

Residential Property Insurance Policy Document

Lansdown Insurance
Brokers

UNDERWRITTEN BY



Contents

Introduction	3
- How we use your data	3
Claims enquiries	4
Helpline services	5
Information services	6
General definitions	7
Insuring clause	8
General exclusions	9
General conditions	13
Claims conditions	18
Sections of the policy	
(See the schedule to see which are in force)	
Section 1 – Property damage	19
Section 2 – Equipment breakdown	33
Section 3 – Rental income	39
Section 4 – Terrorism	45
Section 5 – Liabilities	49
Section 6 – Legal expenses	58
General information	71
– Complaint handling procedures	71
– The Financial Services Compensation Scheme (FSCS)	71

Introduction

Thank you for choosing Ecclesiastical

We specialise in insurance for property owners and investors, charities, educational establishments, heritage properties, care establishments, churches and home insurance, alongside a range of other insurance and financial services products.

Policy information

The policy is divided into a number of sections. Your schedule will show which sections are in force and for how much you are insured.

Please read the policy and schedule carefully. If you have any queries or wish to change your cover, contact us immediately.

We will send you an updated schedule whenever the cover is changed and at each annual renewal date. The most recent schedule will provide the details of your current cover. Please retain this with your policy booklet, together with any special notices we send you about the policy.

Please also retain all other schedules so you may check what cover applied on any specific date should you need to do so.

If your needs change, please tell us.

How we use your data

Your privacy is important to us. We will process your personal data in accordance with data protection laws.

Ecclesiastical Insurance Office plc ("**we**", "**us**", "**our**") is the data controller in respect of any personal data which you provide to us or which we hold about you and any personal data which is processed in connection with the services we provide to you.

Where you provide us with personal data about a person other than yourself (such as a dependant or named person under a policy), you must inform them that you are providing their personal data to us and refer them to this notice.

To provide our insurance related services, we will collect and process your personal data such as your name, contact details, financial information and any information which is relevant to the insurance policy we

are providing. In order to provide your insurance policy or when making a claim, we may also need to collect or process 'special categories of personal data' such as information relating to your health or criminal convictions or information which is likely to reveal your religious beliefs.

We process your personal data for the purposes of offering and carrying out insurance related services to you or to an organisation or other persons which you represent. Your personal data is also used for business purposes such as fraud prevention, business management, systems development and carrying out statistical and strategic analysis.

Providing our services will involve sharing your personal data with, and obtaining information about you from, our group companies and third parties such as brokers, loss adjusters, credit reference agencies, fraud prevention agencies, our service providers and professional advisors, or business partners and our regulators.

In some circumstances we may transfer your personal data to countries outside of the European Economic Area. We will put appropriate safeguards in place to ensure that your personal data is protected.

Where we have your consent, we may market our services to you or provide your personal data to our related companies or business partners for marketing purposes. You can opt out of marketing communications at any time by clicking on the link at the bottom of any email or by contacting us.

Fraud Prevention

We need to carry out fraud and anti-money laundering checks, and this will involve sharing your personal data (such as your name, contact details and financial information) with credit reference and fraud prevention organisations such as the Claims and Underwriting Exchange, run by MIB. If you make a claim, we will share your personal data (to the extent necessary) with other companies including other insurers and anti-fraud organisations to prevent fraud. For the purposes of deciding whether to accept and pay a claim or any part of it, we may appoint loss adjusters or external investigation services to act on our behalf.

If false or inaccurate information is provided and fraud is identified, your personal data will be passed to fraud prevention agencies including the Insurance Fraud Register, run by the Insurance Fraud Bureau. Law enforcement agencies may access and use this information.

Please note that when carrying out any fraud prevention activities, we may need to process your special categories of data such as criminal offence information and share it with fraud prevention agencies.

Further Information

For further information on how your personal data is used and your rights in relation to your personal data please refer to our Privacy Policy at www.ecclesiastical.com/privacypolicy or contact our Data Protection Officer at Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW, United Kingdom or on **0345 6073274** or email compliance@ecclesiastical.com.

Claims enquiries

For new claims the services are available 24 hours a day, 7 days a week.

For enquiries about existing claims, the services are available from Monday to Friday 8am to 6pm.

For claims other than Legal expenses claims call:

0345 603 8381

For Legal expenses claims call:

ARAG Legal Expenses Insurance Company Limited

0345 268 9124

For all claims

The action to be taken by the policyholder in the event of any incident which may give rise to a claim is shown in the Claims conditions.

Helpline services

In the event of a problem, you can obtain help from any of the following helpline services. These are available 24 hours a day 365 days a year for all our policyholders.

Please make sure that you are able to give your policy number shown on your policy schedule.

Emergency glass replacement

0345 600 0148

If you suffer glass breakage you can call upon the services of our selected specialist provider who will effect a rapid repair.

If you are covered for glass breakage under this policy they will issue two separate invoices, an invoice for you to cover the amount of any policy excess and recoverable VAT and an invoice which is sent directly to us for the remaining costs.

If the glass is not insured you will be solely responsible for the entire cost of repairs.

The following are arranged by ARAG Legal Expenses Insurance Company Limited (ARAG).

You can contact ARAG's UK-based call centre 24 hours a day, seven days a week. However, they may need to arrange to call you back depending on the enquiry. To help them check and improve their service standards, ARAG may record all calls, except those to the counselling service. When phoning, please quote reference number TS5/6764925

ARAG will not accept responsibility if the Helpline services are unavailable for reasons they cannot control.

Business assistance

0345 268 9124

In the event of an unforeseen emergency affecting your premises which causes damage or potential danger ARAG will contact a suitable repairer or contractor and arrange assistance on your behalf.

You are responsible for paying contractors' fees, but if the damage is covered under your policy you will be able to submit a claim in the normal way.

Commercial legal advice

0345 268 9124

Advice can be provided on any commercial legal problem affecting the business, under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway. Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal advisor. However if this is not possible ARAG will arrange a call back at a time to suit you.

Advice on the laws of England and Wales can be provided 24 hours a day, 7 days a week, 365 days a year. Beyond this jurisdiction or for very specialist legal matters, ARAG will refer you to one of their specialist advisors.

Specialist advice is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are received outside these times, ARAG will call you back.

Tax advice (commercial)

0345 268 9124

Advice can be provided on any tax matters affecting the business, under UK law.

This service is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, ARAG will arrange to call you back.

Counselling

0345 266 9667

ARAG will provide you and your employees (including any members of their immediate family who permanently live with them) with a confidential counselling service over the phone, if they are aged 18 or over (or aged between 16 and 18 and in full-time employment). This includes, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by ARAG.

The counselling service helpline is open 24 hours a day, seven days a week.

Information services

The following are arranged by ARAG Legal Expenses Insurance Company Limited (ARAG).

Employment manual

The ARAG Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/.

If you'd like notifications of when updates are made to the Employment Manual, please email ARAG at employmentmanual@arag.co.uk quoting your reference number TS5/6764925.

ARAG businesslaw

ARAG Businesslaw contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help you with the day-to-day running of your business, as well as helping you to manage its exposure to legal risk.

ARAG Businesslaw's document builders can help you quickly create documents such as:

- HR policies
- T&C documentation
- Privacy statements
- Copyright and trademark licences
- Data protection policy
- Employee contracts
- Debt recovery letters.

In addition, ARAG Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow your business.

How do I get started?

1. Visit www.aragbusinesslaw.co.uk
2. Enter **DASBECC100** into the 'voucher code' text box and press Validate Voucher
3. Fill out your name and email address, create a password, and specify what type of business you have
4. Validate your email address by pressing the link in the confirmation email that you receive.

General definitions

Each time the following appear in bold italic type (or in capital letters in the schedule) they will take the meaning shown below unless specifically defined in a policy section

Asbestos

means asbestos asbestos fibres or any derivatives of asbestos including any product containing any asbestos asbestos fibres or any derivatives of asbestos

Business

means ***your*** activities as a property owner conducted solely from premises in the ***geographical limits***

Company/we/our/us

means Ecclesiastical Insurance Office plc

Condition precedent to liability

means a condition of this policy where non-compliance (provided that such non-compliance is material to the loss) shall mean the claim will not be paid and any payment on account of the claim already made by ***us*** shall be repaid to ***us***

Damage

means physical loss destruction or damage

Excess

means the first amount of each and every loss (after applying any adjustment for underinsurance) up to the amount set out in the schedule to this policy relevant to that loss

Geographical limits

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

Insured/you/your

means the Insured shown in the schedule

Period of insurance

means the period of insurance shown in the schedule

Premises

means that part of the buildings and grounds at the addresses shown in the schedule owned by ***you*** in connection with the ***business***

Unoccupied

means vacant untenanted unfurnished or no longer in active use for a period exceeding 30 consecutive days

Vermin

means any wild animals birds and insects (whether they have protected status or not) that are known to cause ***damage*** or carry disease

Insuring clause

This policy document and the schedule including all clauses applied to the policy shall together form the policy and be considered as one document

In consideration of payment of the premium **we** will provide insurance against loss destruction damage injury or liability (as described in and subject to the terms conditions limits and exclusions of this policy or any section of this policy) occurring or arising in connection with ***your business*** during the ***period of insurance*** or any subsequent period for which **we** agree to accept a renewal premium

General exclusions

This policy does not cover the following

1 Excess

Any **excess**

2 Other insurances

Property more specifically insured under another policy

3 Radioactive contamination

Loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- (a) ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- (d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter
Part (d) does not extend to radioactive isotopes other than nuclear fuel or nuclear waste when such isotopes are on the property insured and are being prepared stored or used in the normal course of operations by **you** for the commercial agricultural medical scientific or other similar peaceful purposes for which they were intended
- (e) any chemical biological bio-chemical or electromagnetic weapon

However this exclusion does not apply to losses arising from naturally occurring radioactive gases released from the earth such as Radon

This exclusion does not apply to Cover 1 of the Liabilities section except in respect of liability of any principal and liability assumed by agreement

4 War risks

Loss or damage directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

This exclusion does not apply to Cover 1 of the Liabilities section

5 Terrorism

Definitions specific to this exclusion

Act of terrorism

In respect of

(a) England Wales and Scotland (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987)

means acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of HM government in the United Kingdom or any other government de jure or de facto

(b) all other instances

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear

Any loss damage cost or expense directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss

This insurance also excludes loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with 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 cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

This exclusion does not apply to the Terrorism and Liabilities sections

6 Date recognition

Definitions specific to this exclusion

Computer

means computer or other equipment media or system (or any part of them) for processing storing or retrieving data to include without limitation any microchip integrated circuit or similar device or any computer software

Insurable event

means any of the insurable events specified in any section(s) of this policy insuring property excepting

- (a) the Equipment breakdown section
- (b) accidental loss destruction or damage and
- (c) causes excluded from these insurable events

Any claim directly or indirectly arising from the failure or possible failure of any **computer**

- (a) to correctly recognise any date as its true calendar date
- (b) to save and/or correctly interpret or process any data or command as a result of treating any date other than its true calendar date
- (c) to save or correctly process any data on or after any date

but this shall not exclude subsequent **damage** or consequential loss not otherwise excluded which itself results from an **insurable event**

This exclusion does not apply to the Liabilities section

7 Cyber (Property)

Definitions specific to this exclusion

Computer system

means any computer hardware software communications system electronic device (including but not limited to smart phone laptop tablet wearable device) server cloud or microcontroller including any similar system or any

configuration of the aforementioned and including any associated input output data storage device networking equipment or back up facility

Data

means information facts concepts code or any other information of any kind that is recorded or transmitted in a form to be used accessed processed transmitted or stored by a **computer system**

Time element loss

means business interruption contingent business interruption or any other consequential losses

Any loss damage liability cost or expense of whatsoever nature directly or indirectly caused by contributed to by or resulting from arising out of or in any connection with

- (a) any unauthorised access to or loss of alteration of or damage to or a reduction in the functionality availability or operation of a **computer system** or any unauthorised access to or modification of **data**

Notwithstanding the provisions of this subparagraph (a) and subject to all other terms and conditions and exclusions contained in this policy this policy will provide cover for physical loss of or physical damage to property insured under this policy (not including **data**) and any **time element loss** directly resulting therefrom where such physical loss or physical damage is directly occasioned by any of the following perils provided always that such perils are otherwise insured by this policy

- (i) Fire lightning or explosion
- (ii) Impact by aircraft or vehicle or animal or falling objects
- (iii) Wind storm hail tornado cyclone hurricane earthquake volcano tsunami flood freeze or weight of snow
- (iv) Escape of water or oil
- (v) Riot or civil commotion
- (vi) Subsidence heave or landslip
- (vii) Theft or loss of insured property caused by persons physically present at both the time and location of such theft or loss

- (viii) Vandalism or malicious acts causing physical damage to insured property caused by persons physically present at both the time and location of such damage
 - (ix) Accidental damage to insured property caused by persons physically present at both the time and location of such damage
- (b) any loss of use reduction in functionality repair replacement restoration or reproduction of any **data** including any amount pertaining to the value of such **data**

Notwithstanding the provisions of this subparagraph (b) in the event that hardware or the data storage device of a **computer system** insured under this policy sustains physical damage caused by a peril described in the proviso to paragraph (a) above which results in damage to or loss of **data** stored on that hardware or the data storage device then the damage to or loss of such **data** shall be recoverable hereunder and the basis of valuation for the recovery of the damaged or lost **data** under this policy shall be limited to the cost of reproducing **data** provided that such costs are otherwise indemnifiable under this policy

Such costs shall include all reasonable and necessary expenses incurred in re-creating gathering and assembling such **data** but shall not include the value of the **data** whether to the **Insured** or any other party even if such **data** cannot be recreated gathered or assembled

- (c) any
 - (i) unauthorised appropriation of **data**
 - (ii) unauthorised transmission of **data** to any third party
 - (iii) misrepresentation or use or mis-use of **data**
 - (iv) operator error in respect of **data**
- (d) any threat to carry out or perpetrate a hoax in respect of anything described in sub-paragraphs (a) – (c) above
- (e) any action taken or failure to take action to prevent control limit or respond to anything described in sub-paragraphs (a) – (d) above

This exclusion applies to all cover sections of this policy except those covers (where available and insured by this policy) noted below

- (i) Employers' Liability
- (ii) Public Liability
- (iii) Governors' Trustees' and Management Liability
- (iv) Directors & Officers Liability
- (v) Legal Expenses
- (vi) Terrorism
- (vii) Equipment Breakdown

8 Infectious or communicable disease

Definition applicable to this exclusion

Infectious or communicable disease

means any disease pandemic or epidemic including but not limited to any

- virus
 - bacterium
 - parasite
 - other organism or infectious matter
 - any mutation or variation to any of the above whether
 - living or dead
 - natural or artificial
 - officially declared an epidemic or pandemic or not
- transmitted by any direct or indirect means (whether asymptomatic or not)

Loss damage liability cost expense or any other sum of whatsoever nature directly or indirectly caused by resulting from arising out of or related to or contributed to by

- (1) any ***infectious or communicable disease*** including but not limited to
 - (a) the fear of a threat (whether actual or perceived) from an ***infectious or communicable disease***
 - (b) contamination or fear of contamination (whether actual or perceived) of property by an ***infectious or communicable disease*** but this shall not exclude direct physical loss or physical damage to insured property at the ***premises*** occurring during the ***period of insurance*** resulting directly or indirectly from or caused by a peril otherwise insured by this policy

- (2) any action taken or failure to take action to prevent control or respond to any ***infectious or communicable disease***

Provided that

- (i) this exclusion applies regardless of any concurrent or contributory cause or event or occurrence in any sequence with any other cause or event
- (ii) in the event of any conflict between this exclusion and any other provision of this policy this exclusion shall always apply and take precedence over any such other provision
- (iii) where **we** apply this exclusion the burden of proving the contrary rests with the **Insured**
- (iv) this exclusion applies to all cover sections of this policy except those covers (where available and insured by this policy) noted below
 - (a) Employers' Liability
 - (b) Public Liability
 - (c) Governors' Trustees' and Management Liability
 - (d) Directors & Officers Liability
 - (e) Legal Expenses
 - (f) Terrorism

This exclusion will not apply to any coverage or benefit required to be provided by **us** by law or regulation applicable to **us** however the terms of any sanctions clause will prevail

This exclusion applies to all cover sections of this policy except those covers (where available and insured by this policy) noted below

- (a) Employers' Liability
- (d) Public Liability
- (c) Legal Expenses
- (d) Governors' Trustees' and Management Liability
- (e) Directors & Officers Liability

9 Territorial exclusion (Property)

Definition specific to this exclusion

Excluded territory

means

- (a) Belarus (Republic of Belarus) and
- (b) Russian Federation and
- (c) Ukraine (including the Crimean Peninsula and the Donetsk and Luhansk regions)

Notwithstanding anything to the contrary in this Policy this Policy excludes any loss damage liability cost or expense of whatsoever nature directly or indirectly arising from or in respect of any

- (i) entity domiciled resident located incorporated registered or established in an ***excluded territory***
- (ii) property or asset located in an ***excluded territory***
- (iii) individual that is resident in or located in an ***excluded territory***
- (iv) claim action suit or enforcement proceeding brought or maintained in an ***excluded territory*** or
- (v) payment in an ***excluded territory***

General conditions

1 Policy voidable

You must ensure that a fair presentation of the risks to be insured is made to **us**

In the event of misrepresentation misdescription or non-disclosure of any material fact or circumstance **we** may void the policy and retain any premium paid where such misrepresentation misdescription or non-disclosure is deliberate or reckless

Where such misrepresentation misdescription or non-disclosure is not deliberate or reckless **we** may at **our** option

- (a) void the policy and refund to **you** any premium paid if **we** would have not entered into this policy on any terms had clear representation description and disclosure been made
- (b) proportionately reduce the amount to be paid on any claim if **we** would have entered into this policy on the same terms but for a higher premium
The reduction in claim payment will represent the percentage difference between the premium **you** have paid and the premium **we** would have charged **you** had clear representation description and disclosure been made
- (c) impose additional terms on this policy if **we** would have entered into this policy on such additional terms but at the same premium had clear representation description and disclosure been made
We may apply these additional terms to **your** policy with effect from inception

2 Reasonable care

It is a condition that **you** shall

- (a) take all reasonable precautions to prevent **damage** accident illness and disease
- (b) exercise reasonable care in seeing that all statutory and other obligations and regulations are observed and complied with
- (c) maintain the **premises** works machinery and plant in sound condition

3 Alteration of risk

If after the commencement of this insurance

- (a) there is any alteration of risk which increases the risk of **damage** accident or liability
- (b) the **premises** are undergoing alterations or repairs where the contract value exceeds £100,000

- (c) **your** interest ceases except by will or operation of law
- (d) an administrator or a liquidator or receiver is appointed or where **you** enter into a voluntary arrangement
- (e) there is any other material change in use of the **premises**

you must give notice to us as soon as is reasonably possible

Upon any alteration described above **we** shall be entitled to cancel the policy from the date of the alteration or impose special terms or charge an additional premium

This condition does not apply where buildings become **unoccupied** as this is dealt with under the 'Unoccupied buildings' general condition

4 Multiple insurances

(a) All sections except those detailed separately below

If at the time any claim arises under this policy there is any other insurance in force whether effected by **you** or not covering the same **damage** loss expense or liability **we** shall not be liable for more than **our** rateable proportion

If such other insurance is subject to any condition of underinsurance this policy if not already subject to any condition of underinsurance shall be subject to that condition of underinsurance in like manner

