence, discovery or accident.
- iii) more than £1,000,000 any one occurrence and in the aggregate during any one **period of insurance**; or
- iv) for more than 3 months' **maximum indemnity period**.

## 14. Payments on account

Payments on account will be made to **you** in respect of claims for loss of rent on the date upon which, but for the **damage**, the rent would have been due from the lessee.

## 15. Prevention of access

The insurance by each item on rent is extended to include loss as insured caused by prevention or hindrance of access to the **buildings** or prevention of use of the **buildings** in consequence of **damage** by any cover insured to property in the immediate vicinity of the **buildings**.

## 16. Professional accountants and legal fees clause

In respect of each item on rent if any of the **buildings** suffer **damage**, **we** will pay the reasonable charges payable by **you** and incurred with **our** consent to

- a) **your** professional accountants for producing such information as may be required by **us** under the terms of Claims condition 2 applicable to **property damage** insurance and for reporting that such information is in accordance with **your** accounts.
- b) **your** lawyers for determining **your** contractual rights under any rent cessor clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

#### 17. Utilities

**We** pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of any **damage** arising at any

- a) generating station or sub-station of the electricity supply undertaking;
- b) land based **premises** of the gas supply undertaking or of any natural gas producer linked directly with it;
- c) water works or pumping station of the water supply undertaking; or
- d) land based **premises** of the telecommunications undertaking

from which **you** obtain electricity, gas, water or telecommunications services, all in Great Britain or Northern Ireland.

#### 18. Rent free periods

If at the date of the **incident** the **premises** are subject to a rent free concession under the terms of the lease the **indemnity period** will be adjusted by adding the unexpired portion of the rent free period to the **maximum indemnity period**.

#### 19. Rent of residential property

In the event that **buildings** occupied solely or partly for residential purposes suffer **damage** and no sum insured on rent for the residential portions has been allocated, then this insurance extends to include loss of rent including the cost of reletting and any additional expenditure as detailed above.

For the purposes of the cover by this extension

- a) **indemnity period** shall mean the maximum period of three years from the date of the **damage** for which **we** shall be liable to pay any loss.
- b) Special provision 4 below is deleted.

This clause will also indemnify **you** in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

**We** will not pay under this provision more than 25% of the sum insured applicable to the residential building or residential portion of the building concerned.

#### 20. Subrogation waiver

In the event of a claim arising under this policy, **we** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation against

- a) any company standing in the relation of parent to subsidiary or subsidiary to parent to **you** as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the incident.
- b) any company which is a subsidiary of a parent company of which **you** are yourself a subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the incident.
- c) any tenant, lessee or managing agent in respect of **Consequential loss** applicable to the **premises** unless such **Consequential loss** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

#### 21. Unlawful occupation

Loss as insured by this section is extended to include loss resulting from interruption of or interference with the **business** in consequence of access to or use of the **premises** being hindered or prevented due to the premises or property in the vicinity of the **premises** or any rights of way being

- a) occupied by terrorists or persons thought to be terrorists;
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers; or
- c) thought to contain or actually containing a harmful device provided that the police are immediately informed.

**We** shall not be liable for

- i) loss arising from any cause within **your** control.
- ii) loss as a result of physical **damage** to **property**.
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear.

- iv) any **incident** involving prevention or hindrance of access to or use of the **premises** for less than 12 hours duration.
- v) more than £10,000 any one occurrence.

## Special provisions

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### 1. Renewal

Before each renewal, **you** shall provide **us** with the estimated **rent receivable** for the financial year most nearly concurrent with the ensuing year of insurance.

### 2. Service charges

Rent is deemed to include service charges unless otherwise stated in the certificate and/or statement of fact.

### 3. Savings

If any charge or expense payable out of rent shall cease or reduce during the **indemnity period** in consequence of the **damage**, the sum saved shall be deducted from the amount otherwise payable under this insurance before the application of Special provision 4 below.

### 4. Underinsurance (rent)

If, at the time **damage** occurs, the total sum insured on rent is less than the Day one rental value, **our** liability for any loss shall be limited to that proportion of the amount otherwise payable which the sum insured bears to the Day one rental value.

Day one rental value shall mean the actual annual rent at the commencement of the **period of insurance** or, if the **buildings** are untenanted at that date, the actual annual rent at which the **buildings** were subsequently let (or the estimated annual rent at which they are expected to be let) in all cases proportionately increased where the **indemnity period** exceeds twelve months.

### 5. Alternative accommodation - reduction of loss

If, in consequence of the **damage**, **you** shall use other **premises** to provide accommodation to tenants, the rent received from those **premises** during the **indemnity period** shall be taken into account in assessing the loss of rent.

## Appendix A – Rent receivable

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### Note 1

To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of such tax.

### Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

## Additional definitions

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### Annual rent receivable

The **rent receivable** during the twelve months immediately before the date of the incident.

### Standard rent receivable

The **rent receivable** during that period in the twelve months immediately before the date of the **incident** which corresponds with the **indemnity period**. **We** will adjust the figures as necessary to provide for trends or special circumstances affecting the **business** before or after the **incident** or which would have affected the **business** had the **incident** not occurred.

## Claims - basis of settlement

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The insurance by this item is limited to

- 1. loss of rent receivable;
- 2. cost of reletting;
- 3. additional expenditure; and

4. accelerated reinstatement expenditure and the amount payable as indemnity shall be
- a) in respect of loss of rent receivable, the amount by which the **rent receivable** during the **indemnity period** shall in consequence of the **incident** fall short of the **standard rent receivable**.
  - b) in respect of cost of reletting, the costs necessarily and reasonably incurred during the **indemnity period** in reletting the **buildings** (including legal fees in connection with the reletting) solely in consequence of the **damage**.
  - c) in respect of additional expenditure, the expenditure (other than that recoverable under cost of reletting) necessarily and reasonably incurred in consequence of the **damage** solely to avoid or minimise the loss of rent during the **indemnity period** but not exceeding the amount of the reduction avoided by such expenditure.
  - d) in respect of accelerated reinstatement expenditure, the further additional expenditure (other than that recoverable under cost of reletting or the additional expenditure) necessarily and reasonably incurred in consequence of the **damage** solely to avoid or minimise any loss of rent not recoverable by **you** under this or any other policy during the period of twelve months immediately after the expiry of the **indemnity period** but not exceeding the loss of rent thereby avoided during that period of twelve months by **you**.

less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **rent receivable** as may cease or be reduced in consequence of the incident.

However, if the sum insured by this item is less than the **annual rent receivable** (proportionately increased where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced.

Our liability shall in no case exceed

1. in respect of paragraph a), 200% of the estimated **rent receivable** stated in the certificate and/or statement of fact;
2. in respect of paragraphs b) – d), the sum insured stated in the certificate for any one item; or
3. in respect of paragraphs a) – d) in the aggregate, 200% of the estimated **rent receivable** stated in the certificate.