(b) Equipment breakdown and Liabilities sections

If at the time of any claim arising under this policy **you** are or would but for the existence of this policy be entitled to indemnity under any other policy or policies **we** shall not be liable except in respect of any additional amount beyond the amount which would have been payable under such other policy or policies had this insurance not been effected

5 Fraudulent claims

If a claim made by **you** or anyone acting on **your** behalf or any other person claiming to obtain benefit under this policy is fraudulent or exaggerated whether ultimately material or not or if any **damage** is caused by **your** wilful act or with **your** connivance **we** may at **our** option

- (a) repudiate the claim
- (b) recover any payments already made by **us** in respect of the claim
- (c) cancel the policy from the date of the fraudulent act and retain the premium due for the unexpired period of insurance from the date of cancellation up to the renewal date

If **we** cancel the policy **we** will notify **you** in writing by special delivery to **your** last known address

6 Unoccupied buildings

It is a **condition precedent to liability** that

- (a) when a building or part of a building insured by this policy becomes **unoccupied** or when an **unoccupied** building or part of a building is again occupied **you** must tell **us** as soon as is reasonably possible

Upon any alteration as described above **we** may at **our** option

- (i) amend the terms and conditions that apply to such buildings and charge an additional premium
- (ii) cancel the cover for any affected buildings
- (iii) cancel the policy in accordance with the Cancellation condition
- (b) in respect of any building or part of a building which becomes **unoccupied**
 - (1) **you** must turn off electricity gas and water supplies at the mains and drain down all water systems other than those required to maintain intruder alarm fire alarm and sprinkler installations or other fire suppression security or other risk protection systems or devices
 - (2) **you** must remove all waste and unfixed combustible materials both internally and externally from such buildings
 - (3) **you** must maintain in full and efficient working order and keep operational all alarms sprinkler installations fire suppression systems locks and all other protective and security devices including perimeter security protection at the **premises**
 - (4) where there is a sprinkler installation **you** must maintain the central heating system to prevent freezing and
 - (i) the system should be inspected to ensure it is operating correctly whenever such buildings are inspected

- (ii) the temperature throughout the building must be maintained at not less than 7 degrees Centigrade (45 degrees Fahrenheit)
- (iii) the system must be serviced and maintained at least annually by an appropriately qualified engineer

- (5) **you** must undertake an internal and external inspection of such buildings at least every 7 days and rectify as soon as is reasonably possible any defects in the fabric of the building or the security or fire protection installations
A record of inspections including remedy of any defects must be maintained
- (6) **you** must permanently seal shut the letterbox
Where the letterbox cannot be sealed shut **you** must fit a metal box or cage to the inside of the letterbox aperture and remove the post from it whenever such buildings are inspected
- (7) **you** must tell **us** as soon as is reasonably possible if such buildings are to be occupied by contractors for any alterations renovations conversions or repairs
- (8) in addition to the Claims condition that requires **you** to tell **us** immediately **you** become aware of any incident that may result in a claim **you** must also tell **us** immediately of any illegal entry to the **premises** whether or not any **damage** has occurred
- (9) **you** must review and update **your** risk assessment (including the fire risk assessment) of such buildings to reflect the change in risk

Unless otherwise agreed by **us** in writing

7 Security

This condition will only apply where **you** are directly responsible or in direct control of the **premises** and not when a tenant has responsibility or is in direct control of the **premises**

It is a **condition precedent to liability** for **damage** at or to the **premises** that all locks bolts and other protective devices fitted to the **premises** be put into full use whenever the **premises** are closed for business and are not attended by **you** or an authorised person for the purpose of the **business**

Where the **premises** are occupied by **you** for **business** and residential purposes

- (a) the **business** portion must be secured as outlined above outside of working hours of the **business**
- (b) the residential portion must be secured as outlined above when this portion is unattended by **you** or **your** family or other authorised persons

Any additional security conditions that apply will be detailed on **your** policy schedule if applicable

8 Fire extinguishing appliances

Where **you** are required to provide fire extinguishing appliances to comply with the Regulatory Reform (Fire Safety) Order 2005 (applicable in England and Wales) or the Fire Scotland Act (2005) and / or any similar or replacement legislation or **you** have otherwise provided fire extinguishing appliances upon which others may rely **you** must have all such appliances inspected and maintained under an annual service contract with a specialist contractor or otherwise competent person

9 Fire alarm installations

It is a **condition precedent to liability** that where any **premises** is protected by an automatic fire alarm installation that

- (a) the installation (including any automatic alarm signalling) shall be maintained in full and efficient working order at all times and all reasonable steps taken to prevent damage to the installation
- (b) an undertaking shall be in force with engineers who are LPS 1014 or BAFE SP203 approved (or engineers as otherwise accepted by us) to maintain the automatic fire alarm installation and written confirmation shall be obtained from them that the installation is in satisfactory working order following each inspection
- (c) the testing servicing and maintenance requirements specified by the manufacturer of the equipment/installing engineers shall be carried out and any defect revealed by the testing promptly rectified
- (d) immediate notice shall be given to **us** if the level of response to the automatic fire alarm has been or will be reduced or delayed
- (e) where there is an external alarm signal **you** shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm receiving centre

- (f) in the event of notification of any activation or alarm fault of the automatic fire alarm a keyholder shall attend the **premises** as soon as possible
- (g) immediate notice shall be given to **us** of any disconnection or failure of the automatic fire alarm installation (including any automatic alarm signalling) and any precautions **we** instruct **you** to take shall be acted upon
- (h) advance notice is given to **us** if it is proposed that any part of the
 - (1) installation (including any automatic alarm signalling) is to be extended altered repaired or rendered inoperative
 - (2) **premises** is to be extended or altered and obtain **our** prior written agreement
- (i) records of all alarm faults disconnections tests and maintenance visits are kept and made available when required to **our** representatives
- (j) **our** access to the **premises** is permitted at all reasonable times for the purpose of inspecting and witnessing the testing of the installation

Unless otherwise agreed by **us** in writing

10 Intruder alarms

This condition will only apply where **you** are directly responsible or in direct control of the **premises** and/or the **intruder alarm system** and not when a tenant has responsibility or is in direct control of the **premises** and/or the **intruder alarm system**

Definitions specific to this condition

Intruder alarm system

means the component parts of the intruder alarm system including the means of communication used to transmit signals

Keyholder(s)

means **you** or any person or keyholding company authorised by **you** who is available at all times to accept notification of faults or alarm signals relating to the **intruder alarm system** and attend and allow access to the **premises**

It is a **condition precedent to liability** that where any **premises** is protected by an **intruder alarm system** that

- (a) the **intruder alarm system** shall be installed in accordance with the specification agreed in writing by **us** and no alteration or variation of the system or any structural alteration to the **premises** which would affect the system shall be made without **our** written consent
- (b) the **intruder alarm system** shall be maintained in full and efficient working order at all times and be serviced under a maintenance contract approved by **us** and immediate notice of any apparent defect in the **intruder alarm system** or its signalling shall be given to the maintenance contractor
- (c) the **intruder alarm system** shall be tested and set whenever the alarmed portion of the **premises** is closed for business and is not attended by **you** or any person authorised by **you** to be responsible for the security of the **premises** provided that any detection devices and their circuits connected for continuous protection shall be fully operative at all times
- (d) all keys including duplicate keys and notes of combination locks/electronic pass codes letters and numbers relative to the **intruder alarm system** shall be removed from the buildings of the **premises** whenever they are closed for business and are left unattended provided that at such times if part of the **premises** is occupied residentially by **you** or an authorised employee the said keys shall be removed from the business portion of the **premises** to the part occupied residentially
- (e) immediate advice shall be given to **us** of any notice from the police or a security organisation that **intruder alarm system** signals may be or will be disregarded
- (f) **you** shall appoint at least two **keyholders** and lodge written details (which must be kept up to date) with the alarm company
- (g) in the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set a **keyholder** shall attend the **premises** as soon as reasonably possible

Unless otherwise agreed by **us** in writing

11 Arbitration

Provided **we** have admitted liability for a claim any dispute as to the amount to be paid shall be resolved by arbitration in accordance with the statutory provisions in force at the time by

- (a) an agreed arbitrator or if an arbitrator cannot be agreed
- (b) an arbitrator appointed by the Chartered Institute of Arbitrators following a request from either party provided they have given seven days' written notice to the other party

You must not take legal action against **us** over the dispute before the arbitrator has reached a decision

This condition does not apply to the Legal expenses section

12 Cancellation

In circumstances other than those in the Policy voidable Alteration of risk and Fraudulent claims conditions **we** may cancel the policy or any section of it by sending seven days' notice commencing from the date of posting by special delivery to **you** at **your** last known address and shall refund to **you** the proportionate premium for the unexpired period of cover

13 Sanctions

We shall not provide any cover under this policy or be liable to pay any claim or provide any benefit to the extent that the provision of such cover payment of such claim or provision of such benefit would expose **us** to any sanction prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union the United Kingdom of Great Britain and Northern Ireland the Channel Islands the Isle of Man or United States of America

If any such sanction prohibition or restriction takes effect during the **period of insurance you** or **we** may cancel that part of this policy which is affected with immediate effect by giving such notice in writing

In such circumstances **we** shall return a proportionate premium for the unexpired period of cover provided no claims have been paid or are outstanding

14 Assignment

You shall not assign any of the rights or benefits under this policy or any section of this policy without **our** prior written consent

We will not be bound to accept or be affected by any notice of trust charge lien or purported assignment or other dealing with or relating to this policy or any section of this policy

15 Law applicable

In the United Kingdom the law allows both **you** and **us** to choose the law applicable to this contract

Unless **we** and **you** agree otherwise in writing the law which applies to this contract is the law which applies to the part of

- (a) the United Kingdom (England Scotland Wales and Northern Ireland) or
 - (b) the Channel Islands or the Isle of Man
- in which **you** are based

16 Rights of third parties

A person or company who is not a party to this policy has no right under the Contracts (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

Claims conditions

Your duties

When an incident occurs that may result in a claim it is a condition that **you** shall

- (a) take all practicable steps to recover property lost and otherwise minimise the claim
- (b) tell the police as soon as is reasonably possible if the **damage** is caused by thieves malicious persons vandals or as a result of riot civil commotion strikes or labour disturbances
- (c) tell **us** as soon as **you** become aware
- (d) within 30 days (7 days for **damage** by riot civil commotion strikes or labour disturbances) give **us** at **your** expense any information **we** require and continue to provide **us** with any information and assistance **we** require before or after **we** pay **your** claim under the policy
- (e) not make or allow to be made on **your** behalf any admission offer promise payment or indemnity without **our** written consent
- (f) forward to **us** every letter claim writ summons and process immediately upon receipt without acknowledgement and advise **us** in writing as soon as **you** have any knowledge of any impending prosecution inquest or inquiry in connection with that event

Additional conditions apply to Legal expenses cover which are detailed in the section and which include conditions relating to **your** legal representation

Our rights

We may

- (a) start take over defend and conduct any legal action in **your** name
- (b) prosecute in **your** name for **our** benefit any claim for indemnity or damages

We will have full discretion in the conduct and settlement of any such action

- (c) enter any building where **damage** has occurred and take and keep possession of any property insured by this policy

We will not accept property abandoned to **us**

This policy shall be proof that **you** have authorised **our** rights under this condition

- (d) at any time pay to **you** the relevant limit of indemnity
 - (i) in the case of Employers' liability or Prosecution defence cost claims less any amount already paid or incurred
 - (ii) in the case of Public liability claims less any amount already paid or incurred as damages or any lesser amount for which at **our** discretion any claim or claims can be settled

We will then relinquish control of the claim and have no further liability except for any Public liability claim (other than any claim originating from within the legal jurisdiction of the United States of America or Canada) **we** will also pay any legal costs incurred prior to the date of such payment

Additional conditions apply to Legal expenses cover which are detailed in the section and which include conditions relating to **your** legal representation

1 Property damage

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Buildings

means the buildings at the **premises** including

- (a) landlord's fixtures and fittings
- (b) outbuildings storage tanks walls gates and fences
- (c) piping ducting cables wires and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of **your** responsibility
- (d) aerials and satellite dishes fixed to the buildings
- (e) the following items fixed to the buildings
 - (i) wind turbines less than 10kw generating capacity
 - (ii) solar panels less than 50kw generating capacity
 - (iii) photovoltaic panels less than 50kw generating capacity
 up to a limit of £20,000 in total for all claims in the **period of insurance**
- (f) yards car parks roads and pavements
- (g) artificial playing surfaces tennis courts swimming pools and associated apparatus
- (h) for private dwelling houses and blocks of flats the following garages patios and hedges belonging to the private dwelling and used for domestic purposes
- (i) fixed glass and sanitary fixtures

Excluding

- (i) bridges land piers jetties excavations and marquees
- (ii) natural or artificial
 - (a) water courses
 - (b) confines of any body of standing water including but not limited to
 - (1) dams reservoirs culverts canals moats rivers and lakes
 - (2) any man-made elements attaching to or forming part of such structures

- (iii) property or structures in the course of construction or erection and all materials or supplies in connection with such property or structure except as specifically provided for by the Minor contract works extension unless more specifically mentioned in this policy or its schedule

Unless stated otherwise buildings are brick stone or concrete built and roofed with slates tiles concrete metal asphalt or sheets or slabs composed of incombustible mineral ingredients

Contents of common parts

means

- (i) furniture and furnishings owned by **you** or for which **you** are responsible in those parts of the **buildings** to which all tenants have access
- (ii) the maintenance and cleaning equipment machinery and tools **you** keep in the **buildings** in connection with **your business**

But excluding

- (a) landlord's fixtures and fittings
- (b) money securities coins stamps jewellery watches furs precious metals precious stones or articles made from them computer systems records curios works of art antiques sculptures rare books plans patterns moulds designs or explosives

Heave

means upward movement of the ground beneath the site on which the **premises** stand as a result of the soil expanding

Insured event(s)

means any insurable event set out as included in the schedule to this policy

Item(s) insured

means the items insured as set out in the Property damage section of the schedule to this policy

Landslip

means downward movement of sloping ground at the site on which the **premises** stand

Settlement

means downward movement as a result of the

- (a) normal settlement or bedding-down of structures
- (b) settlement or movement of made-up ground

Subsidence

means downward movement of the ground beneath the site on which the **premises** stand and includes any losses arising from **heave** or **landslip**

Cover

We will indemnify **you** in respect of **damage** to the **item(s) insured** at the **premises** or elsewhere as stated in the schedule by any **insured event** happening during the **period of insurance**

Insurable events**1 Fire lightning and explosion**

Fire not caused by

- (a) the property's own spontaneous fermentation or heating or its undergoing any process involving the application of heat
- (b) earthquake subterranean fire

Lightning

Explosion excluding

- (a) **damage** in respect of and originating in any vessel machinery or apparatus or its contents belonging to **you** or under **your** control which is required to be examined to comply with any statutory regulations unless such vessel machinery or apparatus is the subject of a contract providing the required inspection service
- (b) **damage** caused by the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to **you** or under **your** control

2 Aircraft

Aircraft and other aerial devices or articles dropped from them excluding **damage** occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

3 Riot

Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances excluding **damage**

- (a) resulting from cessation of work
- (b) occasioned by confiscation or destruction or requisition by order of the government or any public authority
- (c) to any building which is **unoccupied**

4 Malicious persons

Malicious persons excluding **damage**

- (a) resulting from cessation of work
- (b) by theft or attempted theft
- (c) to moveable property in the open except as specifically provided for in the Property in the open extension
- (d) occasioned by confiscation or destruction or requisition by order of the government or any public authority
- (e) to any building which is **unoccupied**

5 Earthquake**6 Subterranean fire****7 Storm**

Storm excluding **damage**

- (a) by
 - (i) the escape of water from the normal confines of any natural or artificial water course or lake reservoir canal or dam
 - (ii) inundation from the sea whether resulting from storm or otherwise
- (b) attributable solely to change in the water table level
- (c) by frost or **subsidence**
- (d) to fences gates hedges and moveable property in the open
- (e) to inflatable structures except where damaged by falling trees
- (f) to any building which is **unoccupied**

8 Flood

Flood caused by

- (a) the escape of water from the normal confines of any natural or artificial water course or lake reservoir canal or dam
- (b) inundation from the sea

but excluding

- (i) **damage** attributable solely to change in the water table level
- (ii) **damage** by frost or **subsidence**
- (iii) **damage** to fences gates hedges and moveable property in the open
- (iv) **damage** to any building which is **unoccupied**

9 Escape of water

Escape of water from any tank apparatus or pipe including **damage** to any water tank apparatus or pipe itself caused by freezing of water

Excluding **damage**

- (i) by water discharged or leaking from an installation of an automatic sprinkler system water mist system or other similar water based fire suppression system
- (ii) to any building which is **unoccupied**

10 Impact

Impact by any road or rail vehicle or animal

11 Falling trees

Accidental **damage** caused by falling trees branches telegraph poles lamp posts or pylons

Excluding **damage** which is specifically insured by any other insurable event

12 Falling aerials

Accidental **damage** caused by falling television and radio receiving aerials aerial fittings and masts satellite dishes wind turbines solar panels photovoltaic panels and security equipment attached to a building

Excluding

- (i) **damage** which is specifically insured by any other insurable event
- (ii) **damage** to the television and radio receiving aerials aerial fittings and masts satellite dishes wind turbines solar panels photovoltaic panels and security equipment itself

13 Escape of oil

Escape of oil from any fixed oil fired heating installation or storage tank caused by a sudden identifiable unintended and unexpected incident which has taken place in its entirety at a specific time and place during the **period of insurance**

Excluding **damage** to any building which is **unoccupied**

14 Sprinkler leakage

Accidental escape of water from any automatic sprinkler installation water mist system or other similar water based fire suppression system in the **premises** not caused by explosion earthquake subterranean fire or heat caused by fire

Excluding **damage** to any building which is **unoccupied**

15 Accidental damage

Any other accidental **damage** excluding **damage**

- (a) which is
 - (i) specifically insured by any other insurable event
 - (ii) specifically excluded by any other insurable event
 - (iii) is otherwise excluded elsewhere in this section
- (b) caused by or consisting of inherent vice latent defect depreciation gradually operating causes wear and tear frost its own faulty or defective design or materials faulty or defective workmanship by **you** or any of **your** employees operational error or omission by **you** or any of **your** employees But this shall not exclude subsequent **damage** which itself results from a cause not otherwise excluded
- (c) caused by or consisting of corrosion dust rust wet or dry rot contamination mildew shrinkage evaporation loss of weight dampness dryness marring scratching **vermin** change in temperature colour flavour texture or finish
- (d) to property resulting from its undergoing any process of cleaning dyeing restoration production packing treatment testing commissioning servicing or repair

- (e) caused by atmospheric and climatic conditions
- (f) consisting of
 - (i) joint leakage failure of welds or cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of associated steam piping
 - (ii) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- (g) caused by or consisting of
 - (i) acts of fraud or dishonesty
 - (ii) disappearance unexplained or inventory shortage misfiling or misplacing of information
- (h) to a building or structure caused by its own collapse or cracking
- (i) to moveable property in the open fences gates and hedges by wind rain hail sleet snow or dust
- (j) to wind turbines solar panels and photovoltaic panels
- (k) to any **building** which is **unoccupied**
- (l) to fixed glass or sanitary fixtures for which the tenant is responsible under the terms of any lease
- (m) to glass
 - (i) by scratching or chipping
 - (ii) whilst not fixed
 - (iii) caused by arising from or in connection with alterations additions or contract works at the **premises**