## Memorandum

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### 1. Return of premium

If the **rent receivable** earned (proportionately increased where the **maximum indemnity period** exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any **period of insurance** as certified by **your** auditors is less than the sum insured, **we** will make a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such **period of insurance**. If any **incident** shall have occurred giving rise to a claim under this section the return of premium shall be made in respect only of so much of the difference as is not due to the incident.

## Appendix B – Loss of Book Debts

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### Note 1

To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of such tax.

### Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

## Additional Definitions

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### Book debts

The financial amounts due to **you** but not yet paid in respect of goods or services supplied by **you** to customers on a credit or hire purchase basis and for which they have accepted delivery.

### Outstanding debit balances

Where there are monthly declarations, the total declared under the last statement adjusted for

- a) bad debts;
  - b) amounts debited (or invoiced but not debited) and credited to customer accounts in the period between the date to which the statement applied and the date of **damage**; and
  - c) any abnormal trade condition which had or could have a material effect on the **business**
- OR

A reasonable estimate of the total outstanding debits at the date of the **damage** after adjustment for bad debts and as agreed between **you** and **us** provided that this estimate does not exceed 75% of the sum insured as set out in the certificate.

**We** will not pay more than £25,000 any one claim unless otherwise stated in the certificate and/or statement of fact.

## Claims - basis of settlement

---

The insurance by this item is limited to the loss not exceeding the sum insured sustained by **you** in respect of

1. loss of book debts; and
2. additional expenditure

and the amount payable as indemnity shall be

- a) in respect of loss of **book debts**, the amount of total **outstanding debit balances** less the total of amounts of **outstanding debit balances** traced or received.
- b) in respect of additional expenditure, the amount necessarily and reasonably incurred solely in consequence of

the **incident** in order to trace and establish the amount of customer debit balances, but the amount payable under this heading shall not exceed the additional amount that would have been payable under paragraph 1. above for loss of **book debts** if no such increase in additional expenditure had been incurred.

## Memoranda

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### 1. Professional accountants

**We** will pay professional accountants charges **you** reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions, provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the sum insured.

### 2. Declaration

Within 30 days of the end of each calendar month, **you** will advise **us** in writing of the total amount of **outstanding debit balances** as shown in **your** accounts. If **you** do not advise **us**, **we** shall take the maximum sum insured as the total amount declared.

At the end of each **period of insurance** the actual premium shall be calculated on the average amount insured i.e. the total of the amounts declared divided by the number of declarations. If the actual premium is greater than the first or annual premium paid, **you** shall pay **us** the difference. If it is less, **we** will refund the difference to **you** but only up to one half of the first or annual premium paid.

### 3. Automatic reinstatement

**We** will not reduce the sum insured by the amount of any loss as long as **you** pay the extra premium on the amount of the loss from the date it occurred to the date of the expiry of the **period of insurance**.

## Special condition

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It is a condition precedent to **our** liability that **your** books of account and other **business** books or records in which **you** record customer accounts are kept in fire resisting safes or cabinets when not in use.

## Section 3 - Property Owner's Liability

### Definitions

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The following words will have the same meaning wherever they appear in this section of the policy or in the certificate and/or statement of fact relating to this section. To help identify these words they will appear in **bold** in the section wording.

#### Business

The business carried on in the **United Kingdom** including the following activities

- a) use, repair, maintenance and decoration of **premises** owned or occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services;
- d) participation in exhibitions held in the **United Kingdom** in connection with the **business** specified in the certificate; and
- e) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** prior consent.

#### Costs and expenses

- a) Claimants costs and expenses arising in respect of any claim against **you** which may be the subject of indemnity under this policy.
- b) All cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of indemnity under this policy.

#### Bodily injury

Death, injury, illness, disease or nervous shock.

#### Property

Property which is both material and tangible.

#### Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

#### United Kingdom

England, Scotland, Wales, Northern Ireland (being the United Kingdom) the Channel Islands and the Isle of Man.

#### You/your

- a) The policyholder named in the certificate and/or statement of fact.
- b) Any associated or subsidiary company of the insured provided it has been notified to **us**.
- c) At your request
  - i) any director or **employee** while they are acting on behalf of or in course of their employment or engagement with you in respect of liability for which you would have been entitled to indemnity under this policy if the claim against any such person had been made against you.
  - ii) any officer, member or **employee** of your social, sports or welfare organisation or fire, first aid or ambulance service in their respective capacity as such.
  - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent.
  - iv) any principal for legal liability in respect of which you would have been entitled to indemnity under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement.
  - v) your personal representatives (in the event of your death) in respect of liability incurred by you, provided that if indemnity is extended to any party described in paragraphs a) to c) above, that party shall be subject to the terms of this policy so far as they can apply and in any event **our** liability shall not exceed the limit of indemnity.

## Insuring Clause

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We will indemnify **you** under this section of the policy against

1. all sums which **you** shall become legally liable to pay as damages; and
2. **costs and expenses**

in the event of

- a) accidental **bodily injury** to any person other than any **employee**;
  - b) accidental loss of or **damage to property**;
  - c) accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water; or
  - d) wrongful arrest of false imprisonment
- occurring during the **period of insurance** and arising out of **your business** in the **United Kingdom**.

## Limit of Indemnity

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1. Our liability in respect of all claims arising out of one original cause shall not exceed the limit of indemnity detailed in the certificate irrespective of the number of claims or claimants.
2. **Costs and expenses** are payable in addition to the limit of indemnity detailed in the certificate.

## Extensions of Cover

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These extensions are subject to all other terms of this policy so far as they can apply unless otherwise stated.

### 1. Additional benefit

We will pay costs incurred with **our** consent for

- a) representation at any coroner's inquest or fatal injury inquiry in respect of any death; or
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this section.

### 2. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this policy, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner      £250 per day
- b) Any **employee**                      £100 per day

We will not pay more than £2,500 in the aggregate during any one **period of insurance**.

### 3. Consumer Protection Act and Food Safety Act

We will provide indemnity to **you** and any of **your** directors, partners or **employees** up to the limit of indemnity in respect of

- a) costs of prosecution awarded against **you** and any of **your** directors, partners or **employees**; and
- b) legal fees and expenses incurred with **our** consent

in the defence of and arising from criminal proceedings brought or in an appeal against conviction in respect of breach of Part II of the Consumer Protection Act 1987 or of Part II of the Food Safety Act 1990 as long as the proceedings relate to an offence committed or alleged to have been committed during the **period of insurance** and in the course of the **business**.

The indemnity will not apply

- i) to fines or penalties of any kind;
- ii) where indemnity is provided by any other insurance; or
- iii) in respect of proceedings consequent upon any deliberate act or omission.

#### 4. Contingent liability (non-owned vehicles)

**We** will indemnify **you** in respect of legal liability for **bodily injury** and loss of or **damage to property** arising out of the use of any motor vehicle, which is not **your property** or leased or hired to **you** and is not provided by **you**, being used in connection with the **business**.

This indemnity does not apply in respect of

- i) loss of or **damage** to such vehicle;
- ii) **bodily injury** or **damage to property** while such vehicle is being driven by **you**;
- iii) liability arising from circumstances in which it is compulsory for you to insure or provide security in respect of such vehicle as a requirement of relevant Road Traffic Act legislation; or
- iv) a vehicle being used outside the **United Kingdom**.

For the purposes of this extension the definition of "**you**" is restricted to paragraphs a) and b) only.

#### 5. Contractual liability

Notwithstanding General exclusion 3, **we** will indemnify **you** under this extension against liability in respect of **bodily injury** or **damage to property** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires, provided that

- a) the liability arises out of the performance by **you** of such contract or agreement;
- b) the conduct and control of claims is vested in **us**;
- c) nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

For the purpose of this extension, "principal" means the other party to a contract or agreement for whom **you** are undertaking work or services or providing products, where such party is responsible for setting out the terms of the contract or agreement.

#### 6. Corporate manslaughter

**We** will pay for legal **costs and expenses** incurred with **our** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the **period of insurance** in the course of the **business**.

The following conditions apply.

- a) Our liability under this extension shall not exceed £5,000,000 in any one **period of insurance** or the limit of indemnity stated in the certificate whichever is the lesser. This limit will form part of and not be in addition to the limit of indemnity stated in the certificate.
- b) This extension shall apply only to proceedings brought in the **United Kingdom** only.
- c) **We** must consent in writing to the appointment of any solicitor or Counsel who are to act for and on **your** behalf.
- d) **You** shall give **us** immediate notice of any summons or other process served upon **you** which may give rise to proceedings under this extension.
- e) In respect of any appeal, Counsel must have advised that there are strong prospects of such an appeal succeeding.
- f) **We** shall be not be liable
  - i) where **you** have committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge.
  - ii) in respect of fines or penalties of any kind.
  - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of
    - a) the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made under them;
    - b) the Food Safety Act 1990 or any regulations made under them; or
    - c) the Consumer Protection Act 1987 or any regulations made under them.
  - iv) where indemnity for defence costs is available from any other source, is provided by any other insurance or where, but for the existence of this extension, indemnity would have been provided by such other source or insurance.
- g) Where **we** have already indemnified **you** in respect of legal **costs or expenses** incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which



gave rise to the charge of or investigation connected with corporate manslaughter or corporate homicide under another section of the policy, the amount paid under that section will be taken into account in arriving at **our** liability payable under this extension.

## 7. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

## 8. Data Protection legislation

**We** will provide an indemnity to **you** and, at **your** request, any of **your** directors, partners or **employees** against legal liability to pay damages and **costs and expenses** for **damage** or distress as described in Section 13 of the Data Protection Act 1998.

However this extension shall not apply in respect of

- i) the payments of fines or penalties;
- ii) the costs of replacing, reinstating, rectifying or erasing any personal data;
- iii) liability arising from or caused by a deliberate act or omission of any person eligible for an indemnity by this extension if the result thereof could reasonably have been expected by **you** or any other person having regard to the nature and circumstances of such act or omission;
- iv) claims which arise out of circumstances notified to previous insurers and known to **you** at inception of this extension; or
- v) liability where indemnity is provided by any other insurance.

## 9. Defective premises

**We** will indemnify **you** against liability in respect of **bodily injury** or **damage to property** arising in respect of any **premises** disposed of by **you**. This indemnity does not apply to any costs or expenses incurred in repairing, replacing or making any refund in respect of any such **premises**.

## 10. Discharge of liability

**We** may at any time pay to **you** or on **your** behalf

- a) the maximum sum payable under this policy in respect of any one occurrence;
- b) the balance of the maximum sum should any payments have already been made in respect of claims arising out of the same occurrence; or
- c) the balance of the maximum sum payable in any one **period of insurance** if this is less than either of the amounts specified in paragraphs a) and b) by reason of any payments made in connection with any previous claims together with the amount of any **legal costs** incurred before the time of such payment

and **our** liability for any further payment whatsoever arising out of or in connection with such occurrences shall be fully discharged and at an end.

If the sum payable in respect of any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this policy, **you** shall pay

- a) the **excess**; and
- b) such proportion of the law costs payable to any claimants or incurred in the defence of any claim or claims in respect of such occurrence as such **excess** bears to the total sum payable in respect of such occurrences.

## 11. Environmental statutory clean up costs

**We** will pay for all sums including statutory debts that **you** are legally liable to pay in respect of remediation or clean up costs arising from environmental **damage** caused by **pollution** where such liability arises under an environmental Directive, Statute or Statutory Instrument.

The following conditions apply.

- a) Liability must arise from **pollution** caused by a sudden, identifiable, unintended and unexpected **incident** which takes place in its entirety at a specific time and place during the **period of insurance**. All **pollution** which arises out of one **incident** will be deemed to have occurred at the same time such **incident** takes place.
- b) Our liability will not exceed £1,000,000 for any one occurrence and in the aggregate in any one **period of insurance** and will be the maximum **we** will pay inclusive of all **costs and expenses**. This limit will form part of and not be in addition to the limit of liability stated in the certificate.
- c) **We** will not be liable
  - i) in respect of remediation or clean up costs for **damage to your land, premises,**

watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;

- ii) in respect of primary, complementary or compensatory remediation costs for **damage** to **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
- iii) in respect of removal of any risk of an adverse effect on human health on **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired tenanted or otherwise in **your** care, custody or control;
- iv) in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation commences;
- v) in respect of costs for prevention of imminent threat of environmental **damage** where such costs are incurred without there being **pollution** caused by a sudden, identifiable, unintended and unexpected incident.
- vi) in respect of costs for the reinstatement or reintroduction of flora or fauna; or
- vii) in respect of fines or penalties of any kind.

For the purposes of this extension the following definitions will apply.

#### **Clean up**

- a) Testing for or monitoring of **pollution**.
- b) Cleaning up, removing, containing, treating, detoxifying or neutralising **pollution**.

#### **Remediation**

Remedying the effects of **pollution**.

### **12. Indemnity to directors and employees**

In the event of any claim in respect of which **you** would be entitled to receive indemnity under this policy being brought or made against

- a) any of **your** directors or **employees**; or
- b) any officer, member or **employee** of **your** social, sports or welfare organisations, first aid, fire or ambulance services

**we** will indemnify them if **you** request it against any claim and any costs, charges and expenses subject to the following conditions.

- a) The person must not be entitled to indemnity under any other insurance.
- b) The person must observe, fulfil and be subject to the terms, limitations and conditions of this policy as though they were **you**.
- c) **We** shall not be liable under this extension unless **we** have the sole conduct and control of all claims.
- d) Our total liability under this extension to pay compensation shall not exceed the limit of indemnity.

### **13. Indemnity to principal**

In the event of any claim in respect of which **you** would be entitled to receive indemnity under this policy being brought or made against any public or local authority or other principal, **we** will indemnify them against such claim and its costs, charges and expenses provided always that **we** shall not be liable under this extension unless **we** have the sole conduct and control of all claims.