16 Subsidence

Subsidence excluding **damage**

- (a) attributable solely to change in the water table level
- (b) to walls gates fences piping ducting cables wires and associated control gear and accessories yards car parks roads and pavements storage tanks artificial playing surfaces tennis courts and swimming pools unless also resulting in **damage** to a building insured under this policy
- (c) caused by or consisting of
 - (i) **settlement**
 - (ii) coastal or river erosion
- (d) caused by defective design or workmanship or the use of defective materials

- (e) caused by fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (f) which originated prior to the inception of cover
- (g) resulting from
 - (i) demolition construction structural alteration or repair of any property
 - (ii) groundworks or excavation at the same **premises**

Special condition

You shall notify **us** immediately **you** become aware of any demolition groundworks excavation or construction being carried out on any adjoining site

We shall then have the right to vary these terms or cancel this cover

17 Theft or attempted theft

Theft or attempted theft

- (a) involving entry to or exit from the buildings of the **premises** by forcible and violent means
- (b) following actual or threatened assault or violence

Excluding

- (i) **damage** to the **buildings** except as specifically provided for in the Theft of parts of the building extension
- (ii) theft or attempted theft from any building which is **unoccupied**

Exclusions

The cover provided by this section excludes

- (1) **damage** caused by pollution or contamination other than as provided for under the Loss of oil gas or water extension but this shall not exclude **damage** to the property insured not otherwise excluded caused by
 - (a) pollution or contamination which itself results from any of the **insured events** other than Accidental damage
 - (b) any of the **insured events** other than Accidental damage which itself results from pollution or contamination
- (2) consequential loss of any kind

- (3) **damage** to any electrical plant or apparatus caused by self-ignition but this exclusion shall apply only to that part of the electrical plant or apparatus in which self-ignition occurs

Basis of settlement

We will pay up to the value of the **item(s) insured** at the time of the **damage** or at **our** option repair reinstate or replace the **item(s) insured** in accordance with the following

1 Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of property insured under this section 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
 - (ii) upon another site
- (b) the repair or restoration of property damaged

In the case of (a) or (b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special conditions applicable to this basis of settlement

- 1 If the sum insured at the time the **damage** occurs is less than 85% of the cost which would be incurred in reinstating the whole of the property covered by any item **our** liability will not exceed the proportion of the amount of the **damage** which the sum insured (adjusted for index-linking) shall bear to the sum representing the total cost of reinstating the whole of such property at that time
- 2 **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
- 3 No payment beyond the amount which would have been payable in the absence of this basis of settlement shall be made

- (a) unless reinstatement commences and proceeds without unreasonable delay
- (b) until the cost of reinstatement shall have been actually incurred
- (c) if the property insured at the time of its **damage** shall be insured by any other insurance effected by **you** or on **your** behalf which is not upon the same basis of reinstatement

- 4 **We** shall not be bound to reinstate exactly or completely any property that is the subject of a claim but only as circumstances permit and in reasonably sufficient manner

We shall not pay out in respect of any one of the **items insured** more than its sum insured

- 5 All the terms and conditions of the policy shall apply
- (a) in respect of any claim payable under this basis of settlement except insofar as they are varied hereby
 - (b) where claims are payable as if this basis of settlement had not been incorporated

2 Day One Basis – non-adjustable

This applies if a Day One figure is shown against an item in the schedule

- 1 **You** have agreed the declared value incorporated in each item to which this extension applies and the premium has been calculated accordingly

"Declared value" means **your** assessment of the cost of reinstatement of the property insured (as defined in Basis of settlement - Reinstatement) at the level of costs applying at the inception of the **period of insurance** (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- (a) the additional cost of reinstatement to comply with the stipulations defined in the European Union and Public Authorities (including undamaged portions) extension
- (b) professional fees
- (c) debris removal costs

- 2 At the inception of each period of insurance **you** shall notify **us** of the declared value of the property insured by each of the said item(s)

In the absence of such declaration the last amount declared by **you** (adjusted to reflect index-linking) shall be taken as the declared value for the ensuing period of insurance

- 3 In respect of each item to which this extension applies the following replaces Special conditions 1 and 5 of Basis of settlement - Reinstatement
- (1) Each item insured under this basis of settlement is declared to be separately subject to the following condition of underinsurance namely
- If at the time of **damage** the declared value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph 1 of the Day One memorandum) at the inception of the **period of insurance** then **our** liability shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement
- (4) Where by reason of any of the above Special conditions no payment is to be made beyond the amount which would have been payable under the policy if this basis of settlement had not been incorporated the rights and liabilities of the **Company** and the **Insured** in respect of the **damage** shall be subject to the terms of the policy including any condition of underinsurance as if this basis of settlement had not been incorporated except that the sums insured shall be increased in proportion with the additional amount charged in respect of this basis of settlement

3 Loss of market value

If **you** elect not to rebuild or repair the **buildings** and **we** choose not to reinstate **buildings** lost destroyed or damaged as set out in Basis of settlement 1 and 2 above **we** will pay the reduction in the market value of the **buildings** immediately following **damage** solely as a result of the **damage** but not exceeding the amount which would have been payable had the **buildings** been rebuilt or repaired and in no case shall the total amount recoverable under any item exceed its sum insured

4 Buildings awaiting refurbishment redevelopment or renovation

In respect of **buildings** awaiting refurbishment redevelopment or renovation **we** will not be liable for any costs which would have been incurred by **you** had the **damage** not occurred

Limit of liability

Our liability in the **period of insurance** shall not exceed

- (i) for each **item insured**
 - (a) its individual sum insured or
 - (b) any other limit of liability noted in this section or elsewhere in the policy
- (ii) in total the total sum insured for all items

Irrespective of the number of insured parties **our** total liability to all the insured parties will not exceed that stated in (i) and (ii) above

Any payment or payments by **us** to any one or more insured party shall reduce the extent of **our** liability to all parties by the amount of such payment

Automatic reinstatement of sum insured

The sums insured stated in the schedule will be automatically reinstated by the amount of any claim **we** pay provided that

- (a) **we** have not given **you** notice within 30 days of **you** reporting the **damage** that **we** will not reinstate the sum insured
- (b) **you** pay any such additional premium as may be required
- (c) **you** complete any improvements to security or other measures **we** may require at the **premises**

Memoranda

1 Index-linking

The sum insured by each **item insured** (but not extension limits) under this section will be adjusted in accordance with suitable indices selected by **us**

The annual renewal premium will be amended accordingly

In the event of **damage** index-linking will continue from the date of **damage** until the resulting claim is settled but **we** will not pay for increased costs which arise due to unnecessary delay on **your** part

2 Underinsurance

Unless otherwise shown in the schedule or elsewhere in this policy the sum insured by each **item insured** is subject to the following condition of underinsurance

If the property insured by any item of this section shall at the commencement of any **damage** to such property be collectively of greater value than such sum insured as adjusted for index-linking **you** will be considered as being **your** own insurer for the difference and shall bear a rateable proportion of the loss accordingly

3 Adjustment of premium

If any part of the premium has been calculated on estimates **you** shall within 30 days from the expiry of each period of insurance supply to **us** such information as **we** may require

The premium for such period will be adjusted and the difference paid by or allowed to **you** subject to any minimum premium

4 Designation

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

5 72 hour provision

All individual losses arising out of and directly occasioned by the Insurable events of Storm Flood or Earthquake occurring continuously or intermittently within 72 consecutive hours is deemed to be one event and one **excess** will apply

The date and time that any such period of 72 hours shall commence shall be set by **us**

6 Subrogation waiver

In the event of a claim **we** shall not enforce any rights against

- (a) any company being parent of or subsidiary to the **insured**
- (b) any company which is a subsidiary of a parent company of which the **insured** are themselves a subsidiary

in each case within the meaning of the Companies Act prevailing at the time of **damage**

- (c) any tenant of the **premises** provided that the **damage** did not result from a criminal fraudulent or malicious act of the tenant

Extensions

The insurance provided by this section is extended to include the following (subject to the **excess** applying to the **insured event** causing the **damage**)

Unless specifically stated otherwise these extensions do not increase **our** liability as stated in the Limit of liability paragraph to this section

1 Non-invalidation

The cover by this section shall not be invalidated by any act omission or alteration whereby the risk of **damage** is increased unknown to **you** or beyond **your** control provided that on becoming aware of this **you** give notice to **us** as soon as is reasonably possible and pay an additional premium if required

2 Other interests

The interest in the **buildings** insured by this section of any mortgagees lessees and freeholders of the property is noted

3 Fees

Under the **buildings** and **contents** items **we** will pay the architects' surveyors' consulting engineers' and legal fees necessarily and reasonably incurred in the reinstatement of the property insured consequent upon its **damage** by an **insured event** but not for preparing any claim it being understood that the amount payable for such **damage** and fees shall not exceed in the aggregate the sum insured by each item

4 Removal of debris

We will pay the costs and expenses necessarily incurred by **you** with **our** consent in removing debris as shown below

- (a) (i) removing debris
 - (ii) dismantling and/or demolishing
 - (iii) shoring up or propping
- of the portion or portions of the property insured destroyed or damaged by any **insured event**
- (b) removing trees damaged by the same **insured event** provided this is necessary solely to facilitate the repair or reinstatement of the property insured

The maximum amount payable for such **damage** and costs shall not exceed in the aggregate the sum insured by each item

We will not pay for any costs or expenses

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (ii) arising from pollution or contamination of property not insured by this section

5 Reinstatement to match

Where **buildings** have suffered **damage you** may replace repair or restore the property with equivalent property which employs current technology and replacement repair or restoration of such property shall not for the purposes of this section be regarded as being better or more extensive than when new

This section 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

Limit

Up to the sum insured for each item in the **period of insurance**

6 Temporary removal

Any parts of the **buildings** and **contents of common parts** are covered while temporarily removed for cleaning renovation repair or other similar purpose elsewhere on the **premises** or to any other premises and in transit between such locations in the **geographical limits**

Limit

10% of the sum insured on the relevant **buildings** or **contents of common parts** item in any one period of insurance

7 Government and Public Authorities (including undamaged portions)

Under the **buildings** and **contents of common parts** items **we** will pay for such additional cost of reinstatement of the destroyed or damaged property and undamaged portions as may be incurred solely by reason of the necessity to comply with the stipulations of

- (i) United Kingdom legislation or
 - (ii) building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority
- (from now on referred to as "the Stipulations")

Excluding

- (a) the cost incurred in complying with the Stipulations
 - (i) in respect of **damage** occurring prior to the granting of this extension
 - (ii) in respect of **damage** excluded or otherwise not insured by this section
 - (iii) under which notice has been served upon **you** prior to the happening of the **damage**
 - (iv) for which there is an existing requirement which has to be implemented within a given period
- (b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of the property by reason of compliance with the Stipulations

Special conditions applicable to this extension

- 1 The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the **damage** or within such further time as **we** may allow (during the said 12 months) and may be carried out upon another site (if the Stipulations so necessitate) subject to **our** liability under this extension not being increased

- 2 If **our** liability under the policy apart from this extension shall be reduced by the application of any of the terms and conditions of the policy then **our** liability under this extension (in respect of any such item) shall be reduced in like proportion
- 3 The total amount recoverable under any item of the policy under this extension shall not exceed
 - (a) 15% of its sum insured or
 - (b) where the sum insured by the item applies to property at more than one premises 15% of the total amount for which **we** would have been liable had the property insured by the item at the **premises** where **damage** has occurred been wholly destroyed
- 4 The total amount recoverable under any item of the policy shall not exceed its sum insured
- 5 All the terms of this policy except insofar as they may be expressly varied shall apply as if they had been incorporated herein

8 Emergency services damage to landscaped grounds

If the **buildings** are insured the cover provided by this section is extended to include the costs incurred following **damage** caused by the emergency services to landscaped grounds for which **you** are responsible but excluding any cost arising from the failure of seed to germinate or trees plants or turf to become established

Limit
£25,000 any one claim

9 Emergency services concern for welfare

If the **buildings** are insured the cover provided by this section is extended to include the costs incurred following **damage** caused to **buildings** by the emergency services to gain access to **your premises** as a result of their concern for the occupants' welfare

Limit
£25,000 any one claim

10 Loss of oil gas or water

We will pay for

- (a) loss of metered water from the water or heating system after **damage** to that system by an **insured event**
- (b) loss of oil (other than covered by (d) below) or gas from the water or heating system after **damage** by an **insured event** to that system
- (c) the cost of replacing liquid petroleum gas or oil following accidental discharge from the storage container at the **premises**
- (d) theft or attempted theft of oil from any storage tank used for the heating system at **your premises** provided theft or attempted theft is an **insured event** under this policy

Excluding any claim in respect of any building which is **unoccupied**

Limit
£10,000 for all claims in the **period of insurance**

11 Loss minimisation expenses

Costs and expenses necessarily and reasonably incurred with **our** prior consent by **you** or on **your** behalf to prevent or minimise actual or imminent **damage** at the **premises** provided such costs are

- (a) directly related to **damage** caused by the **insured events** which is likely to occur in the immediate future unless urgent preventative action is taken
- (b) not more specifically insured elsewhere

Excluding **damage** which is covered under the theft of parts of the buildings extension

Limit
£5,000 in the **period of insurance**

12 Sale of the building

If the **buildings** are insured the interest of the purchaser in the insurance by this section for the period from the written offer and acceptance or exchange of contracts until completion of the sale is noted

Provided that

- (a) the **buildings** are not insured elsewhere for the benefit of the purchaser
- (b) the purchaser complies with and is bound by the terms of the policy

13 Theft of parts of the building

Where the insurable event of theft or attempted theft is included **we** will pay for

- (a) repairs to the **buildings** following theft or attempted theft of parts of the **buildings** provided that the **buildings** are insured under this section
- (b) **damage** to **buildings** and **contents of common parts** (if insured under this section) directly caused as a result of the entry of rainwater following the theft or attempted theft of parts of the **buildings**
- (c) **damage** to the **buildings** for which **you** are responsible caused by theft attempted theft of the contents of the **buildings** provided that the **damage** is not otherwise insured

Excluding **damage**

- (i) when scaffolding is erected at the **premises** unless **we** have agreed in writing to continue cover
- (ii) in respect of any building which is **unoccupied**

Limit

Up to the sum insured in the **period of insurance**

14 Lock replacement following theft of keys

If theft or attempted theft is included and the keys are stolen **we** will pay the costs incurred

- (i) in gaining access to the **premises**
- (ii) for replacing locks at the **premises** including locks of safes or strongrooms in the **premises**
- (iii) for replacing any duplicate keys necessitated by (ii) in the same quantity as existed prior to the loss

Limit

£5,000 in the **period of insurance**

15 Property in the open

If the **contents** of **common parts** are insured **we** will pay for **damage** by the **insured events** to garden furniture ornaments statues gardening equipment and signage in the grounds of the **premises** unless more specifically insured

Limit

£5,000 any one claim

For the purpose of this extension the Theft or attempted theft insurable event includes theft or attempted theft not involving forcible and violent entry

16 Trace and access

We will pay the costs and expenses necessarily and reasonably incurred by **you** with **our** consent in locating the source of **damage** caused by an escape of oil or water from any fixed water or heating system in the **buildings** insured by this section and in subsequent repair of **damage** caused by locating the source

Limit

£25,000 any one claim

17 Clearing of drains

We will pay the costs incurred by **you** with **our** consent for clearing or repairing drains gutters sewers and the like for which **you** are responsible incurred as a direct result of **damage** caused by an **insured event**

Limit

£50,000 any one claim

18 Extinguisher and alarm resetting expenses

The cover provided by this section is extended to include the reasonable costs incurred by **you** in

- (a) refilling fire extinguishing appliances
- (b) replacing the heads of sprinkler systems water mist systems or other similar water based fire suppression systems
- (c) resetting fire or intruder alarm systems solely in consequence of their activation following **damage** to property insured under this policy

Limit

Up to the sum insured in the **period of insurance**

19 Sprinkler upgrade costs

The additional costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council Rules (only when the upgrade is imposed upon **you** by **us**) following **damage** to the **buildings** provided that at the time of **damage** the installation conformed to the 29th Edition Rules for Automatic Sprinkler Installations or any subsequent amendment or revised edition as issued by the Loss Prevention Council and current at the time of installation but did not conform to subsequent amendments to those Rules

Limit

20% of the sum insured for **buildings**

20 Unauthorised use of utilities

We will pay for the cost of metered water oil electricity or gas for which **you** are legally responsible arising from its unauthorised use by persons taking or keeping possession or occupying the **buildings** without **your** authority provided that the **buildings** are inspected weekly by a responsible person on **your** behalf and all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

Limit

£5,000 any one claim

£10,000 in the **period of insurance**

21 Fly tipping

We will pay the costs and expenses necessarily and reasonably incurred by **you** in clearing treating and removing anything illegally or maliciously deposited at the **premises**

This cover will not apply in respect of any **unoccupied premises**

Limit

£2,500 any one claim

£5,000 in the **period of insurance**

22 Contractors interests clause

This clause is provided only if **you** are covered under the Minor contract works extension

Where **you** are required under the terms of any contract covering works at the **buildings** to insure the **buildings** and **contents of common parts** in the joint names of **you** and any contractor or sub-contractor the interest of the contractor or sub-contractor is noted

You must notify **us** of any works exceeding the limit given by the Minor contract works extension and pay any additional premium **we** may require

23 Landscaping costs

The necessary and reasonable costs to restore landscaped gardens or grounds at the **premises** to its appearance when first planted in consequence of **damage** to the property insured by any **insured event**

Excluding

- (i) any cost arising from the failure of seed to germinate or trees plants or turf to become established
- (ii) **damage** by the emergency services

Limit

£25,000 any one claim

24 Trees

The costs of felling lopping or removing trees which represent an immediate threat to the safety of life or **damage** to the **buildings**

Limit

£500 any one claim

£2,500 in the **period of insurance**

25 Removal of wasp bee or hornet nests

We will pay the costs incurred by **you** in removing wasp bee or hornet nests from the **buildings**

Limit

£1,000 any one claim

26 Green clause

Where following **damage** to **buildings** by an **insured event you** elect with **our** consent to rebuild the **premises** in a manner that aims to reduce potential harm to the environment or improve energy efficiency (beyond the minimum standard required to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority) **we** will pay these rebuilding costs

Provided that

- (1) this shall not include any works or materials that in **our** view increases the risk of future **damage** or increases the potential extent of future **damage**
- (2) if you elect not to rebuild the **premises** then this clause will not apply
- (3) if **our** liability is reduced by the application of any terms or conditions of this policy **our** liability under this extension will similarly be reduced

Excluding

- (i) the costs of work that prior to the **damage**
 - (a) **you** had already planned to carry out or
 - (b) **you** had been notified to carry out by any relevant authority

- (ii) any additional costs for replacing undamaged property
- (iii) the amount of any charge tax or assessment arising out of capital appreciation arising from the works funded by this extension

Limit

Our liability under this extension shall not exceed

- (i) 10% of any one claim or
- (ii) 10% of the sum insured or
- (iii) £100,000

whichever is the lower

27 Archaeological costs

Definitions specific to this extension

Archaeological rescue work

means any archaeological exercise concerned with the recording of information which would otherwise be lost or in danger of being lost