### **14. Leased premises**

**We** will indemnify **you** against liability for **damage** to **premises** or their fixtures or fittings which are leased to **you**. This indemnity does not apply in respect of liability for

- i) **damage** if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of such an agreement; or
- ii) the first £250 of such **damage**.

### **15. Legal costs**

In addition to the indemnity provided by this section, **we** will indemnify **you** in respect of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with **our** consent.

### **16. Legal expenses arising from Health and Safety legislation**

In the event of

- a) any act or omission or alleged act or omission leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work Act 1974 or similar legislation in the **United Kingdom**; or

- b) an **incident** which results in an enquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975

**we** will provide indemnity up to the limit of indemnity against legal fees and expenses incurred in representing **you** in such proceedings, including appeals against the results of such proceedings, as long as the proceedings relate to an act, omission, **incident** or alleged act, omission or **incident** which has been committed during the **period of insurance** within the **United Kingdom** and in the course of the **business**.

This indemnity will not apply

- i) in respect of fines or penalties of any kind;
- ii) to proceedings consequent upon any deliberate act or omission on **your** part;
- iii) where **you** have effected a legal expenses insurance policy; or
- iv) to persons other than **you** or any of **your** directors, partners, proprietors or **employees**.

## 17. Legionellosis

**We** will provide indemnity to **you**

- a) against legal liability for damages and **costs and expenses** in respect of **bodily injury** caused by legionellosis arising out of the **business** and for which
  - i) a claim first made in writing to **you** during the **period of insurance** or
  - ii) the first notification of any circumstance which
    - a) has caused or is alleged to have caused **bodily injury**; or
    - b) can be reasonably expected to give rise to a claim under this policy is made to **us** during or within thirty days after expiry of the **period of insurance**.
- b) in respect of
  - i) costs of legal representation
    - a) at any coroner's inquest or inquiry in respect of any death;
    - b) at proceedings in any court arising out of any alleged breach of statutory duty resulting in any **bodily injury** specified above; and
  - ii) all other **costs and expenses** in relation to any matter which may form the subject of indemnity under this extension incurred with **our** written consent.

Provided that the total amount payable by this extension does not exceed £1,000,000 in any one **period of insurance**.

## 18. Libel and slander

**We** will indemnify **you** in respect of legal liability to pay compensation and **costs and expenses** in respect of claims made against **you** during the **period of insurance** arising from any act of libel or slander committed or uttered in good faith by **you** during the **period of insurance** in the course of the **business**.

This extension is subject to the following.

- a) The indemnity granted by this extension shall apply solely to **your** in-house and trade publications; and
- b) our liability under this extension shall not exceed £250,000 in any one **period of insurance**.

## 19. Personal liability overseas

This policy applies to the personal liability of any of **your** directors or **employees** or any member of their family whilst accompanying them during temporary visits anywhere in the world in connection with **your business**.

This extension does not apply to

- i) legal liability arising directly or indirectly from
  - a) any agreement or contract unless liability would have existed otherwise;
  - b) the ownership or occupation of land or **buildings**;
  - c) the carrying on of any trade or profession; or
  - d) the ownership, possession or use of fire arms (other than sporting guns), mechanically propelled vehicles, craft designed to travel through air or space, hovercraft, watercraft or animals of a dangerous species.
- ii) **damage to property** owned or held in trust by any of **your** directors, **employees** or any members of their family.
- iii) liability more specifically insured under any other insurance.

- iv) legal liability for accidental death or personal injury to any of **your** directors, **employees** or members of their family.

This extension is subject to the following.

- a) Any person indemnified under this extension shall observe, fulfil and be subject to the terms, limitations and conditions of this policy as if they were **you**.
- b) **We** shall not be liable under this extension unless **we** have the sole conduct and control of all claims.
- c) Our total liability under this extension to pay compensation will not exceed the limit of liability.

## 20. Personal representatives

In the event of **your** death, the indemnity provided by this policy will apply to **your** personal representatives in respect of liability incurred by **you**, provided always that such personal representatives shall observe, fulfil and be subject to the terms, limitations and conditions of this policy as though they were **you**.

## 21. Terrorism

**We** will indemnify **you** in respect of legal liability to pay compensation and **costs and expenses** in respect of claims made against **you** during any one **period of insurance** arising directly or indirectly from terrorism up to an amount of £5,000,000 or the limit of indemnity as stated in the certificate whichever is the lower.

For the purpose of this extension 'terrorism' means any act

- a) involving serious violence against a person;
- b) involving serious **damage to property**;
- c) endangering a person's life other than that of the person committing the act;
- d) creating a serious risk to health and safety of the public or a section of the public; or
- e) designed seriously to interfere with or seriously to disrupt an electronic system

the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to influence any government de jure or de facto or to intimidate the public or a section of the public.

# Clauses

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## 1. Use of heat

It is a condition precedent to **our** liability under this section that the following precautions are complied with on each occasion that the use or application of heat as defined below takes place elsewhere than on **your** own **premises**.

- a) **Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.**
  - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
  - ii) At least 2 adequate and appropriate portable fire extinguishers in proper working order must be kept in the immediate area of the work and used immediately smoke or smouldering or flames are detected.
  - iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered.
  - iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
  - v) A person must be appointed by **you** to act as an observer to watch for signs of smoke or smouldering or flames.

Sub-paragraph v) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers.

- b) **Use of asphalt, bitumen, tar, pitch or lead heaters**

The heating must be carried out in the open in a vessel designed for the purpose and if carried out on a roof the vessel must be placed on a non-combustible heat insulating base.

## Exclusions

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We will not indemnify **you** under this section against liability

1. for **damage** to **property** belonging to **you** or in the custody or control of **you** or any **employee** other than
  - a) **property** including motor vehicles belonging to an **employee** or visitor;
  - b) any premises or their contents which are temporarily occupied by **you** for the purpose of carrying out work in or to such premises.
2. arising from the ownership, possession or use under the control of **you** or any **employee** of any mechanically propelled vehicle in circumstances where compulsory insurance or security is required under any Road Traffic Act legislation.
3. arising out of the ownership, possession or use by **you** or on **your** behalf of any aircraft or other aerial devices, hovercraft, **offshore** installation or watercraft (other than hand-propelled or wind-powered watercraft whilst on inland waterways).
4. arising from any products after they have ceased to be in **your** custody or control other than food or drink for consumption on **your premises**.
5. caused by or arising out of the deliberate, conscious or intentional disregard of **your** obligation to take all reasonable steps to prevent **bodily injury** or **damage** to **property**.
6. caused by or arising out of liquidated damages clauses, penalty clauses or performance warranties unless such liability would have attached in the absence of such clauses or warranties.
7. caused by or arising out of **pollution**.

But **we** will indemnify **you** against liability in respect of accidental **bodily injury** or accidental **damage** to **property** caused solely by **pollution** which results from a sudden, identifiable, unintended and unexpected **incident** and such **incident** takes place in its entirety at a specific and identified time and place during the **period of insurance** provided that

- a) all **pollution** which arises out of any one **incident** shall be deemed to have occurred at the time such **incident** takes place;
- b) nothing in these provisos shall increase **our** liability to pay damages, costs, fees and expenses in excess of the limit of indemnity in the certificate in the aggregate in respect of any one **period of insurance**.

# Section 4 - Employers' Liability

## Definitions

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The following words will have the same meaning wherever they appear in this section of the policy or in the certificate and/or statement of fact relating to this section. To help identify these words they will appear in bold in the section wording.

### Business

The business stated in the certificate and/or statement of fact and carried on in the **United Kingdom** including the following activities.

- a) Ownership, use, repair, maintenance and decoration of **premises** occupied by **you**.
- b) Repair or maintenance of vehicles or plant owned or used by **you**.
- c) The provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services.
- d) Private work undertaken for **you** by any **employee** or for any director or **employee** with **your** prior consent.

### Costs and expenses

- a) Claimants costs and expenses arising in respect of any claim against **you** which may be the subject of indemnity under this policy.
- b) All cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of indemnity under this section.

### Bodily injury

Death, injury, illness, disease or nervous shock.

### Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

### United Kingdom

England, Scotland, Wales, Northern Ireland (being the United Kingdom), the Channel Islands and the Isle of Man.

### You/your

- a) The policyholder named in the certificate and/or statement of fact.
- b) Any of your associated or subsidiary companies provided they have been notified to **us**.
- c) At your request
  - i) any director or **employee** while acting on behalf of or in course of their employment or engagement with you in respect of liability for which you would have been entitled to indemnity under this policy if the claim against any such person had been made against you.
  - ii) any officer, member or **employee** of your social, sports or welfare organisation or fire, first aid or ambulance service in their respective capacity as such.
  - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent.
  - iv) any principal for legal liability in respect of which you would have been entitled to indemnity under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement.
  - v) your personal representatives (in the event of your death) in respect of liability incurred by you provided that if indemnity is extended to any party described in paragraphs a) to c) above that party shall be subject to the terms of this policy so far as they can apply and in any event **our** liability shall not exceed the limit of indemnity.

## Insuring Clause

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We will indemnify **you** against

1. all sums which **you** shall become legally liable to pay as damages; and
2. **costs and expenses**

in the event of **bodily injury** sustained by any **employee** which arises out of and in the course of their employment by **you** in the **business** and which is caused

- a) in the **United Kingdom**.
- b) elsewhere in the world in respect of temporary manual visits by any **employee** provided that such **employee** is normally resident in the **United Kingdom**.

## Limit of Indemnity

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1. The amount specified in the certificate.

Our liability for all compensation payable to any claimant or any number of claimants in respect of or arising out of any one event or all events of the series consequent on or attributable to one source or original cause shall not exceed the limit of indemnity.

The limit of indemnity shall be the maximum amount payable including **costs and expenses**.

2. Notwithstanding anything contained in paragraph 1. above, **our** liability under this section for damages and **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 and arising out of terrorism shall not exceed £5 million.
3. Notwithstanding anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable in respect of any one claim arising out of any one event or events of a series consequent on or attributable to one source or original cause and arising out of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos shall not exceed £5 million.

## Employers' liability compulsory insurance

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The indemnity granted by this section is deemed to be in accordance with the provisions of any law enacted in the **United Kingdom** relating to compulsory insurance of liability to **employees**.

If, however, **we** pay any sum which would not have been paid but for the provisions of such law then **you** shall repay such sum to **us**.

## Extensions

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These extensions are subject to all other terms of this policy so far as they can apply unless otherwise stated.

### 1. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this policy, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner      £250 per day
- b) Any **employee**                      £100 per day

subject to a maximum aggregate limit in the **period of insurance** of £2,500.

### 2. Contractual liability

Notwithstanding General exclusion 3, **we** will indemnify **you** under this section against liability in respect of **bodily injury** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires provided that

- a) the liability arises out of the performance by **you** of such contract or agreement;
- b) the conduct and control of claims is vested in **us**;
- c) the indemnity granted shall apply only in respect of liability to any **employee**;
- d) nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

For the purpose of this extension, "principal" means the other party to a contract or agreement for whom **you** are undertaking work or services where such party is responsible for setting out the terms of the contract or agreement.

### 3. Corporate manslaughter

**We** will pay for legal **costs and expenses** incurred with **our** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the **period of insurance** in the course of the **business**.

The following conditions apply.

- a) Our liability under this extension shall not exceed £5,000,000 in any one **period of insurance** or the limit of indemnity stated in the certificate whichever is the lesser. This limit will form part of and not be in addition to the limit of indemnity stated in the certificate.
- b) This extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- c) **We** must consent in writing to the appointment of any solicitor or counsel who are to act for and on **your** behalf.
- d) **You** shall give **us** immediate notice of any summons or other process served upon **you** which may give rise to proceedings under this extension.
- e) In respect of any appeal, Counsel must have advised that there are strong prospects of such an appeal succeeding.
- f) **We** shall be not be liable
  - i) where **you** have committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge;
  - ii) in respect of fines or penalties of any kind;
  - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of
    - a. the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made under them;
    - b. the Food Safety Act 1990 or any regulations made under them; or
    - c. the Consumer Protection Act 1987 or any regulations made under them; or
  - iv) where indemnity for defence costs is available from any other source, is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance.
- g) Where **we** have already indemnified **you** in respect of legal **costs or expenses** incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of or investigation connected with corporate manslaughter or corporate homicide under another section of the policy, the amount paid under that section will be taken into account in arriving at **our** liability payable under this extension.

### 4. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

### 5. Indemnity to principal

In the event of any claim in respect of which **you** would be entitled to receive indemnity under this policy being brought or made against any public or local authority or other principal, **we** will indemnify them against such claim and its costs, charges and expenses provided always that **we** shall not be liable under this extension unless **we** have the sole conduct and control of all claims.



## 6. Injury to partner or proprietor

In respect of **bodily injury** to any partner or proprietor named in the certificate as the policyholder, **we** will deem them to fall within the definition of **employee** subject to the following conditions.

- a) **Bodily injury** arises out of and in the course of **your business**;
- b) **Bodily injury** is caused by another partner or **employee** working for **you** in connection with **your business**; and
- c) the partner or the proprietor has a valid right of action against the party responsible for **bodily injury**.

## 7. Legal expenses arising from Health and Safety legislation

In the event of

- a) any act or omission or alleged act or omission leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work Act 1974 or similar legislation in the **United Kingdom**; or
- b) an **incident** which results in an enquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975

**we** will provide indemnity up to the limit of indemnity against legal fees and expenses incurred in representing **you** in such proceedings, including appeals against the results of such proceedings, as long as the proceedings relate to an act, omission, **incident** or alleged act, omission or **incident** which has been committed during the **period of insurance** within the **United Kingdom** and in the course of the **business**.