Archaeological research work

means any other archaeological exercise

We will pay the on-site costs of **archaeological rescue work** (including the recording of standing and collapsed fabric and damaged floor surfaces but not the excavation of below-ground deposits) incurred with **our** consent as a result of **damage** to the **buildings** by an **insured event**

Excluding

- (1) the costs of any **archaeological research work** which may be enabled or facilitated as a result of **damage** but which is not a necessary part of the process of repair conservation or rebuilding
- (2) the costs of analysis of data subsequent to **archaeological rescue work** (except insofar as such costs are a necessary and integral part of the process of repair conservation or rebuilding)
- (3) the costs of conservation or scientific analysis of materials or objects retrieved in the course of an archaeological exercise

Limit

£250,000 any one claim

The following extensions increase the sums insured that apply but only to the extent stated

28 Capital additions

Under the **buildings** and **contents of common parts** items

- (a) alterations and additions to the property insured but not in respect of any appreciation in value
- (b) newly acquired property so far as it is not otherwise insured anywhere in the **geographical limits**

Provided that **you** notify **us** as soon as is practicable and arrange for the property to be specifically insured by this policy and pay any additional premium that is required from the date of the alteration addition or acquisition

Excluding property which is bequeathed to **you**

Limit

In respect of (a)

20% of the relevant **buildings** or **contents of common parts** sum insured or £500,000 in total whichever is the less

In respect of (b)

£2,000,000 any one property and £1,000,000 in respect of any **unoccupied** building

29 Private residences (loss of rent and temporary accommodation)

If any private dwelling house or private flat (described as such in the schedule) cannot be lived in following **damage** insured by this section (or in the case of a private flat if the resident is denied access to it by an **insured event** elsewhere within the building) **we** will pay for

- (a) loss of rent (including ground rent and service charges) payable to **you** or
- (b) the reasonable and necessary additional costs that **you**
 - (1) are liable for or
 - (2) intended to be liable for even if the lease agreement is unclear on this point (subject to **your** written confirmation this was **your** intention)

in respect of the following

- (i) residents' temporary accommodation and storage of furniture

- (ii) kennel accommodation for the residents' domestic cat(s) and dog(s)
 - (iii) travelling expenses
- until the private dwelling house or private flat is fit to live in again or until access is restored

The most **we** will pay under this extension is

- (a) 20% of the sum insured on the building in respect of private dwelling houses
- (b) 20% of the sum produced by dividing the **buildings** sum insured by the number of flats in respect of each private flat

for a maximum period of 36 months from the date of **damage**

30 Inadvertent omission to insure

Premises in the **geographical limits** which **you** own or which **you** are responsible to insure which **you** have inadvertently failed to insure

- (1) under this or any other policy
- (2) against all the **insured events** insured by this policy but cover is restricted to those uninsured **insured events**

Provided that

- (a) immediately on becoming aware of
 - (i) premises not insured
 - (ii) any premises not insured for all the **insured events** insured by this policy

you shall arrange insurance from the date on which **your** responsibility attached and pay the appropriate additional premium
- (b) this extension shall not apply to any premises covered under the Capital additions extension of this section

Limit

£2,000,000 any one premises and £500,000 any one **unoccupied** premises

31 Privity of contract

We will indemnify **you** in respect of all such sums as **you** become legally liable to pay following **damage** caused by an **insured event** and pay as indemnity to tenants in respect of 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 terms and conditions of this policy

Excluding contribution in respect of any more particular insurance effected by any succeeding owner or tenant or sub-tenant

It is a **condition precedent to liability** in respect of this cover that you must take all reasonable steps to obtain release from **your** liabilities under the covenants to insure such property on its disposal

Limit

£1,000,000 in the **period of insurance**

32 Accidental omission of Value Added Tax

For any **buildings** item **we** will pay the Value Added Tax payable by **you** which has been inadvertently omitted from the sum insured and which **you** are not subsequently able to recover provided that

- 1 (a) **your** liability for such tax arises solely from the rebuilding or restoration of the **buildings** following **damage** by an **insured event**
- (b) **we** have paid or agreed to pay for such **damage**
- (c) if the payment **we** make for the rebuilding or restoration is less than the actual cost of rebuilding or restoration **we** will only pay the same proportion of the Value Added Tax applicable
- 2 **your** liability for such tax does not arise from the replacement buildings having a greater floor area than or being in a better condition or more extensive than the damaged **buildings**
- 3 if the **buildings** are rebuilt on another site following **damage we** will not pay more Value Added Tax than **we** would have done had the rebuilding been completed at the original site
- 4 **we** will not pay any amounts in relation to penalties imposed upon **you** for late or non-payment of Value Added Tax
- 5 for the purposes of any underinsurance penalty rebuilding costs shall be exclusive of Value Added Tax
- 6 **our** liability may exceed the sum insured by an item or in the whole the total sum insured where such additional amount is solely for Value Added Tax due

33 Minor contract works

Definitions specific to this extension

Contract works

means the permanent works or temporary works executed or in the course of execution at the **premises** by **you** or on **your** behalf for the purpose of alterations or improvements to the **premises** including unfixed site materials at the **premises** for use in connection with such works

Insured contract

means

- (a) any JCT minor standard or intermediate building contract in which **you** are the employer and are required to take out a joint names policy or
- (b) with **our** prior written agreement any similar contract

Cover

Cover for each **buildings** item extends to include **contract works** for which **you** are responsible under the terms of an **insured contract** but only to the extent of the cover provided by this section and provided that this insurance shall only apply insofar as the **contract works** are not otherwise insured

Limit

Our liability under this extension inclusive of all professional fees and VAT where applicable shall not exceed £100,000 in respect of all losses or series of losses arising directly from the same originating cause

2 Equipment breakdown

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Accident(s)

means

- (a) electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force
- (b) artificially generated electrical current including electric arcing that disturbs electrical devices appliances or wires
- (c) **explosion** or **collapse** of **covered equipment** operating under steam or other fluid pressure
- (d) **damage** to hot water boilers other water heating equipment oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- (e) **damage** caused by operator error that results in the overloading of **covered equipment**

Biomass and biogas installations

means any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant including anaerobic digesters storage tanks augers screeners scrubbers boilers gas engines generators heat exchangers pumps and motors

Breakdown

means

- (a) the actual breaking failure distortion or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative
- (c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

- (d) **electronic derangement**

Collapse

means the sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Computer equipment

means

- (a) electronic computer or other data processing and/or storage equipment
- (b) projectors printers scanners and other peripheral devices used in conjunction with (a)
- (c) software and programs licensed to **you** and installed on (a)
- (d) **portable computer equipment** owned by **you** or for which **you** are responsible

Covered equipment

means equipment at the **premises** owned by **you** or for which **you** are responsible

- (a) which is built to operate under vacuum or pressure (other than the weight of its contents) or
- (b) that generates transmits stores or converts energy or
- (c) comprising **computer equipment**

Excluding

- (i) any supporting structure foundation masonry brickwork cabinet
- (ii) any insulating or refractory material
- (iii) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery cranes or equipment which are included but not the actual vehicle)
- (iv) self-propelled plant and equipment (other than fork lift trucks and pallet trucks used by **you** at **your** premises) dragline excavation or construction equipment
- (v) equipment manufactured by **you** for sale
- (vi) safety or protective devices due to their functioning
- (vii) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal

- (viii) any electronic equipment (other than **computer equipment**) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- (ix) any **manufacturing production or process equipment** including linked **computer equipment**
- (x) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- (xi) any **biomass and biogas installations**
- (xii) any **hydroelectric installation**

Cyber event

means

- (a) a failure of electronic equipment to correctly recognise process or store any date
- (b) a hostile malicious illegal or transgressive act committed through electronic systems including but not limited to
 - (i) a virus (a program code programming instruction or any set of instructions intended to damage interfere with or have a negative effect on computer programs data or operations)
 - (ii) hacking (unauthorised access to any computer or other electronic equipment)
 - (iii) a denial of service attack (any actions or instructions intended to damage interfere with or affect the availability or performance of networks network services network connectivity or telecommunication systems)

Electronic derangement

means malfunction of the **computer equipment** or electronic circuitry controlling or operating the **covered equipment** that is not accompanied by visible **damage** and requires replacement of one or more insured components of the **covered equipment** in order to restore it to its normal operation

Excluding

- (a) the rebooting reloading or updating of software or firmware

- (b) the incompatibility of **covered equipment** with any software or equipment installed introduced or networked within the previous 30 days
- (c) the **covered equipment** being of insufficient size specification or capacity
- (d) loss or **damage** caused by a **cyber event**

Explosion

means the sudden and violent rending of the **covered equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of the contents

Hydroelectric installations

means any equipment machinery dam and weir used in connection with running a hydroelectric power station including turbines sluice gates screens screeners pumps motors generators gearboxes engines alternators and associated equipment

Hydroelectric installations also include any substation and distribution transformer switchgear meter cabling telecommunication and monitoring device building and converter housing (including fixtures and fittings) and security equipment

Hazardous substance

means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

Manufacturing production or process equipment

means any machine or apparatus (other than boilers lifts fork lift trucks dock levelers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **you** and any equipment which exclusively serves such machinery or apparatus

Media

means all forms of electronic magnetic and optical tapes and discs for use in any **computer equipment**

Portable computer equipment

means

- (a) laptops palmtops and notebooks
 - (b) personal digital assistants (PDA's)
 - (c) projectors printers scanners and other peripheral devices which are designed to be carried and used in conjunction with other **portable computer equipment**
 - (d) removable satellite navigation systems
 - (e) digital cameras
 - (f) smart phones
- owned by **you** or for which **you** are responsible

Service provider

means a business that **you** have hired under a written contract to perform services on **your** behalf in connection with the **business**

Transit

means the loading unloading and movement of **covered equipment** other than by air or sea unless the sea transit is by roll-on/roll-off ferry

Cover

We will indemnify **you** in respect of **damage** to **covered equipment** arising from an **accident** happening during the **period of insurance**

Exclusions

We shall not be liable for

- (1) **damage** caused by or resulting from
 - (a) a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
 - (b) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
 But if **damage** from an **accident** results **we** shall be liable for that resulting **damage**
- (2) **damage** which is recoverable under a maintenance agreement warranty or guarantee

- (3) **damage** caused by any condition which can be corrected by resetting calibrating realigning tightening adjusting or cleaning or by the performance of maintenance but if **damage** from an **accident** results **we** shall be liable for that resulting **damage**
- (4) any loss or **damage** caused by a **cyber event**
- (5) any loss of or **damage** to data or **media** caused by
 - (a) programming error or programming limitation
 - (b) loss of data (other than as specifically provided for under any Reinstatement of Data and Computer Increased Costs of Working extension of cover)
 - (c) loss of access
 - (d) loss of use
 - (e) loss of functionality
- (6) any claim cost or loss caused by or resulting from **your** commercial decision to stop trading or the decision of a **service provider** to stop or reduce trade with **you** or restrict their services

Basis of settlement

We will pay up to the value of **covered equipment** at the time of the **damage** or at **our** option repair reinstate or replace the **covered equipment** in accordance with the following

Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of **covered equipment** is to be calculated shall be the reinstatement of the **covered equipment** that is the subject of an **accident**

For this purpose 'reinstatement' means

- (a) the replacement of **covered equipment** that is the subject of an **accident** which provided **our** liability is not increased may be carried out
 - (i) in any manner suitable to **your** requirements
 - (ii) upon another site
- (b) the repair or restoration of **covered equipment** that is the subject of an **accident**

In the case of (a) or (b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special condition applicable to this memorandum

- 1 **Our** liability for the repair or restoration of **covered equipment** that is the subject of an **accident** shall not exceed the amount payable for replacement of the **covered equipment**
- 2 No payment beyond the amount which would have been payable in the absence of this basis of settlement shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay
 - (b) until the cost of reinstatement shall have been actually incurred
- 3 **We** shall not be bound to reinstate exactly or completely any property that is the subject of a claim but only as circumstances permit and in reasonably sufficient manner
We shall not pay more than the sum insured in respect of any one of the items insured
- 4 All the terms and conditions of the policy shall apply
 - (a) in respect of any claim payable under this memorandum except in so far as they are varied hereby
 - (b) where claims are payable as if this memorandum had not been incorporated

Limit of liability

Our liability in any one period of insurance shall not exceed the sum insured under the appropriate section of material damage insurance provided by this policy for each item of **covered equipment** nor in all the total sum insured subject to the maximum liability below

Maximum liability

The total amount **we** will pay in respect of this section shall not exceed

- £5,000,000 in any one period of insurance
- £500,000 any one **accident** for **computer equipment**

If an initial **accident** causes other **accidents** all will be considered one **accident**

All **accidents** that are the result of the same event will be considered one **accident**

Extensions

The insurance provided by this section is extended to include the following

These extensions do not increase the limits or sums insured that apply

1 Away from premises

Damage from an **accident** to **covered equipment**

- (a) during transit anywhere in the **geographical limits**
- (b) temporarily removed from the **premises** to anywhere in the **geographical limits**
 - (i) whilst in **your** custody or control or
 - (ii) for the purpose of repair replacement restoration service or modification
- (c) for **portable computer equipment** at any location or in **transit** anywhere in the world

Limit in respect of (c)

£5,000 any one **accident**

2 Reinstatement of data and Computer Increased Costs of Working

- (A) Unless otherwise excluded **we** will pay the costs **you** incur in reinstating data that is lost or damaged as a consequence of an **accident** to **covered equipment**

Providing that

- (i) **our** liability is limited solely to the cost of reinstating data onto **media**
- (ii) **we** shall not be liable for loss or damage to software

Limit

£50,000 any one **accident**

- (B) In addition **we** will pay costs necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing the resulting interruption or interference to **your** computer operations

Limit

£50,000 any one **accident**

3 Rental income

If the Rental income section of this policy is operative **we** will pay to **you** in respect of each item in the Rental income schedule the loss occurring during the indemnity period (as defined in the Rental income section) following an **accident to covered equipment** that results in the **business** being interrupted or interfered with

Our liability shall not exceed the sum insured for each item nor in all the total sum insured and in any event **our** maximum liability shall not exceed £100,000 any one period of insurance

Excluding

- (1) any loss resulting from Extension 7 - Damage to own surrounding property
- (2) any delay in resuming operations resulting from the need to reconstruct or re-input data or programs on **media** nor for the costs incurred in so doing where **you** have not fully complied with the Special condition – Back-up records

4 Hazardous substances

Following an **accident we** will also pay the additional cost to repair or replace **covered equipment** which has been contaminated by a **hazardous substance**

This includes any additional expenses incurred to clean up or dispose of such property

Limit

£10,000 any one **accident**

5 Expediting expenses

Reasonable costs necessarily incurred by **you** to make temporary repairs and expedite permanent repairs or permanent replacement of damaged **covered equipment**

Limit

£20,000 any one **accident**

6 Government and Public Authorities

(Including undamaged portions)

If in force the Government and Public Authorities extension of the Property damage section of this policy applies to **covered equipment** damaged as a result of an **accident**

7 Damage to own surrounding property

We shall be liable for **damage** to property belonging to **you** or in **your** custody and control and for which **you** are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure

Limit

£2,000,000 any one **accident**

8 Hire of substitute item

If **covered equipment** is damaged as a result of an **accident we** shall be liable for the cost of hire charges actually incurred by **you** during the **period of insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged

Limit

£10,000 any one **accident**

9 Storage tanks and loss of contents

Damage caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to **you** or for which **you** are responsible at the **premises**

In addition this extension covers loss of the contents of oil storage tanks caused by

- (a) escape of contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- (b) contamination - contamination of the contents of oil storage tanks caused by or resulting from an **accident** including cleaning costs incurred as a result of such loss

Limit

£10,000 any one **accident**

10 Debris removal

Following an **accident to covered equipment we** will pay the costs necessarily incurred for

- (a) the removal of debris and
- (b) the protection of the **covered equipment**

Limit

£25,000 any one **accident**

11 Repair costs investigation

We will pay the costs incurred with **our** prior written consent relating to repair investigations and tests by consulting engineers for **damage to covered equipment** following an **accident**

We shall not be liable for costs incurred in preparing a claim under this policy

Limit

£25,000 any one **accident**

12 Public relations costs

We will pay reasonable costs necessarily incurred by **you** with **our** prior written consent for the services of a professional public relations firm to assist **you** in creating and disseminating communications to

- (a) the media
- (b) the public
- (c) **your** customers and clients

following a claim accepted under the Rental income extension

13 Additional access costs

If the Rental income section of this policy is operative **we** will pay reasonable costs necessarily incurred in order to gain access to repair or replace **covered equipment** following an **accident**

Limit

£20,000 any one **accident**

14 Energy efficiency improvements

We will pay the additional costs incurred with **our** prior written consent to replace the damaged **covered equipment** following an **accident** with similar equipment that is

- (a) better for the environment
- (b) safer and
- (c) more efficient

than the **covered equipment** being replaced

Limit

25% of the new replacement cost of the damaged **covered equipment** or £25,000 whichever is less any one **accident**

Special condition

Back up records

It is a **condition precedent to liability** that **you** must

- (i) back up original data at least every 7 days and
- (ii) maintain at least one generation of verified back-up computer records and
- (iii) keep one copy off site (this may include cloud storage) and
- (iv) take precautions to make sure that all data is stored safely

3 Rental income

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Annual rent receivable

means the **rent receivable** during the 12 months immediately before the date of the **damage**

Computer equipment

means equipment that is electronic computer or other data processing equipment including all forms of electronic magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment software and peripherals used in conjunction with such equipment belonging to **you** or for which **you** are responsible

Damage

means unless stated otherwise in the schedule destruction or damage caused by those events which are insured by any corresponding section of this policy covering damage to property For the purpose of this section the definition of **damage** shall also include explosion of any boiler or economiser on the **premises**

Indemnity period

means the period beginning with the occurrence of the **damage** and ending not later than the expiry of the maximum indemnity period during which the results of the **business** are affected as a result of the **damage**

Rent receivable

means the amount of the rent and service charges received or receivable from the letting of the **premises**

Standard rent receivable

means the **rent receivable** during the period corresponding with the **indemnity period** in the 12 months immediately before the date of the **damage** proportionately increased where the maximum indemnity period exceeds 12 months

Cover

If any property used by **you** at the **premises** suffers **damage** during the **period of insurance** and as a result the **business** at the **premises** is interrupted or interfered with **we** will pay to **you** for each item in the schedule the amount of loss as a result of the interruption or interference in accordance with the Basis of settlement

Material damage proviso

Provided that

- (1) at the time of the **damage** there is insurance in force covering **your** interest in the property at the **premises** against **damage** and
- (2) payment shall have been made or liability admitted under that insurance (but this proviso shall not apply if no payment is made solely due to an **excess**) and
- (3) if the property damage insurance is not provided by **us** the claim would have been accepted under any corresponding section of this policy providing property damage cover had it been in force

Exclusions

We shall not be liable in respect of any loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as a result of anything which is excluded under the Property damage section other than the consequential loss exclusion

Basis of settlement

Rent receivable items

- (a) loss of **rent receivable** which is calculated as the amount by which the **rent receivable** during the **indemnity period** as a result of the **damage** falls short of the **standard rent receivable**

- (b) increased cost of working necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **rent receivable** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **damage** but not exceeding the amount of the reduction in **rent receivable** avoided occurring during the **indemnity period** and

less any sum saved during the **indemnity period** for such expenses of the **business** payable out of **rent receivable** which cease or are reduced as a result of the **damage**