This indemnity will not apply

- i) in respect of fines or penalties of any kind;
- ii) to proceedings consequent upon any deliberate act or omission on **your** part;
- iii) where **you** have effected a legal expenses insurance policy; or
- iv) to persons other than **you** or any of **your** directors, partners, proprietors or **employees**.

## 8. Solicitors' fees

**We** will pay solicitors' fees incurred with **our** consent for

- a) representation at any coroners' inquest or fatal injury inquiry in respect of any death; and
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this section.

## 9. Unsatisfied court judgements

In the event that

- a) a judgement for damages is obtained against any company or individual operating from **premises** within the **United Kingdom** by any **employee** in respect of **bodily injury** caused during any **period of insurance** arising out of and in the course of their employment by **you** in the **business** and
  - b) it remains unsatisfied in whole or in part six months after the date of such judgement
- we** will indemnify the **employee** or their personal representative up to the limit of indemnity for the amount of damages and awarded costs which remain unsatisfied as long as
- i) there is no appeal outstanding;
  - ii) any payment made by **us** shall only be in respect of **bodily injury** which would otherwise be within the scope of cover of this section of the policy;
  - iii) any payment made by **us** shall only be in respect of liability for which **you** would have been entitled to indemnity under this section of the policy if the judgement had been made against b); and
  - iv) **we** shall be entitled to take over and prosecute for **our** own benefit any claim against any other party and **you**, the **employee** or their personal representatives shall give all information and assistance required.

## Exclusions

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1. **We** will not indemnify **you** under this section against liability for **bodily injury** to an **employee** in circumstances where compulsory insurance or security is required by Road Traffic Act legislation.
2. **We** will not indemnify **you** under this section against liability arising **offshore**.

# Section 5 – Eviction of squatters legal costs

## Definitions

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The following additional definitions will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in bold in the wording of this section.

### Legal costs

All reasonable and necessary costs chargeable by the **nominated representative** on a standard basis.

Also the costs incurred by opponents in civil cases if **you** have been ordered to pay them or pay them with **our** agreement.

### Nominated representative

Lawyer, accountant or other suitably qualified person who has been appointed to act for **you** in accordance with the terms of this section.

### Territorial limits

The United Kingdom the Channel Islands or the Isle of Man.

## Insuring clause

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**We** will indemnify **you** against **legal costs** incurred to secure the eviction of squatters from any **premises** insured under section 1 of this policy and situated within the **territorial limits**, provided that

1. any claim is notified to **us** during the **period of insurance**;
2. any legal proceedings will be dealt with by a court or other body **we** agree to within the **territorial limits**; and
3. our liability under this section shall not exceed £25,000 in any one **period of insurance**.

## Exclusions

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This section does not cover the following.

1. Any **legal costs** incurred before the written acceptance of a claim by **us**.
2. Any claim resulting from the occupation of the **premises** by squatters before the inception of this policy.
3. Fines, penalties, compensation or damages which **you** are ordered to pay by a court or other authority order.
4. Any insured **incident** deliberately or intentionally solicited by **you**.
5. A dispute with **us** not otherwise dealt with under special condition 9. of this section.
6. An application for judicial review.
7. Any legal action **you** take which **we** have not agreed to or where **you** do anything that hinders **us** or the **nominated representative**.
8. Any claim if, either at the commencement of or during the course of a claim notified under this section, **you** are bankrupt, have filed a bankruptcy or winding up petition, have made an arrangement with creditors, have entered into a deed arrangement, are in liquidation, or part or all **your** affairs or **property** are in the care or control of a receiver or administrator.

## Special conditions

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1. It is a condition precedent to **our** liability to meet any claim that **you** shall
  - a) give **us** notice immediately **you** are aware or ought to have been aware that the **premises** have become occupied by squatters;

- b) give **us** as soon as possible all the information, documents and assistance **we** need to deal with any claim under this section; and
  - c) give **us your** reason if **you** wish to appeal against any decision given in legal proceedings, which must be done immediately and in any event before the deadline for lodging the appeal.
2. **You** shall take reasonable steps to keep any amount **we** have to pay to a minimum.
3. a) **We** must have accepted the claim in writing before **we** can deal with it.
- b) **We** will accept the claim when **we** are satisfied that
- i) **we** have all the information that **we** need; and
  - ii) it is reasonable for **you** to pursue **your** legal rights (taking into account a reasonable estimate of **your** total **legal costs**) and **you** will probably achieve a worthwhile result.
4. a) In the event of any legal proceedings or if there is a conflict of interest, **you** have the right to choose **your** own **nominated representative**. **You** must send **us** the name and address of such person before the commencement of any legal proceedings.
- b) Otherwise, **we** may use a lawyer or other suitably qualified person working for them to represent,
- pursue or defend **your** rights if the claim relates to an amount which is unlikely to exceed £3,000.
- In other situations or if **we** think that **you** need one to help to protect **your** rights, **we** will appoint a **nominated representative** to act on **your** behalf.
- c) **We** can take over and conduct and negotiate in **your** name any claim or legal proceedings at anytime.
  - d) The **nominated representative** must co-operate fully with **us** at all times.
  - e) **We** will have direct contact with the **nominated representative**.
  - f) **You** must co operate fully with **us** and the **nominated representative** and must keep **us** up to date with the progress of the claim.
  - g) **You** must give the **nominated representative** any instructions that **we** require.
5. If, following legal proceedings to which **we** have consented, **you** wish to appeal or defend an appeal, the grounds for such appeal should be submitted to **us** immediately or as soon as practicable, but in any event before the deadline for lodging the appeal. Before any **legal costs** towards the appeal are paid, **we** must agree that it is always more likely than not that the appeal will be successful.
6. a) If **we** ask, **you** must tell the **nominated representative** to have **legal costs** taxed, assessed or audited.
- b) **You** must take every step to recover **legal costs** that **we** have to pay and must pay **us** any **legal costs** that are recovered.
7. If a **nominated representative** refuses to continue acting for **you** or if **you** dismiss a **nominated representative**, the cover **we** provide will end at once, unless **we** agree to appoint another **nominated representative**.
8. If **you** settle a claim or withdraw **your** claim without **our** agreement or do not give suitable instructions to a **nominated representative**, the cover **we** provide will end at once and **we** will be entitled to re claim any **legal costs** paid.
9. If **you** and **we** both agree, arbitration can be used to settle any unresolved dispute about anything stated in this section or anything to do with the claim. If arbitration is used, **you** may still take that dispute to court or try to settle it in another way.
10. **We** may, at **our** discretion, require **you** to obtain an opinion from Counsel at **your** expense, as to the merits of a claim or proceedings. If Counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid for by **us**.
11. **We** will not pay any claim covered under any other policy or any claim that would have been covered by any other policy if this section did not exist.

## How to make a claim

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For the purposes of this section, claims are handled on **our** behalf by MSL Legal Expenses Limited (MSL) and in the event of an **incident** that may result in a claim they should be contacted. Reference to **we**, **us** or **our** in this section in relation to the control and handling of any claim **you** make under this section may refer to either **us** or MSL acting on **our** behalf.