Provided that **our** maximum liability shall not exceed on each item of **rent receivable** 200% of the sum insured to take into account any rent reviews which would normally have taken place but for the occurrence of **damage** during the **indemnity period**

Underinsurance

The amount payable shall be proportionately reduced if the sum insured by the relevant item is less than the appropriate **annual rent receivable** or a proportionately increased multiple of the above where the maximum indemnity period exceeds 12 months

Automatic reinstatement

In the absence of written notice by **you** or **us** to the contrary **our** liability shall not be reduced by the amount of any loss provided that **you** pay the appropriate additional premium for such automatic reinstatement of cover

Limit of liability

Our liability shall not exceed the sum insured for each item or any other limit of liability stated in this section and in total **our** liability shall not exceed the total sum insured for all items unless expressly varied in this section

Memoranda

Alternative trading clause

If during the **indemnity period** the **business** is conducted elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf the money paid or payable in respect of rent will be taken into account in arriving at the **rent receivable** during the **indemnity period**

Trends and variations clause

Adjustments shall be made to the figures representing the **annual rent receivable** and **standard rent receivable** that may be necessary to provide for the trend of the **business** and any other circumstances affecting the **business** either before or after the **damage** and which would have affected the **business** had the **damage** not occurred so that the adjusted figures represent as near as possible the results which would have been obtained during the relative period after the **damage** had the **damage** not occurred

Professional accountants' charges

Any details contained in **your** business books which are requested by **us** for the purpose of dealing with **your** claim can be produced by **your** professional accountants and their report shall be accepted as evidence of these details

We will pay to **you** the reasonable charges payable by **you** to **your** professional accountants for producing these details or any other information requested by **us**

The sum of amount payable under this clause and the amount otherwise payable under this section shall not exceed the sum insured

Payments on account

Payments on account will be made during the **indemnity period**

Current cost accounting

Any adjustments implemented in current cost accounting shall be disregarded

Value Added Tax

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

72 hour provision

All individual losses arising out of and directly occasioned by the Insurable events of Storm Flood or Earthquake occurring continuously or intermittently within 72 consecutive hours is deemed to be one event and one **excess** will apply

The date and time that any such period of 72 hours shall commence shall be set by **us**

Unoccupied or untenanted buildings

Where the **buildings** or any part of the **buildings** are **unoccupied** and **damage** occurs during the **period of insurance our** maximum liability will be the loss of estimated rental income during the period of the rebuilding or repair which will be calculated solely upon any tenancy agreement for such **building** which is in existence at the time of the **damage** occurring

Managing agents' charges

We will indemnify **you** for Managing agents' charges necessarily and reasonably incurred in connection with re-letting premises following insured loss under this section

Rent-free period

If there is a clause in the lease of the **premises** that allows a rent free period to the leaseholder then the definition of the **indemnity period** is amended to read as follows

Indemnity period

means the period beginning with the date on which but for the **damage** rent would have commenced to be received and ending not later than the expiry of the maximum indemnity period specified in the schedule during which the results of the **business** shall be affected in consequence of the **damage**

Break clauses

This insurance shall not be prejudiced by any insurance or causality break clause in a lease that enables a lessee to determine the lease in the event of **damage**

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 as a result of the **damage** provided that **you** make 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

- (1) during the period prior to the date upon which but for the **damage** the **buildings** would have been sold the loss of rent being the actual amount of the reduction of **rent receivable** by **you** solely as a result of the **damage**
- (2) 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 maximum indemnity period if earlier the loss of interest being
 - (a) 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** the rate of interest not to be more than 4% above the London Interbank offered rate applying during the **indemnity period** and
 - (b) the investment interest lost to **you** on any balance of the sale proceeds (after deduction of any capital borrowed provided under (a)) less any amount of **rent receivable**
- (3) additional expenditure being
 - (i) the expenditure necessarily and reasonably incurred solely as a result of the **damage** solely to avoid or minimise the loss payable under (1) or (2) above but not exceeding the amount of loss avoided by such expenditure
 - (ii) the additional legal fees and other expenditure incurred solely following cancellation or delay as a result of the **damage** but not exceeding the amount equivalent to the expenditure incurred immediately prior to the **damage**

Provided that

- (a) the amount payable shall be adjusted to provide for any benefit **you** derive from cancellation of or delay in the sale so that it represents as nearly as may be practicable the actual loss **you** suffer
- (b) in the event of underinsurance the amount payable shall be adjusted in accordance with the underinsurance memoranda
- (c) the maximum amount payable for any item of rent under this section in any one period of insurance is £100,000

Extensions

The insurance cover provided by this section is extended to cover loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as result of the following

Unless specifically stated otherwise these extensions do not increase **our** liability as stated in the Limit of liability paragraph to this section

1 Prevention of access - Damage

Access to or use of the **premises** being prevented or hindered by **damage** to neighbouring property

Excluding

- (i) any loss covered under the Utilities extension
- (ii) any period when access to the **premises** was not prevented or hindered

2 Prevention of access – Non Damage

- (i) The prevention of access to or use of the **premises** occurring within a 1 mile radius of the **premises** by
 - (a) the police or fire and rescue services due to an emergency which could endanger human life or neighbouring property or
 - (b) bomb scare

Excluding

- (i) any restriction of use of less than 4 hours
- (ii) any period when access to the **premises** was not prevented
- (iii) any loss due to food poisoning defective drains or other sanitary arrangements
- (iv) any loss due to **vermin**
- (v) any loss due to adverse weather

Limit

£10,000 in the **period of insurance**

Special conditions

- (1) For the purpose of part (b) of this extension the General exclusion Terrorism does not apply
- (2) The maximum indemnity period under this extension will not exceed three months

3 Utilities

Damage at any of the following all within the **geographical limits**

- (a) generating station or sub-station of **your** electricity supplier
- (b) land-based premises of **your** gas supplier or any directly linked natural gas producer
- (c) water works or pumping station of **your** water supplier
- (d) land-based premises of **your** telecommunications services provider

4 Food poisoning defective sanitation vermin or murder or suicide

The prevention or restriction of access to or closure of the **premises** on the order or advice of the Police Environmental Health or other similar enforcement agency as a direct consequence of

- (a) any injury or illness sustained by any person arising from or traceable to food or drink provided at the **premises**
- (b) any accident causing defects in drains or other sanitary arrangements at the **premises**
- (c) any discovery of **vermin** at the **premises**
- (d) murder rape or suicide at the **premises**

Provided that

- (i) **We** shall only be liable for the loss arising at those **premises** which are directly affected by the occurrence discovery or accident
- (ii) Extensions which deem **damage** at other locations to be **damage** at the **premises** shall not apply to this cover

Excluding any costs incurred in the cleaning repair replacement recall or checking of property

Limit

Our liability under this extension in respect of any one occurrence discovery or accident shall not exceed the lesser of £100,000 or 25% of

- (a) the sum insured by the items or
- (b) the limit of **our** liability by the items if the declaration-linked basis applies

The maximum indemnity period for this extension will not exceed three months beginning from the date on which the restrictions on the **premises** are applied

5 Loss of attraction

Damage to buildings or other property in the immediate vicinity of the **premises** which has such an effect on the **business** at the **premises** that

- (a) an agreement to lease the **premises** or any part of the **premises** in course of negotiation or review is avoided or amended and the **rent receivable** by **you** is reduced
- (b) the turnover of any lessee's business is affected and rent receivable by **you** is reduced

Our liability for any one occurrence shall not exceed 10% of the sum insured or £250,000 whichever is the less

For the purposes of this extension the maximum indemnity period will not exceed three months

The following extensions increase the sums insured that apply but only to the extent stated

6 Additional increase in cost of working

Such further additional expenditure beyond that recoverable under paragraph (b) Basis of settlement Rent receivable items as **you** shall necessarily and reasonably incur during the **indemnity period** in consequence of the **damage** for the sole purpose of avoiding or diminishing the loss of **rent receivable**

Limit
£25,000 in the **period of insurance**

The schedule will show if further additional increase in cost of working cover applies

7 Reinstatement of data

Unless more specifically insured **we** will pay the costs necessarily and reasonably incurred by **you** in reinstating data that is lost or damaged as a consequence of **damage to computer equipment at your premises**

Providing that **our** liability is limited solely to the cost of reinstating data to any form of electronic magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment

Exclusions

- (i) **We** shall not be liable for any losses discovered later than 180 days after the loss occurred
- (ii) Loss or damage to software
- (iii) Costs more specifically described under the Computers - Increased cost of working extension

Limit
£25,000 in the **period of insurance**

8 Computers - Increased cost of working

Unless more specifically insured **we** will pay costs necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing interruption or interference to **your** computer operations used in connection with **your business** as a consequence of **damage to computer equipment at your premises**

Limit
£25,000 in the **period of insurance**

9 Book debts

If following **damage to your** records at the **premises you** are unable to trace outstanding debit balances owed to **you we** will indemnify **you** for such loss as follows

- (a) **we** will pay the difference between the total outstanding debit balances and the total of the amounts received or traced for such balances
- (b) **we** will pay additional expenditure incurred with **our** previous consent in tracing and establishing customers' debit balances after the **damage**
- (c) **we** will pay for reasonable professional accountants' charges necessarily incurred in providing any evidence required by **us** in support of a claim

Excluding loss arising from misfiling erasure distortion deliberate falsification of business records abnormal conditions of trade or from bad debts

Limit
£50,000 any one claim

Special condition

It is a **condition precedent to liability** under this extension that **you** keep a record of the total amount outstanding in customers' accounts as at the end of each month and within 30 days of the end of each month deposit this record in a building other than that in which the original records are kept

10 Capital additions

Under the Rent receivable item following **damage** to

- (a) alterations or additions to existing buildings or
- (b) newly acquired property so far as it is not otherwise insured

anywhere in the **geographical limits**

Provided that **you** undertake to give details of such extension of cover as soon as practicable (at no later than 6 monthly intervals) and to effect specific insurance and pay any additional premium that is required from inception of the cover

Limit

10% of the Rent receivable sum insured or £500,000 whichever is the less

11 Loss of investment income

Where following **damage we** are making payments for **rent receivable** and the payment **we** make to **you** is made later than the date upon which **you** would normally expect to receive such rent from the lessee **we** will pay the interest which **you** would have earned by placing the money in **your** normal deposit account on the earlier date

12 Managing agents' premises

The definition of **premises** is extended to include the premises of **your** Managing agents in respect of any irrecoverable losses suffered by **you** resulting from **damage** at such premises

Limit

£50,000 or 20% of the rent receivable sum insured whichever is the less

Special conditions applicable to this section

1. Premium adjustment clause

Sum insured basis

If **your rent receivable** (or a proportionately increased multiple of it where the maximum indemnity period exceeds 12 months) as certified by **your** auditors for the financial year of the 12 months most closely corresponding with any period of insurance is less than the sum insured a pro rata return of premium not exceeding 50% of the premium paid on each sum insured for such period of insurance will be made for the difference

If any **damage** has occurred resulting in a claim the return premium will be for the difference in **rent receivable** which is not due to the **damage**

2. Back up records

It is a **condition precedent to liability** that **you** must

- (i) back up original data at least every 7 days and
- (ii) maintain at least one generation of verified back-up computer records and
- (iii) keep one copy off site (this may include cloud storage) and
- (iv) take precautions to make sure that all data is stored safely

4 Terrorism

The schedule will show if this section applies

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Act of terrorism

means acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of HM government in the United Kingdom or any other government de jure or de facto

Business interruption

means loss arising from interruption or interference with the **business** carried on by **you** at the **premises** as a result of damage to or destruction of **property insured** used by **you** at the **premises** for the purpose of the **business**

Computer systems

means a computer or other equipment or component or system or item which processes stores transmits or receives **data**

Data

means data of any sort whatever including without limitation tangible or intangible data and any programs or software bandwidth cryptographic keys databases documents domain names or network addresses or anything similar files interfaces metadata platforms processing capability storage media transaction gateways user credentials websites or any information whatever

Denial of service attack

means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability or performance of networks network services network connectivity or **computer systems**

Denial of service attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses the generation of excess or non-genuine traffic between and amongst networks

and the procurement of such actions or instructions by other **computer systems**

Event

means all individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same **act of terrorism**

The date and time that any such period of 72 hours shall commence shall be set by **us**

Hacking

means unauthorised access to any **computer system** whether **your** property or not

Losses

means all losses arising under any operative section or extension to this policy for material damage business interruption or book debts as a result of damage to or the destruction of **property insured** in the **territorial limits** the proximate cause of which is an **act of terrorism**

Nuclear installation

means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for

1. the production or use of atomic energy
2. the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations
3. the storage processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel

Nuclear reactor

means any plant (including any machinery equipment or appliance whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons

Phishing

means any access or attempted access to **data** made by means of misrepresentation or deception

Property

means all property whatsoever but excluding

1. any property which is occupied as a private residence and which is
 - a. a private dwelling house or
 - b. self-contained unit insured as part of a block of units i.e. a block of flats
 unless such property
 - i. is not insured in the name of a private individual
 - ii. is insured in the name of a **sole trader** or a trustee or an executor of a will and is not occupied by such persons or by any beneficiary of the trust or will in question
 - iii. is of mixed residential and commercial usage and the commercially occupied portion of the property exceeds 20% (as defined by **us**) of the whole of such building
2. property including fine art collections which are the subject of
 - a. a trust of any kind or
 - b. an executorship of a will
 and where the use or benefit of the property is for private domestic purposes only and enjoyed by a beneficiary or a trustee of the trust or a beneficiary or an executor of the will
3. any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**

The noting of the interest of any lender (by including as joint insured or otherwise) shall not prejudice the definition of property as defined above

Property insured

means **property** which is insured under other sections of this policy

Sole trader

means

1. a self-employed individual registered as a sole trader with HM Revenue & Customs or
2. a private individual or individuals operating as a landlord and taxed as a business or
3. a private individual or individuals who have made an active decision to become a landlord and receive or intend to receive an income from **property insured**

Territorial limits

means England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987

Virus or similar mechanism

means program code programming instruction or any set of instructions constructed with the purpose and ability or purposely used to damage interfere with adversely affect infiltrate or monitor computer programs **computer systems data** or operations whether involving self-replication or not

This includes but is not limited to trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage interfere with adversely affect infiltrate or monitor as above

Cover

We will pay **you** for

1. damage to or the destruction of **property**
2. **business interruption** or book debts
3. loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property**

as insured by any other section of this policy occasioned by or happening through or in consequence of an **act of terrorism** within the **territorial limits**

Provided always that the insurance by this section is

1. not subject to
 - a. any of the General exclusions of this policy
 - b. any long term agreement or undertaking which may otherwise apply
 - c. any terms in this policy which provide for adjustments of premium

2. subject
 - a. otherwise to all the terms provisions definitions and conditions of this policy except where expressly varied within this section
 - b. to a maximum period of insurance of 12 months from the inception or renewal date of this policy
Any subsequent period of cover provided by this section whether for 12 months or less is deemed to constitute a new period of insurance provided that
 - i. no subsequent period of insurance by this section shall extend beyond the next renewal date of this policy
 - ii. the renewal premium due in respect of this section has been received by **us**

Basis of settlement

As described in the relevant section of this policy in respect of damage to or destruction of the **property insured** or **business interruption** or book debts or loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event

The most **we** will pay for any one **event** is the lesser of

1. the total sum insured or
2. for each item its individual sum insured or
3. any other limit of liability

as stated in the relevant section of this policy less the **excess**

The **excess** applicable to losses under this Terrorism section shall be equal to the **excess** applied in respect of the risk of fire and/or explosion under the other sections of this policy

Exclusions

We will not be liable for any losses whatsoever

1. occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
2. arising under
 - a. marine aviation and transit policies
 - b. motor insurance policies
 - c. bankers blanket bond

3. directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from
 - a. damage to or the destruction of any **computer system** or
 - b. any alteration modification distortion erasure or corruption of **data**
 whether **your** property or not where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**

Extension for act of terrorism triggered by remote digital interference

Definitions specific to this extension

Property/Property insured

means as defined in this section but also excludes for the purposes of this extension

- a. any money (including money as defined in any Money (or Money with assault) section of this policy) currency electronic cryptographic or virtual currency including Bitcoin or anything similar negotiable or non-negotiable instruments financial securities or any other financial instrument of any sort whatever and
- a. any **data**

Specific events

means fire explosion flood escape of water from any tank apparatus or pipe (including any sprinkler system) impact of aircraft or any aerial devices or articles dropped from them impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle destruction of damage to or movement of buildings or structures plant or machinery other than any **computer system**

Exclusion **3.** will not apply to **losses** provided that such **losses**

1. result directly (or solely as regards **3. c.** below indirectly) from **specific events** and
2. are not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by acting on behalf of or part of any de jure or de facto government of any nation country or state and

3. comprises
- a. the cost of reinstatement replacement or repair in respect of damage to or destruction of **property insured** or
 - b. the amount of **business interruption** or book debts suffered directly by **you** by way of loss of or reduction in profits revenue or turnover or increased cost of working as a direct result of either damage to or destruction of **property insured** or as a direct result of denial prevention or hindrance of access to or use of the **property insured** by reason of an **act of terrorism** causing damage to or destruction of other **property** within one mile of the **property insured** to which access is affected or
 - c. the amount of loss caused by the cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property** and any additional costs or charges reasonably and necessarily paid by **you** to avoid or diminish such loss

Notwithstanding the exclusion of **data** from **property** and **property insured** to the extent that damage to or destruction of **property** and **property insured** within the meaning of sub-paragraph 1. above indirectly results from any alteration modification distortion erasure or corruption of **data** because the occurrence of one or more **specific events** results directly or indirectly from any alteration modification distortion erasure or corruption of **data** that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** and **property insured** and otherwise falling within sub-paragraphs 1. and 3. above from being recoverable under this policy

In no other circumstances than the previous sentence however will any loss(es) directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from any alteration modification distortion erasure or corruption of **data** be recoverable under this Terrorism section

Condition

If **we** allege that any other loss is not covered by this section the burden of proving that such loss is covered shall be upon **you**

Notwithstanding the above the burden of proof shall be upon **us** to prove or establish all the matters referred to in sub-paragraph 2. of the Extension for act of terrorism triggered by remote digital interference

5 Liabilities

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological ethnic or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear

Business

means as defined in the General Definitions including

- (a) the routine repair maintenance and decoration of the **premises**
- (b) private work undertaken with **your** consent by any **employee** for any director partner or **employee of yours**

but this does not include any work undertaken **offshore**

Clean up costs

means the costs incurred by

- (a) a government agency or regulatory body
- (b) **you** with **our** prior written consent where a government agency or regulatory body would have required remediation

in carrying out action to curtail or minimise or remediate a **sudden pollution or contamination incident** in respect of which **you** are legally responsible

Computer system

means any computer hardware software communications system electronic device (including but not limited to smart phone laptop tablet wearable device) server cloud or microcontroller including any similar system or any

configuration of the aforementioned and including any associated input output data storage device networking equipment or back up facility

Cyber act

means an unauthorised malicious or criminal act or series of related unauthorised malicious or criminal acts regardless of time and place or the threat or hoax thereof involving access to processing of use of or operation of any **computer system**

Cyber incident

means

- (a) any error or omission or series of related errors or omissions involving access to processing of use of or operation of any **computer system** or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access process use or operate any **computer system**

Data

means information facts concepts code or any other information of any kind that is recorded or transmitted in a form to be used accessed processed transmitted or stored by a **computer system**

Data protection legislation

means the Data Protection Act 2018

Employed person

means

- (a) any **employee**
- (b) the following while under **your** direct control and supervision
 - (i) self-employed persons
 - (ii) any person employed by labour only sub-contractors
 - (iii) labour masters and persons supplied by them
 - (iv) any person supplied to or hired or borrowed by **you** or on **your** behalf
 - (v) any person undertaking work experience training study or exchange schemes

Employee(s)

means any person under a contract of service or apprenticeship with **you**

Event(s)

means one occurrence or series of occurrences arising from or attributable to one source or original cause

Injury

means bodily injury death disease or illness

Legal costs

means

- (a) claimant's costs and expenses which **you** are legally liable to pay in connection with any claim which is or may be the subject of cover under this section of the policy
- (b) the cost of legal representation at any coroner's inquest or inquiry in respect of any death
- (c) the costs of legal representation at
 - (i) proceedings brought against the **Insured** any director trustee partner or **employed person** of the **Insured** in any court arising out of any alleged breach of statutory duty in respect of **injury** which may be the subject of indemnity under this section of the policy including the defence of any criminal proceedings for any offence defined in the Corporate Manslaughter and Corporate Homicide Act 2007 or breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978
 - (ii) any appeal against conviction in proceedings mentioned in (i) provided that in the opinion of counsel appointed by mutual consent such appeal is more likely to succeed than not incurred with **our** prior written consent
- (d) all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under this section of the policy incurred with **our** prior written consent

Offshore

means embarkation onto a vessel or aircraft for conveyance to an offshore rig platform or service or accommodation vessel until disembarkation from the conveyance onto land upon return from such offshore rig platform or service or accommodation vessel

Pollution or contamination

means pollution or contamination of buildings or other structures or of water land or the atmosphere

Products

means goods (including containers and packaging) not in **your** custody or control sold supplied installed erected serviced repaired altered or treated by **you** in connection with the **business**

Property

means material property

Sudden pollution or contamination incident

means **pollution or contamination** caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place in the **geographical limits** during the **period of insurance**

You/your/yours

means

- (a) the **Insured** named in the schedule
- (b) **your** personal representatives in respect of legal liability incurred by **you**
- (c) at **your** request
 - (i) any principal for whom **you** are carrying out a contract but only to the extent that is required by the conditions of contract
 - (ii) any director trustee partner or **employed person of yours** in respect of liability for which **you** would have been entitled to indemnity had the claim been made against **you**
- (d) any officer or member of **your** canteen social sports and welfare facilities and fire first aid ambulance and security services in their individual capacities as such
- (e) any director trustee partner or **employee** of **yours** in respect of private work carried out with **your** prior consent by an **employed person** for such director trustee partner or **employee**

Cover 1 – Employers' liability

Cover

We will indemnify **you** against **your** legal liability to pay damages and **legal costs** arising out of **injury** to an **employed person** caused during the **period of insurance**

- (a) within the **geographical limits**
or
- (b) while temporarily outside these territories in connection with the **business**

This insurance complies with the provisions of any law enacted in the **geographical limits** relating to the compulsory insurance of liability to employees

Employers' liability exclusions

No indemnity will be provided

- (a) for legal liability for which compulsory motor insurance or security is required under any road traffic legislation
- (b) in respect of
 - (i) fines or penalties
 - (ii) any compensation awarded by a court of criminal jurisdiction
 - (iii) fees for intervention payable under the Health and Safety (Fees) Regulations 2012
 - (iv) the costs of appeal against any improvement or prohibition notices

Limit of liability

Legal costs are included within the limit of indemnity

The total amount **we** will pay in respect of

- (a) any one **event** shall not exceed the limit of indemnity shown in the schedule
- (b) any one **event** which is directly or indirectly caused by results from or is in connection with an **act of terrorism** shall not exceed £5,000,000
- (c) all **events** happening during the **period of insurance** in respect of the cost of representation in the defence of criminal proceedings or at any appeal against conviction and all other costs and expenses for any offence defined in the Corporate

Manslaughter and Corporate Homicide Act 2007 shall not exceed £5,000,000

Where **we** are liable to indemnify more than one person the total amount payable in respect of damages and **legal costs** shall not exceed the limit of indemnity shown in the schedule

Employers' liability extensions

Each of the following is subject to the terms of the policy

1 Unsatisfied court judgements

Where a judgement for damages has been obtained

- (a) by one of **your employees** or their personal representatives in respect of **injury** of the **employee** caused during any period of insurance and which arises out of and in the course of their employment with **you** in the **business**
- (b) in any court situated within the **geographical limits**
- (c) against any company or individual operating from premises within the **geographical limits**
- (d) which remains unsatisfied in whole or in part 6 months after the date of the judgement

we will at **your** request pay to the **employee** or their personal representatives the amount of damages and any awarded costs which remain unsatisfied subject to there being no appeal outstanding

Any payment under this extension is conditional upon the judgement being assigned to **us** by the **employee** or their personal representatives

2 Compensation for court attendance

If **we** request any of the following categories of people to attend court as a witness in connection with a claim under this section of the policy **we** will provide **you** with the following rates of compensation for each day on which attendance is required

Limit

Any of **your** directors trustees or partners £500

Any **employed person** £250

Cover 2 – Public liability

Cover

We will indemnify **you** against **your** legal liability to pay damages and **legal costs** arising out of

- (a) accidental **injury** of any person
- (b) accidental **damage to property**
- (c) nuisance trespass to land trespass to goods or interference with any easement right of air light water or way

We will not provide indemnity in respect of any liability which arises from any deliberate act or omission by **you** which could reasonably have been expected having regard to the nature and circumstances of such act or omission or which is a natural consequence of the ordinary conduct of **your business**

- (d) wrongful arrest or false imprisonment happening during the **period of insurance** and caused in connection with the **business**

Public liability exclusions

No indemnity will be provided

- (1) for any liability connected with any error or omission in the provision of professional services
- (2) for legal liability in respect of **injury** to any **employed person** arising out of and in the course of their employment with **you** in connection with the **business**
- (3) for legal liability arising from **damage to property** which is owned or held in trust by **you** or which is in **your** custody or control other than
 - (a) personal effects including vehicles and their contents belonging to residents **employees** directors trustees partners or visitors
 - (b) premises and their contents not owned by leased or rented by **you** at which **you** are undertaking work in connection with the **business**
 - (c) premises including fixtures and fittings hired by or leased rented or borrowed by **you** but **we** shall not be liable for
 - (i) the first £250 of any **damage** other than caused by fire or explosion
 - (ii) any liability arising solely under the terms of any contract or agreement

- (iii) any liability which arises from an agreement to maintain in force insurance against loss of or damage to the premises and their fixtures and fittings
- (4) for legal liability arising from ownership possession or use by **you** or on **your** behalf of
 - (a) any mechanically propelled vehicle other than **your** legal liability in respect of
 - (i) the use of plant as a tool of trade on site
 - (ii) the use of plant at **your** premises
 - (iii) the loading or unloading of any vehicle
 - (iv) the movement of any vehicle not belonging to **you** which is interfering with the execution of the **business** except where indemnity is provided by any motor insurance policy or in circumstances where insurance or security is required under any road traffic legislation
 - (b) for legal liability arising from ownership possession or use by **you** or on **your** behalf of any craft designed to travel in on or through water air or space other than **your** legal liability in respect of any non-mechanically propelled waterborne craft of less than 9 metres in length whilst operated on inland waterways or within 3 miles of the coast
- (5) for legal liability arising directly or indirectly from **pollution or contamination** unless the **pollution or contamination** is caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during the **period of insurance**
All **pollution or contamination** which arises out of one incident shall be deemed by **us** to have occurred at the time such incident takes place
- (6) for any liability arising from the sale or supply of any **products** but this exclusion shall not apply to the disposal of furniture furnishings and office equipment originally used in connection with the **business** and which is no longer required for that purpose providing that these are not exported to the United States of America or Canada
The total amount **we** will pay in respect of damages for all **events** happening during any period of insurance caused by the disposal of such furniture furnishings and office equipment shall not exceed the limit of indemnity shown in the schedule

- (7) the costs of remedying any defect or alleged defect in premises which **you** have disposed of
- (8) (a) fines or penalties
 (b) liquidated damages
 (c) any compensation awarded by a court of criminal jurisdiction
 (d) multiplied aggravated exemplary or punitive damages
 (e) fees for intervention payable under the Health and Safety (Fees) Regulations 2012
 (f) the costs of appeal against any improvement or prohibition notices
- (9) for any legal liability caused by or arising from any work undertaken outside of the **geographical limits** but this exclusion shall not apply to
 (a) the supervision or execution of any manual work undertaken within the European Union
 (b) non-manual work undertaken in any country provided the Foreign & Commonwealth Office has not advised against all travel or all but essential travel
- (10) for legal liability arising directly or indirectly from mining processing manufacturing removing handling disposing of treatment of distributing or storing of **asbestos**
 However this shall not apply where removing handling or disposing of **asbestos** does not form part of **your** usual business or any contract work undertaken and
 (a) **you** have complied with any legal obligations to manage **asbestos** and
 (b) any discovery of **asbestos** by **you** is unintentional and accidental and
 (c) whereupon discovery of **asbestos** all work immediately stops and
 (d) a HSE licensed asbestos removal contractor is employed if legally required to make safe the area in which the discovery is made as soon as is practicable and who has Employers' and Public liability insurance in force which provides limits of indemnity no less than those provided by **your** policies and which do not exclude the work to be carried out

Limit of liability

Legal costs are payable in addition to the limit of indemnity except for claims which are brought within the legal jurisdiction of the United States of America or Canada where **legal costs** are included within the limit of indemnity

The total amount **we** will pay in respect of

- (1) any one **event** shall not exceed the limit of indemnity shown in the schedule
- (2) all **events** happening during the **period of insurance** in respect of **products** shall not exceed the Public liability limit of indemnity shown in the schedule
- (3) all incidents arising from **pollution or contamination** which **we** deem to have occurred during the **period of insurance** shall not exceed the limit of indemnity shown in the schedule
- (4) any one **event** which is directly or indirectly caused by results from or is in connection with an **act of terrorism** shall not exceed the Public liability limit of indemnity shown in the schedule or £10,000,000 whichever is the less
- (5) all **events** happening during the **period of insurance** in respect of the cost of representation in defence of criminal proceedings or at any appeal against conviction and all other costs and expenses for any offence defined in the Corporate Manslaughter and Corporate Homicide Act 2007 shall not exceed £5,000,000

Where **we** are liable to indemnify more than one person the total amount payable in respect of damages and **legal costs** shall not exceed the limit of indemnity shown in the schedule

Public liability extensions

Unless specifically stated otherwise these extensions do not increase **our** liability as stated in the Limit of liability paragraph to this cover

Each of the following is subject otherwise to the terms of this policy

1 Cross liabilities

If the **Insured** consist of more than one party **we** will provide indemnity to each in the same manner and to the same extent as if a separate policy had been issued to each

Provided that the maximum amount payable in respect of damages shall not exceed the limit of indemnity

2 Contingent motor liability

Notwithstanding exclusion (4) regarding vehicles **we** will indemnify the **Insured** in respect of legal liability arising out of the use by any **employee** in the course of the **business** of any mechanically propelled vehicle which is neither owned by nor provided by the **Insured**

We will not provide any indemnity

- (a) in respect of **damage** to such vehicle or any **property** conveyed therein
- (b) arising while the vehicle is being driven by the **Insured**
- (c) in respect of circumstances where the **Insured** or any person seeking indemnity are entitled to indemnity under any other insurance
- (d) in respect of legal liability arising outside the **geographical limits**

3 Data protection

We will indemnify **you** against **your**

- (a) legal liability to pay damages and **legal costs** for material and non-material damage
- (b) defence costs and prosecution costs awarded against **you** in any prosecution resulting from any breach or alleged breach of **data protection legislation** happening during the **period of insurance** arising out of the conduct of **your business**

We will not provide any indemnity in respect of

- (i) the payment of fines penalties punitive or exemplary damages
- (ii) the costs of replacing reinstating rectifying erasing blocking or destroying any personal data
- (iii) liability arising from or caused by a deliberate or intentional act or omission by **you**
- (iv) liability arising out of circumstances which may give rise to a claim or prosecution which have been notified to or ought to have been notified to previous insurers or which were known to **you** at the inception of this extension
- (v) legal liability where indemnity is provided by any other insurance

In the event that any policy of insurance in force immediately prior to this extension expressly provided cover for **data protection legislation** on the basis of an indemnity for claims made during the **period of insurance** and in the event that a claim is first made against **you** in the **period of insurance** in respect of **data protection legislation** then the indemnity

provided by this extension is extended to indemnify **you** provided that **we** shall not be liable for

- (1) claims not insured by this extension
- (2) any claim or notice notified later than twenty-eight days after receipt of such claim or notice

The total amount **we** will pay in respect of

- (a) shall not exceed £1,000,000 any one claim and in the aggregate any one period of insurance
- (b) shall not exceed £100,000 any one claim and in the aggregate any one period of insurance

4 Defective Premises Act

We will indemnify the **Insured** under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises or land disposed of by **you**

We will not provide any indemnity in respect of the cost of remedying any defect or alleged defect in the premises disposed of

5 Overseas personal liability

We will indemnify **you** for personal liability for **injury** or **damage** arising other than in connection with the **business** or any business of the person claiming indemnity while such persons are temporarily outside the **geographical limits** in connection with the **business**

No indemnity will be provided by this extension

- (i) for any liability which attaches solely because of a contract
- (ii) arising out of the ownership or occupation of land or buildings
- (iii) where indemnity is provided by any other insurance
- (iv) arising from any craft designed to travel in on or through water air or space but this exclusion shall not apply to any watercraft hired or borrowed and which are less than 5 metres in length and with a maximum speed of less than 15 knots while operated on inland waterways or within 3 miles of the coast
- (v) arising from any electrically or mechanically powered vehicle other than a battery powered wheelchair or mobility scooter or a vehicle used only as domestic gardening equipment or a golf cart trolley or buggy controlled by someone on foot

The total amount **we** will pay for damages for any one **event** is the limit of indemnity as stated in the schedule or £5,000,000 whichever is the less

6 Legionellosis

Definition specific to this extension

Retroactive date

means the retroactive date for this extension which is shown on the schedule

If no retroactive date is shown on the schedule this shall be the date of inception of this extension

The insurance provided by this extension is on a claims made basis inclusive of **legal costs** subject to

- (a) cover being operative solely at the **premises**
- (b) the **retroactive date**

We will indemnify **you** against **your** legal liability to pay damages and **legal costs** in respect of accidental **injury** caused by Legionellosis arising out of the **business**

Provided that this indemnity only applies to

- (i) any claim which is first made in writing to **you** during the **period of insurance**
- (ii) any incident which has caused or alleged to have caused **injury** or can be reasonably expected to give rise to a claim

and which is notified to **us** within the **period of insurance** or within 30 days of its expiry

The most **we** will pay in respect of any one claim and in the aggregate for all claims inclusive of **legal costs** in any one period of insurance is £1,000,000 (or any other limit as shown in the schedule)

All claims arising out of the same isolated repeated or continuing incidence of Legionellosis shall be deemed to be made in the period of insurance when

- (1) the first claim was first made in writing to **you** and notified to **us**
- (2) the first notification of the circumstances was first made to **us**

Exclusions

The indemnity will not apply to legal liability

- (i) arising out of or in connection with any **products** supplied by **you** or contract work executed by **you**
- (ii) arising from or in connection with any advice design or specification provided by **you**

- (iii) in respect of Legionellosis which commenced prior to the **retroactive date**

7 Clean-up costs

Notwithstanding exclusion (5) in the event of a **sudden pollution or contamination incident we** will indemnify **you** in respect of

- (a) **clean up costs** arising solely under a statutory provision that operates in any part of the **geographical limits**
- (b) **legal costs** in relation to any matter which may form the subject of indemnity under this extension incurred with **our** prior written consent
- (c) **legal costs** incurred with **our** prior written consent in any appeal against any statutory notice served or to be served upon **you** by any enforcing authority for any enforcement action which would be the subject of indemnity under this extension

No indemnity will be provided for costs (including **clean-up costs**)

- (i) incurred in achieving any improvement betterment or alteration in any original property
- (ii) for remedial action carried out or in relation to property which at the time of the **sudden pollution or contamination incident** giving rise to such legal liability is owned by or held in trust by **you** or in **your** custody or control
- (iii) incurred in relation to the reinstatement reintroduction or provision of any living organism or natural habitat
- (iv) arising out of a genetically modified organism
- (v) comprising the first 10% of **clean-up costs** and **legal costs** arising out of any one **sudden pollution or contamination incident** subject to a minimum contribution by **you** of £2,500 and a maximum contribution of £25,000
- (vi) arising solely from **your** liability under legislation operating in any part of Great Britain or Northern Ireland which implements Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage including the Environmental Damage (Prevention and Remediation) Regulations 2009

Provided that

- (1) all **pollution or contamination** which arises out of one **sudden pollution or contamination incident** shall be deemed by **us** to have occurred at the time such incident takes place

- (2) all costs covered under this extension will form part of and not exceed the limit of indemnity shown in the schedule for all incidents considered by **us** to have occurred during the **period of insurance** in respect of **pollution or contamination**

Limit

The total amount payable under this extension shall not exceed £1,000,000 in respect of all **clean-up costs** and **legal costs** for all incidents occurring during the **period of insurance**

8 Financial loss

Definition specific to this extension

Retroactive date

means the retroactive date for this extension which is shown on the schedule

If no retroactive date is shown on the schedule this shall be the date of inception of this extension

This extension covers only those losses which arise from claims made against **you** during the **period of insurance** inclusive of **legal costs**

We will indemnify **you** against **your** legal liability (other than arising under contract) incurred in connection with the **business** to pay damages and **legal costs** in respect of financial loss arising out of any claim

Provided that the indemnity only applies to

- (a) any claim which is first made against **you** during the **period of insurance**
- (b) any financial loss sustained within the **geographical limits**

and which is notified to **us** within the **period of insurance** or within 30 days of its expiry

Excluding

- (i) the first 10% or £2,500 whichever is the greater of each claim arising from one **event**
- (ii) liability arising from
 - (a) financial loss sustained by any **employed person** arising out of and in the course of their employment with **you** in connection with the **business**
 - (b) **injury** of any person
 - (c) **damage** to property

- (d) nuisance trespass to land trespass to goods or interference with any easement of air light water or way
- (e) any act of fraud or dishonesty by **you** or any of **your** directors trustees or partners
- (f) or caused by a deliberate or intentional act by or omission of any person entitled to indemnity
- (g) defamation injurious falsehood passing off or infringement of any intellectual property rights
- (h) any breach or alleged breach of anti-trust laws
- (i) any reciprocal arrangement for the storage or processing of computer data or use of computer facilities
- (iii) liability to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties
- (iv) liability arising out of or in connection with any delays strikes or labour disturbances
- (v) liability arising out of any cause happening before the **retroactive date**
- (vi) liability arising from any loss of or damage to **data**

The most **we** will pay in the aggregate for all claims inclusive of **legal costs** in any one period of insurance is £250,000 (or any other limit shown in the schedule)

9 Compensation for court attendance

If **we** request any of the following categories of people to attend court as a witness in connection with a claim under this section of the policy **we** will provide **you** with the following rates of compensation for each day on which attendance is required