Contact details of MSL Legal Expenses Limited are as follows.

**No.1 Lakeside Cheadle Royal Business Park Cheadle Cheshire SK8 3GW**

**Telephone: 01245 396312 quoting reference Squatters**

In all communications with **us** please quote **your** policy number.

## **Legal Advice Service**

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This service is provided exclusively by MSL Legal Expenses Limited (MSL) through its legal advice telephone helpline, which is available at any time of the day or night, every day of the year.

MSL will give **you** confidential legal advice over the phone on any commercial legal problem affecting the **business** under the laws of the member countries of the European Union, the Channel Islands, the Isle of Man, Switzerland and Norway.

**Legal Advice Service MSL Legal Expenses Ltd Telephone 01245 396202**

**Quoting reference Amlin**

MSL will not accept responsibility if the legal advice helpline fails for reasons outside its control.

In order to check and improve service standards, MSL may record **your** call.

# Endorsements, special clauses and policy exclusions

The following endorsements are operative where indicated on the certificate of this policy.

## 1 Alarm/Security Clause (1)

It is a condition precedent to **our** liability in respect of the peril of theft under this insurance, that:

- a. the burglar alarm system shall have been put into full and effective operation:
  - whenever the **premises** specified on the certificate is left unattended;
  - at night.
- b. the burglar alarm system shall have been maintained in good order throughout the currency of this insurance under a maintenance contract with a company which is a member of NSI National Security Inspectorate or SSAIB Security Systems & Alarms Inspection Board (formerly NACOSS National Approved Council of Security Systems).

## 2 Non Standard Construction Clause (2)

In consideration of the additional premium paid hereon, it is agreed that the **premises** specified on the certificate is not built of brick, stone or concrete and roofed with slate, tile or concrete.

## 3 Subsidence, Landslip or Heave Exclusion Clause (3)

This insurance excludes claims under Sections 1 and section 2 resulting from subsidence, landslip or heave.

## 4 Flood Exclusion Clause (4)

It is hereby agreed that Sections 1 and 2 of this insurance do not cover **damage** caused by or arising from:

- a. the escape of water from the normal confines of any natural or artificial watercourse, lake, reservoir, canal or dam;
- b. inundation from the sea; or
- c. flood resulting from storm, tempest or any other peril.

## 5 Thatch Clause (5)

It is **your** duty to ensure that:

- a. Chimney Warranty - All chimneys to solid fuel stoves, boilers and open fires are kept in a good state of repair and will be professionally cleaned once a year prior to winter use;
- b. Thatch burn Warranty - That old thatch be burnt more than 100 metres from the structure/**buildings**;
- c. Naked Flame Warranty - No naked flame or tools producing naked flames be present in the attic or loft space at any time;

If **you** fail to comply with the above duties this policy will become invalid in respect of **damage** caused by fire.

## 6 Fire, Lightning, Explosion, Earthquake and Aircraft Clause (6)

It is hereby noted and agreed that the **premises** insured hereunder are covered against **damage** directly caused by the perils of fire, lightning, explosion, earthquake and aircraft only.

## 7 Minimum Security Clause (7)

This insurance excludes claims for theft under Sections 1 and 2 unless the following are fitted and are used for the protection of the building specified on the certificate when the property is left unattended when occupants retire for the night:

- a. External doors: 5 Lever Mortice Deadlocks conforming to British Standard 3621 or if a composite or UPVC type then a multi locking point system;
- b. Patio Doors: In addition to a central locking device, key operating bolts to top and bottom opening sections or a multi locking point system;
- c. Windows: Key operated security locks to all ground floor windows, accessible sky lights and other accessible windows.

## 8 Monthly Payment Clause (8)

It is understood and agreed that this policy runs from month to month and that continuation of cover is dependent upon **your** paying the premium for each month's cover. **We** will normally only review **your** premiums once per annum.

**We** reserve the right to void or cancel policies where payments are not met. Please refer to **our** Cancellation Rights on page 7 for full details.

## 9 Co-insurance Clause (9)

Notwithstanding anything stated in the under noted section(s) of the policy, to the contrary, **you** shall be responsible for the first 10% of each and every claim subject to a minimum of £5,000, caused by the under noted peril(s):

Section	Perils Insured
1	Fire

Subject otherwise to the terms, exclusions and conditions of this policy.

## 10 Bed-sit Clause (10)

This policy is issued on the basis that **you** have registered and obtained local authority approval of facilities, in accordance with the Housing Act 2004\*\* and fire services approval, where required by the Fire and Rescue Service.

The policy will be invalid should this approval not have been obtained.

\*\*and any amended legislation.

## 11 Holiday Home Clause (11)

- The gas, electricity and water must be turned off at the mains and the water and heating system must be drained; or
- The holiday home shall be maintained at a temperature of not less than 55°F (13°C).

**We** will not be liable for any **damage** resulting from malicious persons, escape of water, theft and accidental **damage** to fixed glass and sanitary ware; occurring after the holiday home has been empty or **unoccupied** for 45 consecutive days or more or whilst it is occupied by squatters.

Subject otherwise to the terms, exclusions and conditions of this policy.

## 12 Co-insurance Clause (12)

Notwithstanding anything stated in the under noted section(s) of the policy, to the contrary, **you** shall be responsible for the first 25% of each and every claim subject to a minimum of £5,000, caused by the under noted peril(s):

Section	Perils Insured
1	Fire

Subject otherwise to the terms, exclusions and conditions of this policy.

## 13 Empty or Unoccupied Clause (13)

It is a condition of this insurance that if the **buildings** are vacant or disused, then photographs of the **premises** must be submitted within 14 days from inception or mid-term adjustment. The photographs should clearly show the structure of the **premises** and that they have been made secure and water-proof (photographs should show all angles of the exterior and the roof).

Failure to comply with this clause will result in the invalidation of a claim submitted thereafter.

## 14 Theft Limitation Clause (14)

It is understood and agreed that this insurance does not cover theft or attempted theft from the **premises**, other than as a result of violent and forcible entry.

## 15 Escape of Water Exclusion (15)

It is hereby noted and agreed that escape of water under Section 1 and Section 2 is excluded under this insurance policy.

## 16 Escape of Water Increased Excess (16)

Notwithstanding anything contained herein to the contrary, **we** shall not be liable for the first £1,000 for each and every claim as a result of escape of water from and/or the freezing of any fixed domestic water or heating installation.

## 17 Theft or Attempted Theft and Malicious Damage (17)

Notwithstanding anything contained herein to the contrary, **we** shall not be liable for the first £1,000 for each and every claim arising from theft or attempted theft, robbery and malicious **damage** to the **premises**, unless the **buildings** have minimum security, as described in endorsement 7, Minimum Security Clause.

## 18 Third Party, Fire and Theft Endorsements (18)

It is hereby noted and agreed that the **premises** insured hereunder are covered against the following perils only: Section 1 and Section 2: fire; explosion; lightning; earthquake; smoke; aircraft; theft; legal liability to others and legal liability for accidents to domestic **employees** only.