Limit

Any of **your** directors trustees or partners £500
Any **employed person** £250

Cover 3 – Prosecution defence costs

We will subject to the limit of indemnity indemnify **you** in respect of

- (a) legal costs and expenses incurred with **our** written consent
- (b) costs awarded against **you** in connection with the defence of any criminal proceedings or an appeal against a conviction arising from such proceedings brought for a breach of
 - (i) the Health & Safety at Work etc. Act 1974
 - (ii) Part II of the Consumer Protection Act 1987
 - (iii) the Food Safety Act 1990
 alleged to have been committed during the **period of insurance** in connection with the **business**

We will not provide any indemnity

- (a) where indemnity is provided by any other insurance
- (b) in circumstances where **injury** or **damage** has occurred which may be the subject of a claim under either the employers' liability or public liability covers of this section
- (c) in respect of
 - (i) fines or penalties
 - (ii) liquidated damages
 - (iii) any compensation awarded by a court of criminal jurisdiction
 - (iv) multiplied aggravated exemplary or punitive damages
 - (v) fees for intervention payable under the Health and Safety (Fees) Regulations 2012
 - (vi) the costs of appeal against any improvement or prohibition notices
- (d) in respect of any costs expenses or reimbursements resulting from an order made under Section 9 or resulting from any Regulation in respect of charges under Section 45 of the Food Safety Act 1990
- (e) where the proceedings have resulted from any deliberate act or omission by
 - (i) **you** or any director trustee or partner of **yours**
 - (ii) any **employed person** of **yours** who has specific responsibility for compliance with the above legislation
 which could reasonably have been expected to constitute a breach of the above legislation

The total amount **we** will pay in respect of any one claim shall not exceed £500,000

Condition applying to all cover

Adjustment of premium

If any part of the premium has been calculated on estimates **you** shall within 30 days from the expiry of each period of insurance supply to **us** such information as **we** may require

The premium for such period will be adjusted and the difference paid by or allowed to **you** subject to any minimum premium

Liabilities section cyber exclusion

No indemnity will be provided in respect of any loss damage liability claim cost or expense of whatsoever nature directly or indirectly caused by contributed to by resulting from arising out of or in connection with any **cyber act** or **cyber incident** including but not limited to any action taken in controlling preventing suppressing or remediating any **cyber act** or **cyber incident** regardless of any other cause or event contributing concurrently or in any other sequence thereto

This exclusion will not apply to legal liability to pay damages and **legal costs** resulting from

- (i) statutory liability under the Employers' Liability cover
- (ii) liability caused by or arising out of a **cyber act** or a **cyber incident** that results in **injury** to third parties or physical damage to third party **property**
- (iii) liability arising under the Data Protection extension

Any loss damage liability claim cost expense of whatsoever nature directly or indirectly caused by contributed to by resulting from arising out of or in connection with any loss of use reduction in functionality repair replacement restoration or reproduction of any **data** including any amount pertaining to the value of such **data** is not covered and is not considered as physical loss or damage for the purposes of this exclusion

6 Legal expenses

The schedule will show if this section applies and the cover in force

Note (not forming part of the policy):

To ensure an expert service the cover under this section has been arranged through ARAG Legal Expenses Insurance Company Limited (ARAG).

We are responsible for paying any claims under this section but ARAG manage all claim matters and correspondence on our behalf.

If you wish to speak to ARAG about a legal problem or make a claim, please phone:

0345 268 9124

ARAG will ask you about your legal issue and if necessary call you back to deal with your query.

The legal advisers will help you to understand what your legal rights are, what course of action can be taken and whether the issue could be covered under this policy. It is important that you call the legal advice service as soon as possible, as it may improve your chances of a successful outcome, or mitigate matters from progressing further.

The online information and tools are also useful in helping you to resolve your legal issue.

Reporting a claim

Please do not ask for help from a lawyer, accountant or anyone else before ARAG have agreed that you should do so. If you do, we will not pay the costs involved even if ARAG accept the claim.

To report your claim, use the online tool at www.arag.co.uk or call ARAG on **0345 268 9124**, available 24 hours a day, 7 days a week. Have your reference number TS5/6764925 ready and ARAG will ask you about your claim.

In the days after reporting the claim, ARAG's claims handlers will check if your claim is covered by this section of the policy, and will decide on the best course of action for you. This may include directing you to the legal advice helpline or online tools (if you have not already used them for your legal issue), submitting the claim under a different section of your policy, or perhaps registering a complaint with the person you want to claim against. If it is best to deal with the matter

as a legal claim, ARAG will send it to a lawyer who specialises in your type of claim.

The lawyer will assess your case and tell you how likely it is you will win. If you are more likely than not to win, the lawyer will manage the case from start to finish.

Determining your likelihood of winning is important, in order to ensure that the court does not consider your claim to be a waste of resources and to safeguard you against having to pay damages to the other side as a result of pursuing a claim that you are likely to lose.

Please note this is an overview of the claims process for guidance purposes only. ARAG's claims handlers can answer any questions you may have when they receive your claim. Alternatively you can visit

claims.araginsurance.co.uk



ARAG Legal Expenses Insurance Company Limited
Unit 4a,
Greenway Court,
Bedwas,
Caerphilly
CF83 8DW

Registered in England and Wales, company number 103274. ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

Website: www.arag.co.uk

ARAG Data Protection

In addition to any other data processing notice provided in relation to this policy, data under this policy will be processed by ARAG Legal Expenses Insurance Company Ltd (ARAG). When you purchase and use this policy, ARAG will process personal information about you, and anyone else whose details are provided to them to provide you with a service or a claim.

ARAG will process your personal information in accordance with their Privacy Notice. You can find their Privacy Notice online at **www.arag.co.uk/privacy**. Alternatively, you can make a request for a printed copy to be sent to you by contacting **dataprotection@arag.co.uk**.

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Appointed representative

means the **preferred law firm** law firm tax consultancy accountant or other suitably qualified person **ARAG** appoint to act on the **insured person's** behalf in accordance with the terms of this section

ARAG

means ARAG Legal Expenses Insurance Company Limited

ARAG Standard Terms of Appointment

means the terms and conditions (including the amount **we** will pay to an **appointed representative**) that apply to the relevant type of claim which could include a conditional fee agreement (no win no fee)

Where a law firm is acting on the **Insured's** behalf the amount **we** will pay is currently £100 per hour This amount may vary from time to time

Charity Commission enquiry / enquiries

means an investigation carried out by the Charity Commission into the **Insured's** business accounts

Costs and expenses

means

- (1) All reasonable proportionate and necessary costs chargeable by the **appointed representative** and agreed by **ARAG** in accordance with the **ARAG Standard Terms of Appointment**
- (2) The costs incurred by opponents in civil cases if the **insured person** has been ordered to pay them or the **insured person** pays them with the agreement of **ARAG**

Countries covered

means

For **insured events 2** – Legal defence (excluding 2(e) - Legal defence Formal investigations and disciplinary hearings and 2(f) Legal defence - Legal defence Statutory notice appeals) and insured event 4(b) - Property protection and personal injury - Personal injury

The United Kingdom of Great Britain and Northern Ireland the European Union the Isle of Man the Channel Islands Albania Andorra Bosnia Herzegovina Gibraltar Iceland Liechtenstein Monaco Montenegro North Macedonia Norway San Marino Serbia Switzerland and Turkey

For all other **insured events**

The United Kingdom of Great Britain and Northern Ireland the Isle of Man and the Channel Islands

Date of occurrence

means

- (1) For civil cases (other than as specified under (3) to (8) below) the date of the event that leads to a claim
If there is more than one event arising at different times from the same originating cause the **date of occurrence** is the date of the first of these events
(This is the date the event happened which may be before the date the **Insured** or an **insured person** first became aware of it)
- (2) For criminal cases the date the **insured person** began or is alleged to have begun to break the law
- (3) For **insured event 2(e)** – Legal defence Formal investigations and disciplinary hearings the date when an **insured person** first became aware of the investigation or disciplinary hearing against them
- (4) For **insured event 2(f)** - Legal defence Statutory notice appeals the date when the **insured person** is issued with the relevant notice and has the right to appeal
- (5) For **insured event 3** – Statutory licence appeal the date when the **Insured** first became aware of the proposal by the relevant licensing or regulatory authority to suspend alter the terms of or refuse to renew or cancel the **Insured's** licence or mandatory registration or British Standard Certificate of Registration
- (6) For **insured event 5(a)** – Tax protection for **tax enquiries** the date when HM Revenue & Customs or the relevant authority first notifies the **Insured** of its intention to carry out an enquiry

- (7) For **insured event** 5(b) – Tax protection for **Charity Commission enquiries** the date the **Insured** receives notification from the Charity Commission that they are to conduct an investigation
- (8) For **insured events** 5(c) and (d) - Tax protection for **VAT disputes** or **employer compliance disputes** the date the dispute arises during the **period of insurance** following the issue of an assessment written decision or notice of a civil penalty

Employer compliance dispute(s)

means a dispute with HM Revenue & Customs concerning the **Insured's** compliance with Pay As You Earn Social Security Construction Industry or IR35 legislation and regulations

Insured event(s)

means the circumstances in which the insurance provided by this section will operate as described in each separate cover

Insured person

means

- (1) the **Insured** and the directors trustees partners managers employees and volunteers of the **Insured**
- (2) The estates heirs legal representatives or assigns of any person mentioned in (1) above in the event of such person dying
- (3) A person contracted to perform work for the **Insured** who works for them on the same basis as their employees and performs that work under their supervision and direction

Limit of indemnity

means the most **we** will pay in **costs and expenses** and any compensation awards payable by **us** for all claims resulting from one or more events arising at the same time or from the same originating cause

Please refer to the schedule for this amount
The most **we** will pay for the total of all compensation awards in respect of employment disputes in any one **period of insurance** shall not exceed £1,000,000

This aggregate limit will form part of and not be in addition to the **limit of indemnity**

Period of insurance

means the period for which **we** have agreed to cover the **Insured**

Preferred law firm

means a law firm barrister or tax expert **ARAG** choose to provide legal or other services
These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **ARAG's** agreed service standard levels which they audit regularly
They are appointed according to the **ARAG Standard Terms of Appointment**

Reasonable prospects

means

- (1) For civil cases the prospects that the **insured person** will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **ARAG** have agreed to including an enforcement of judgment) or make a successful defence must be at least 51%
A **preferred law firm** or tax consultancy on **ARAG's** behalf will assess whether there are **reasonable prospects**
- (2) For criminal cases there is no requirement for there to be prospects of a successful outcome
- (3) For civil and criminal appeals the prospects of a successful outcome must be at least 51%

Tax enquiry(ies)

means a written notice of enquiry issued by HM Revenue & Customs to carry out an Income Tax or Corporation Tax compliance check which either

- (1) includes a request to examine any aspect of the **Insured's** books and records or
- (2) advises of a check of the **Insured's** whole tax return

VAT dispute(s)

means a dispute with HM Revenue & Customs following the issue of an assessment written decision or notice of a civil penalty relating to the **Insured's** VAT affairs

Cover

We will indemnify the **Insured** (or where specified the **insured person**) in respect of any **insured event** shown as included in the schedule arising in connection with the **business** subject to the terms conditions exclusions and limitations set out in this policy provided that

- (a) **reasonable prospects** exist for the duration of the claim
- (b) the **date of occurrence** of the **insured event** is
 - (i) during the **period of insurance** or
 - (ii) during the currency of a previous equivalent legal expenses insurance policy provided that
 - the previous legal expenses insurance policy required the **Insured** to report claims during its currency
 - the **Insured** could not have notified a claim previously as they could not have reasonably been aware of the **insured event**
 - cover has been continuously maintained in force
 - any claim that should have been reported under a previously operative legal expenses insurance policy will not be covered by **us** and
 - the available **limit of indemnity** shall be limited to the lesser of the sums payable under this or the **Insured's** previous policy and
- (d) the **insured event** happens within the **countries covered** and
- (e) any legal proceedings or investigation will be dealt with by a court or other body which **ARAG** agree to within the **countries covered**

What we will pay

We will pay an **appointed representative** on the **Insured's** behalf **costs and expenses** incurred following an **insured event** and any compensation awards that **ARAG** has agreed to provided that

- (1) the most **we** will pay for **costs and expenses** and compensation awards in respect of all claims resulting from one or more events arising at the same time or from the same originating cause is shown as the **limit of indemnity** in the policy schedule

- (2) the most **we** will pay in **costs and expenses** is no more than the amount **we** would have paid to a **preferred law firm** or tax consultancy
The amount **we** will pay a law firm (where acting on the **Insured's** behalf) is currently £100 per hour - this amount may vary from time to time
- (3) in respect of an appeal or the defence of an appeal the **Insured** must tell **ARAG** within the time limits allowed that they want to appeal
Before **we** pay the **costs and expenses** for appeals **ARAG** must agree that **reasonable prospects** exist
- (4) in respect of an enforcement of judgment to recover money and interest due to the **Insured** after a successful claim under this section of the policy **ARAG** must agree that **reasonable prospects** exist
- (5) where an award of damages is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of damages the most **we** will pay in **costs and expenses** is the value of the likely award
- (6) in respect of **insured event 2(g)** – Legal defence Jury service and court attendance the maximum **we** will pay is the **insured person's** net salary or wages for the time that they are attending court or tribunal less any amount the **Insured** court or tribunal pays
We will also reimburse the **Insured** for net salary or wages that they have paid the **insured person** for that time less any amount they have been paid by or can recover from the court or tribunal

What we will not pay

- (1) In the event of a claim if the **Insured** decides not to use the services of a **preferred law firm** or tax consultancy the **Insured** will be responsible for any costs that fall outside the **ARAG Standard Terms of Appointment** and these will not be paid by **us**
- (2) If the **Insured** is registered for VAT **we** will not pay the VAT element of any **costs and expenses**
- (3) The first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT)
If the **Insured** is using a **preferred law firm** the **Insured** will be asked to pay this within 21 days of their claim having been assessed as having **reasonable prospects**

If the **Insured** is using their own law firm this will be within 21 days of their appointment (following confirmation the claim has **reasonable prospects**)
If the **Insured** does not pay this amount the cover for the claim could be withdrawn

Insured events

1 Employment disputes and compensation awards

(a) Employment disputes

Costs and expenses to defend the **Insured's** legal rights

- (1) before the issue of legal proceedings in a court or tribunal
 - (i) following the dismissal of an employee or
 - (ii) where an employee or ex-employee has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure
- (2) in any unfair dismissal dispute under the ACAS Arbitration Scheme or
- (3) in legal proceedings in respect of any dispute relating to
 - (i) a contract of employment with the **Insured** or
 - (ii) an alleged breach of the statutory rights of an employee ex-employee or prospective employee under employment legislation

Exclusions

- (i) Any employment dispute where the originating cause of action arises within the first 90 days of the commencement of this section
- (ii) Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the commencement of this section
- (iii) Employee internal disciplinary or grievance procedures
- (iv) Any claim in respect of damages for personal injury or loss of or damage to property
- (v) Any claim arising from or relating to Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations
- (vi) Any claim relating to pursuing the **Insured's** legal rights

If a claim is made under **insured event 1(a)** exclusions (i) and (ii) above will not be enforced if the **Insured** can provide written evidence of continuous and equivalent employment legal expenses insurance immediately prior to inception of this section

(b) Compensation awards

Where **ARAG** have accepted a claim under **insured event 1(a)** - Employment disputes and compensation awards Employment disputes **we** will pay up to the **limit of indemnity** for the following

- (1) any basic and compensatory award and/or
- (2) an order for compensation or damages following a breach of the **Insured's** statutory duties under employment legislation

Provided that

- (1) in cases relating to performance and/or conduct the **Insured** has throughout the employment dispute either
 - (i) followed the ACAS Code of Practice on Disciplinary and Grievance Procedures or
 - (ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland or
 - (iii) sought and followed advice from **ARAG's** Legal Advice Service (0345 268 9124)
- (2) for an order of compensation following the **Insured's** breach of statutory duty under employment legislation the **Insured** has at all times sought and followed advice from **ARAG's** Legal Advice Service since the date when the **Insured** knew or should have known about the employment dispute
- (3) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy the **Insured** has sought and followed advice from **ARAG's** Claims Department before starting any redundancy process or procedure with employees
- (4) any sum of money in settlement of a dispute is awarded by a court or tribunal or through the ACAS Arbitration Scheme under a judgement made after full argument and otherwise than by consent or default or is payable under settlement approved in writing in advance by **ARAG**

Exclusions

- (i) Any compensation award relating to the following
 - (a) Trade union activities trade union membership or non-membership
 - (b) Pregnancy or maternity rights paternity parental or adoption rights
 - (c) Health & Safety related dismissals brought under Section 44 of the Employment Rights Act 1996
 - (d) Statutory rights in relation to trustees of occupational pension schemes
- (ii) Non-payment of money due under a contract
- (iii) Any award ordered because the **Insured** has failed to provide relevant records to employees under National Minimum Wage legislation
- (iv) Any compensation award or increase in a compensation award relating to failure to comply with a current or previous recommendation made by a tribunal
- (v) A settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure

(c) Employee civil legal defence

Costs and expenses to defend the **insured person's** (other than the **Insured's**) legal rights if

- (1) an event arising from their work leads to civil action being taken against them under legislation for unlawful discrimination or
- (2) civil action is being taken against them as trustee of a pension fund set up for the benefit of the **Insured's** employees

We will only provide cover for an **insured person** (other than the **Insured**) at the **Insured's** request

(d) Service occupancy

Costs and expenses to recover possession of premises owned by or for which the **Insured** is responsible from an employee or ex-employee of the **Insured**

Exclusion

Any claim relating to defending the **Insured's** legal rights other than defending a counter-claim that is an **insured event** under this section of the policy

2 Legal defence

Costs and expenses to defend the **insured person's** legal rights in respect of the following

(a) Criminal pre-proceedings cover

Prior to the issue of legal proceedings when dealing with the Police or other body with criminal investigatory powers where it is alleged that the **insured person** has or may have committed a criminal offence

(b) Criminal prosecution defence

Following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction

Provided that

for **insured events** 2(a) - Legal defence criminal pre-proceedings and 2(b) - Legal defence Criminal prosecution defence

- (1) for claims relating to the Health and Safety at Work etc Act 1974 the **countries covered** shall be any place where the Act applies
- (2) **we** will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the business shown in the schedule

(c) Data protection

If civil action is taken against the **insured person** for compensation under data protection legislation when handling personal data in their capacity as a data controller and/or a data processor by

- (1) an individual

We will also pay any compensation award up to the **limit of indemnity** in respect of such a claim

- (2) a data controller and/or data processor which arises out of or relates to a claim made by an individual for compensation against that data controller and/or data processor

We will not pay any compensation award in respect of such a claim

Provided that

in respect of 2(c)(1) - Legal defence Data protection any sum of money in settlement of a dispute is awarded by a court under a judgment made after full argument and otherwise than by consent or default or is payable under settlement approved in advance by **us**

We will not cover the cost of fines imposed by the Information Commissioner or any other regulatory and/or criminal body

(d) Wrongful arrest

Civil action taken against the **insured person** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**

(e) Formal investigations and disciplinary hearings

In representing the **insured person**

- (1) throughout a formal investigation conducted by the Equality and Human Rights Commission or Equality Commission for Northern Ireland following a complaint against an **insured person**
- (2) throughout a formal investigation or disciplinary hearing conducted by any other relevant business association professional or regulatory body