## 19 Third Party, Fire, Flood and Theft Endorsements (19)

It is hereby noted and agreed that the **premises** insured hereunder are covered against the following perils only: Section 1 and Section 2: fire; flood; explosion; lightning; earthquake; smoke; aircraft; theft; legal liability to others and legal liability for accidents to domestic **employees** only.

## 20 Contractors Exclusion Clause (20)

This insurance excludes any claims arising out of the activities of contractors.

## 21 Section 5 Eviction of Squatters Legal Costs Exclusion (21)

It is hereby noted and agreed that the whole of Section 5 is excluded under this insurance policy.

## 22 Increased Unoccupancy Period Clause 1 (22)

In consideration of the additional premium paid hereon, it is a condition precedent to **our** liability that immediate notice be given to **us** when any property becomes **unoccupied** for more than 60 consecutive days and that **we** shall have the right to impose additional terms, conditions and exclusions.

Failure to comply with any part of this section will invalidate a claim.

Normal terms and conditions of unoccupancy will still apply.

## 23 Increased Unoccupancy Period Clause 2 (23)

In consideration of the additional premium paid hereon, it is a condition precedent to **our** liability that immediate notice be given to **us** when any property becomes **unoccupied** for more than 90 consecutive days and that **we** shall have the right to impose additional terms, conditions and exclusions.

Failure to comply with any part of this section will invalidate a claim.

Normal terms and conditions of unoccupancy will still apply.

## 24 Tree care and maintenance condition (24)

It is a condition precedent to liability that **you** seek professional arboricultural advice and maintenance in respect of all trees located at the property insured at intervals of no longer than three years.

## 25 Frying equipment condition (25)

It is a condition precedent to liability that

1. any frying range together with the connecting flue pipe be securely fixed and well clear of or protected from contact with woodwork or other combustible materials.
2. the equipment is fitted with a thermostat which will prevent the temperature of oil or fat exceeding 205 degrees Celsius (401 degrees Fahrenheit).
3. all extraction hoods, canopies, filters and grease traps are cleaned at least once a week.
4. all extraction ducts are cleaned at least once every three months.
5. crackling oily and greasy waste and cloths are removed from the building at the close of each **business** day.
6. the following are kept near the frying equipment and maintained in efficient working order.
  - a) A fire blanket; and
  - b) A portable fire extinguisher either foam (9 litres), carbon dioxide (2kgs) or dry powder (4.5kgs).

## 26 Flat roof inspection condition (26)

It is a condition precedent to liability that the weather proofing of any flat roof is inspected annually by a qualified builder and that any defects are rectified immediately at **your** expense.

## 27 Electrical circuits condition (27)

It is a condition precedent to liability that all electrical circuits are tested at least every five years by qualified electrical engineers and that any defects identified are remedied in accordance with the regulations of the Institute of Electrical Engineers.

## 28 Waste and external storage of combustible goods condition (28)

It is a condition precedent to liability that

- a) all trade refuse is collected or swept up and bagged daily and removed from the buildings at least weekly and not allowed to accumulate therein.
- b) all oily greasy and dirty rags or wipes and impregnated waste are kept in lidded metal bins when not in use and outside of **business** hours.
- c) any combustible goods and waste (including idle pallets) stored in the open out of **business** hours is kept at least 7 metres away from the buildings.

## 29 Survey condition (29)

It is a condition precedent to liability that if **we** require a survey of the risk covered by this policy as a condition of providing cover but the survey has not been completed before the policy documents have been issued, **you** shall comply with any risk improvements required as a result of the survey within the agreed time limits specified by **us**. **We** reserve the right to cancel, suspend or alter terms applying to any part of this policy for which cover has been provided if, as a result of the survey, the risk or any part of it is in **our** opinion unacceptable to **us**.

### 30 Unoccupied Property Conditions & Mandatory Requirements (30)

#### Definition:

**Premises** or **buildings** on **premises** not in daily use for the purpose of continuing the **business** of the company or firm insured or for the purposes of winding up the **business** and the disposal of the assets.

Where property is already **unoccupied** at the Date of Appointment or where the property becomes **unoccupied** after the Date of Appointment the requirements must be carried out within 48 hours.

Failure to comply with the loss prevention measures will prejudice **your** cover. Please ensure that **your** Agents are aware of these mandatory requirements. In the event of any difficulties, please contact **your** broker or intermediary.

**Failure to comply with the mandatory requirements is likely to result in us declining a claim.**

### 31 Physical Security – Mandatory Requirement (31)

**You** are required to secure the **premises** against illegal entry. All external doors must be secured either by bolts on the inside of the door or by a 5 lever mortise deadlock or by a substantial closed shackle padlock.

It is a requirement that all locks are changed within 48 Hours of unoccupancy unless the property is leasehold.

All windows must be closed and fastened securely. Any broken windows must be replaced or boarded up immediately.

### 32 Boarding up Property – Mandatory Requirement (32)

**We** may require a property to be boarded up if it is **unoccupied** for a lengthy period. Boarding up may also be a specific requirement following a survey.

It is a requirement that any letterboxes are sealed shut if a property is **unoccupied** in excess of 6 months.

### 33 Housekeeping – Mandatory Requirement (33)

As soon as a property becomes **unoccupied**, all internal and external waste materials must be removed from the **premises**. This includes residual company books, records, trade waste, free newspapers, flammable liquids and the like.

### 34 Services – Mandatory Requirement (34)

- 1 Gas must be disconnected.
- 2 Water must be disconnected and all pipes, tanks, radiators and any other water apparatus drained down.
- 3 Electricity must be disconnected unless:
  - i) agents making regular checks of the **premises** or showing around potential purchasers require lighting. The lighting circuits should remain in use with all others disconnected.
  - ii) an Intruder Alarm or Fire Alarm is operational.

### 35 Sprinklers Installations – Mandatory Requirement (35)

If there is a sprinklers installed please advise **your** broker or intermediary immediately.

### 36 Property Inspection Visits – Mandatory Requirement (36)

The minimum requirement is one visit every 7 days incorporating the following procedures:

- 1 All visits must be logged, with a record kept of time and date of visit and the identity of the person who carried out the inspection.
- 2 Visits must involve a thorough internal and external examination of all **buildings** with any findings e.g. broken windows, evidence of intruders, **damage** to fencing etc, recorded, rectified and immediately notified to **your** broker or intermediary.

This period may be extended to 14 days depending on location and the sum insured. **Your** broker or intermediary will confirm the inspection timescales following notification. In areas which are prone to vandalism, **we** may insist on more regular visits. Companies chosen to provide inspection services must be reputable.

### 37 Static Site Security – Mandatory Requirement (37)

If static site security is required by **us**, this must be provided by a National Security Inspectorate (NSI) registered firm. A full listing of NSI registered firms and their locations can be found on the NSI website – [www.nsi.org.uk](http://www.nsi.org.uk).



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