(f) Statutory notice appeals

An appeal against the imposition or terms of any statutory notice issued under legislation affecting the **Insured's business**

We will also pay for

(g) Jury service and court attendance

An **insured person's** absence from work

- (1) to perform jury service
- (2) to attend any court or tribunal at the request of the **appointed representative** in relation to a claim that is an **insured event** under this section of the policy

Provided that

for each of the above sections of **insured event 2** - Legal defence the **Insured** requests that **ARAG** provides cover for the **insured person**

Exclusions

- (i) for 2(a) - Legal defence Criminal pre-proceedings any criminal investigation or enquiry relating to an **insured person's** tax affairs
- (ii) for 2(a) - Legal defence Criminal pre-proceedings and 2(b) - Legal defence Criminal prosecution defence any claim relating to a parking offence
- (iii) for 2(c) - Legal defence Data protection any claims relating to

- (1) the loss alteration corruption or distortion of or damage to stored personal data or
- (2) a reduction in the functionality availability or operation of stored personal data where either (1) or (2) above have resulted from hacking (unauthorised access) malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code computer virus or similar mechanism

(iv) for 2(f) - Legal defence Statutory notice appeals

- (1) any statutory notice issued by an **insured person's** regulatory or governing body
- (2) any appeal against the imposition or terms of any statutory notice issued in connection with an **Insured's** licence mandatory registration or British Standard Certificate of Registration
- (3) any appeal which does not follow or is not eligible to follow the appeals process set out in the legislation under which the relevant notice has been issued

(v) for 2(g) - Legal defence Jury service and court attendance any claim where the **Insured** or **insured person's** loss cannot be proven by them

3 Statutory licence appeal

Costs and expenses in appealing to the relevant statutory or regulatory authority court or tribunal following a decision by a licensing or regulatory authority to suspend or alter the terms of or refuse to renew or cancel the **Insured's** licence or mandatory registration or British Standard Certificate of Registration

Exclusions

- (i) The original application or renewal application of a statutory licence or mandatory registration or British Standard Certificate of Registration
- (ii) Any licence appeal relating to the ownership driving or use of a motor vehicle

4 Property protection and personal injury

(a) Property protection

Costs and expenses in a civil dispute relating to physical property which is owned by or the responsibility of the **Insured** provided that the **Insured** has established the legal ownership or right to that physical

property that is the subject of the dispute or there are reasonable prospects of establishing the **Insured** has the legal ownership or right to the physical property following

- (1) any event which causes physical damage to such physical property
or
- (2) a legal nuisance
or
- (3) a trespass

Exclusions

Any claim relating to the following

- (i) A contract entered into by the **Insured**
- (ii) Physical property which is in transit or which is lent or hired out
- (iii) Physical property at premises other than those occupied by the **Insured** unless it is at such premises for the purpose of installations or use in work to be carried out by the **Insured**
- (iv) Defending the **Insured's** legal rights but **we** will cover defending a counter-claim that is an **insured event** under this section of the policy
- (v) A motor vehicle owned by or used by or hired by or leased to an **insured person** (other than damage to motor vehicles where the **Insured** is engaged in the business of selling motor vehicles)
- (vi) The enforcement of a covenant by or against the **Insured**

(b) Personal injury

At the **Insured's** request **we** will pay **costs and expenses** for an **insured person's** and their family members' legal rights following a specific or sudden accident that causes the death of or bodily injury to them

Exclusions

Any claim relating to the following

- (i) Any illness or bodily injury that develops gradually
- (ii) Psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury
- (iii) Defending an **insured person's** or their family members' legal rights other than in defending a counter-claim
- (iv) Clinical negligence

5 Tax protection

Costs and expenses to negotiate on behalf of the **Insured** and at the request of the **Insured** the directors trustees and partners of the **Insured** in the event that one of the following enquiries is undertaken in direct connection with the activities of the **business**

- (a) A **tax enquiry**
- (b) A **Charity Commission enquiry**
- (c) An **employer compliance dispute**
- (d) A **VAT dispute**

Provided that the **Insured** or the director trustee or partner under investigation has taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed

Exclusions

Any claim relating to the following

- (i) A tax avoidance scheme
- (ii) Any failure to register for Value Added Tax or Pay As You Earn
- (iii) Any investigation or enquiries by with or on behalf of HM Revenue & Customs Special Investigation Section Special Civil Investigations Criminal Investigations Unit Criminal Taxes Unit under Public Notice 160 or by the Revenue and Customs Prosecution Office
- (iv) Any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences
- (v) Import or excise duties and import VAT

6 Leased or let property (including removal of squatters)

The following definition applies to this **insured event**

The property

The property or properties which are owned by the **Insured** or are the **Insured's** responsibility and insured as declared to **us** and let under a tenancy agreement which is in writing properly executed and containing an enforceable forfeiture clause

We will pay the **costs and expenses** to pursue the **Insured's** legal rights

- (1) in a dispute with a tenant arising from a breach or alleged breach of the tenancy agreement which relates to the use or maintenance of **the property** excluding repossession recovery of money and dilapidations or

- (2) to obtain possession of **the property** provided that where appropriate all statutory and contractual notices have been correctly served by the **Insured** on the tenant or
- (3) to recover money and interest due from a lease licence or tenancy of **the property** including enforcement of judgment

Provided that

- (a) the amount in dispute exceeds £250 (incl VAT) and a claim is made within 90 days of the money becoming due and payable or if it is rent that is owed it must have been overdue for at least one calendar month
- (b) if the **Insured** accepts payment (or part payment) of any rent arrears from the tenant the **Insured** must provide proof they have warned the tenant this does not prevent them taking further action against the tenant to recover monies owed
- (c) where the tenant is a limited company the **Insured** must have sought and followed advice from the **appointed representative** before accepting payment of rent arrears
- (d) the other party does not intimate that a defence exists
- (4) In a dispute relating to dilapidations to **the property**
- Provided that
- (a) the amount in dispute exceeds £1,000
- (b) prior to the tenancy beginning a detailed inventory which notes the condition of all items on the inventory is prepared by the **Insured**
- (c) after the tenant has vacated **the property** a detailed Schedule of Dilapidations is prepared by the **Insured**
- (5) In defending any allegation of nuisance arising from **the property** used solely for residential purposes
- (6) To evict anyone who is not the **Insured's** tenant or ex-tenant from **the property** and who has not got the **Insured's** permission to be there

Exclusions

- (i) Unless equivalent legal expenses insurance was continuously in force immediately prior to inception of this policy any claim where the originating cause of action arises within 90 days of the start of this cover
- (ii) A dispute arising from or relating to
- (a) the negotiation review or renewal of the lease or tenancy agreement
- (b) any matter relating to service charges
- (c) rent tax or building regulations or decisions or compulsory purchase orders or restrictions or controls placed on the **Insured's** material property by any government or public or local authority
- (d) any claim relating to registering rents reviewing rents buying the freehold of **the property** or any matter that relates to rent tribunals the leasehold valuation tribunal land tribunals or rent assessment committees
- (e) any planning application review or decision
- (f) mining subsidence
- (iii) Any claim relating to
- (a) land or premises used for agricultural purposes
- (b) any arbitration or Agricultural Land Tribunal hearing relating to any dispute arising out of a contract of tenancy or lease regulated by the 1986 Agricultural Holdings Act or 1995 Agricultural Tenancies Act or at hearings of the Scottish Land Court relating to disputes arising out of a contract of tenancy or lease regulated by the 1991 Agricultural Holdings (Scotland) Act or 2003 Agricultural Holdings (Scotland) Act under the terms of the tenancy or lease or as directed by statute

(Only operative if shown in the schedule)

7 Contract disputes

Costs and expenses in a contractual dispute arising from an agreement or an alleged agreement which has been entered into by or on behalf of the **Insured** for the purchase hire sale or provision of goods or of services

Provided that

- (1) the amount in dispute exceeds £250 (including VAT)

- (2) if the amount in dispute exceeds £5,000 (including VAT) the **Insured** must pay the first £500 of any claim
 If the **Insured** is using a **preferred law firm** the **Insured** will be asked to pay this within 21 days of the claim having been assessed as having **reasonable prospects** - if the **Insured** does not pay this amount cover could be withdrawn
 If the **Insured** is using their own law firm this will be within 21 days of their appointment following confirmation the claim has **reasonable prospects**
- (3) if the dispute relates to money owed to the **Insured** a claim under this section is made within 90 days of the money becoming due and payable
- (4) if the amount in dispute is payable in instalments the instalments due and payable at the time of making the claim exceed £250 (including VAT)

Exclusions

- (i) Unless equivalent legal expenses insurance was continuously in force immediately prior to the inception of this section any dispute arising from an agreement entered into prior to the start of this section if the **date of occurrence** is within the first 90 days of the cover provided by this section
- (ii) Any claim relating to the following
- (a) A dispute relating to an insurance policy other than when the **Insured's** insurer refuses a claim
- (b) The
- sale
 - purchase
 - terms of a lease
 - licence
 - tenancy
- of land or buildings however **we** will cover a dispute with a professional adviser in connection with these matters
- (c) A loan mortgage pension guarantee or any other financial product however **we** will cover a dispute with a professional adviser in connection with these matters
- (d) A motor vehicle owned by or hired by or leased to the **Insured** other than agreements relating to the sale of motor vehicles where the **Insured** is engaged in the business of selling motor vehicles
- (iii) A dispute with an employee or ex-employee which arises out of or relates to a contract of employment with the **Insured**

- (iv) A dispute which arises out of the
- sale or provision of computer hardware software systems or services or
 - purchase or hire of computer hardware software systems or services tailored by a supplier to the **Insured's** own specification
- (v) A dispute arising from a breach or alleged breach of professional duty by an **insured person**
- (vi) The recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists

(Only operative if shown in the schedule)

8 Debt recovery

Costs and expenses in a dispute relating to the recovery of money and interest due from the sale or provision of goods or services including enforcement of judgments

Provided that

- (1) the debt exceeds £250 (including VAT)
- (2) the claim is made within 90 days of the money becoming due and payable
- (3) **ARAG** have the right to select the method of enforcement or to forego enforcing judgment if they are not satisfied that there are or will be sufficient assets available to satisfy judgment

Exclusions

- (i) Unless equivalent legal expenses insurance was continuously in force immediately prior to inception of this section any debt arising from an agreement entered into prior to the start of this section if the debt is due within the first 90 days of the cover provided by this section
- (ii) Any claim relating to the following
- (a) The settlement payable under an insurance policy
- (b) The
- sale
 - purchase
 - terms of a lease
 - licence
 - tenancy
- of land or buildings
- (c) A loan mortgage pension guarantee or any other financial product however **we** will cover a dispute with a professional adviser in connection with these matters

- (d) A motor vehicle owned by or hired or leased to the **Insured** other than agreements relating to the sale of motor vehicles where the **Insured** is engaged in the business of selling motor vehicles
- (iii) A dispute which arises out of the supply hire sale or provision of computer hardware software systems or services
- (iv) The recovery of money and interest due from another party where the other party intimates that a defence exists
- (v) Any dispute which arises from debts the **Insured** has purchased from a third party

Conditions

- 1 (a) On receiving a claim if representation is necessary **ARAG** will appoint a **preferred law firm** or tax consultancy as the **insured person's appointed representative** to deal with their claim
They will try to settle the claim by negotiation without having to go to court
- (b) If the appointed **preferred law firm** or tax consultancy cannot negotiate settlement of the claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest then the **insured person** may if they prefer choose a law firm or tax expert of their own choice to act as the **appointed representative**
ARAG will choose the **appointed representative** to represent the **insured person** in any proceedings where **we** are liable to pay a compensation award
- (c) If the **insured person** chooses a law firm as their **appointed representative** who is not a **preferred law firm** or tax consultancy **ARAG** will give the **insured person's** choice of law firm the opportunity to act on the same terms as a **preferred law firm** or tax consultancy
However if they refuse to act on this basis the most **we** will pay is the amount **we** would have paid if they had agreed to the **ARAG Standard Terms of Appointment**
The amount **we** will pay a law firm (where acting as the **appointed representative**) is currently £100 per hour
This amount may vary from time to time
- (d) The **appointed representative** must co-operate with **ARAG** at all times and must keep **ARAG** up to date with the progress of the claim
- 2 An **insured person** must
 - (a) co-operate fully with **ARAG** and the **appointed representative**
 - (b) give the **appointed representative** any instructions that **ARAG** ask them to
- 3 (a) An **insured person** must tell **ARAG** if anyone offers to settle a claim and must not negotiate or agree to any settlement without written consent from **ARAG**
- (b) If an **insured person** does not accept a reasonable offer to settle a claim **we** may refuse to pay further **costs and expenses**
- (c) **We** may decide to pay an **insured person** the reasonable value of the claim that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal action
In these circumstances an **insured person** must allow **ARAG** to take over and pursue or settle a claim in their name
An **insured person** must allow **ARAG** to pursue at **our** expense and for **our** benefit any claim for compensation against any other person and an **insured person** must give **ARAG** all the information and help **ARAG** need to do so
- 4 (a) An **insured person** must instruct the **appointed representative** to have **costs and expenses** taxed assessed or audited if **ARAG** ask for this
- (b) An **insured person** must take every step to recover **costs and expenses** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered
- 5 If the **appointed representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses the **appointed representative** without good reason the cover **we** provide will end at once unless **ARAG** agree to appoint another **appointed representative**
- 6 (a) If an **insured person** settles a claim or withdraws their claim without **ARAG's** agreement or does not give suitable instructions to the **appointed representative**

we can withdraw cover and will be entitled to reclaim any **costs and expenses we** have paid

- (b) If during the course of a claim **reasonable prospects** no longer exist the cover **we** provide will end at once

We will pay any **costs and expenses** and compensation awards **we** have agreed to up to the date cover was withdrawn

- 7 If there is a disagreement between an **insured person** and **ARAG** on the merits of the claim or proceedings or on a legal principle **ARAG** may suggest the **insured person** obtains at their own expense an opinion on the matter from an independent and appropriate expert
The expert must be approved in advance by **ARAG** and the cost expressly agreed in writing between the **insured person** and **ARAG**

Subject to this **we** will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that the **insured person** will recover damages (or obtain any other legal remedy that **ARAG** have agreed to) or make a successful defence

This does not affect the **insured person's** rights under section condition 8

- 8 If there is a disagreement between the **Insured** and **ARAG** about the handling of a claim and it is not resolved through **ARAG's** internal complaints procedure the Financial Ombudsman Service may be able to help
This is a free complaint resolution service for eligible complaints (details available from www.financial-ombudsman.org.uk)
Alternatively there is a separate arbitration process available that can be used to settle any dispute with **ARAG**

The arbitrator will be a jointly agreed barrister solicitor or other suitably qualified person

If there is a disagreement over the choice of arbitrator **ARAG** will ask the Chartered Institute of Arbitrators to decide

The arbitrator will decide who will pay the costs of arbitration

For example costs may be split between the parties or one party may pay all the costs

- 9 An **insured person** must
- keep to the terms and conditions of this policy
 - take reasonable steps to avoid and prevent claims

- take reasonable steps to avoid incurring unnecessary costs

- send everything **ARAG** ask for in writing

- give **ARAG** full and factual details of any claim and any other information they need as soon as possible and

- report any claim to **ARAG** within 180 days of the date the **insured person** should have known about the **insured event**

- 10 All Acts of Parliament mentioned in this section of the policy include equivalent laws in Scotland Northern Ireland the Isle of Man and the Channel Islands as appropriate

Exclusions

- Costs and expenses** incurred before **ARAG's** expressed acceptance
- Fines penalties compensation or damages which the **insured person** is ordered to pay by a court or other authority other than compensation awards as covered under **insured event** 1(b) – Employment disputes and compensation awards Compensation awards and **insured event** 2(c) – Legal defence Data protection
- Any claim relating to patents copyrights trademarks merchandise marks registered designs intellectual property secrecy and confidentiality agreements
- Any claim relating to rights under a franchise or agency agreement entered into by the **Insured**
- Any wilful act or omission of an **insured person** deliberately intended to cause a claim under this section of the policy
- Any claim under this section of the policy for a dispute with **us** or **ARAG**
For disagreements with **ARAG** about the handling of a claim under this section of the policy refer to section condition 8
- Any claim relating to a shareholding or partnership share in the **Insured's** business
- Costs and expenses** arising from or relating to judicial review coroner's inquest or fatal accident inquiry
This exclusion does not apply to **insured event** 4(b) – Personal injury

- 9 Any legal action an **insured person** takes which **ARAG** or the **appointed representative** have not agreed to or where the **insured person** does anything that hinders **ARAG** or the **appointed representative**
- 10 Any claim where either at the start of or during the course of a claim
 - (a) the **Insured** is declared bankrupt
 - (b) the **Insured** has filed a bankruptcy petition
 - (c) the **Insured** has filed a winding-up petition
 - (d) the **Insured** has made an arrangement with their creditors
 - (e) the **Insured** has entered into a deed of arrangement
 - (f) the **Insured** is in liquidation
 - (g) part or all of the **Insured's** affairs or property are in the care or control of a receiver or administrator
- 11 Any claim relating to written or verbal remarks that damage the **insured person's** reputation
- 12 Any claim where an **insured person** is not represented by a law firm barrister or tax expert

General information

Complaint handling procedures

If you are unhappy with our products or service, please contact us as soon as possible.

You can complain in writing or verbally at any time to:

For all complaints other than Legal expenses complaints

Ecclesiastical Insurance Office plc
Benefact House,
2000 Pioneer Avenue,
Gloucester Business Park,
Brockworth, Gloucester,
GL3 4AW, United Kingdom

Tel: 0345 777 3322

Email: complaints@ecclesiastical.com

For Legal expenses complaints

ARAG Legal Expenses Insurance Company Limited
Unit 4a,
Greenway Court,
Bedwas,
Caerphilly
CF83 8DW

Tel: 0344 893 9013

Or if calling from abroad
+44 (0)1452 875 925

Email: customer-relations@arag.co.uk

Our promise to you

We will aim to resolve your complaint within one business day. For more complex issues, we may need a little longer to investigate and we may ask you for further information to help us reach a decision.

To resolve your complaint we will:

- Investigate your complaint diligently and impartially
- Keep you informed of the progress of the investigation
- Respond in writing to your complaint as soon as possible.

If you are not satisfied with our response, or if we have not completed our investigation within eight weeks, we will inform you of your right to take the complaint to:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Tel: 0800 0 234 567

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

Web: www.financial-ombudsman.org.uk

This complaints handling procedure does not affect your right to take legal proceedings.

The Financial Services Compensation Scheme

We are covered by The Financial Services Compensation Scheme (FSCS).

What this means for you

If we are unable to meet our obligations to you, the FSCS may be able to provide you with compensation. Limits apply depending on the product you have bought.

For further information on the scheme and the limits that apply, you can visit the website at www.fscs.org.uk or by contacting the FSCS directly on **0207 741 4100** or **0800 678 1100**.

Notes

Notes

Notes

For all claims other than legal expenses claims

If you need to report a claim you can call us on
0345 603 8381 – 24 hours a day, 7 days a week.

For legal expenses claims

You can phone ARAG on 0345 268 9124 or if
calling from abroad, +44 (0)1452 875 925.

This contract has been arranged by:

Lansdown Insurance Brokers

Lansdown House

Pittville Circus Road

Cheltenham

GL52 2QE

01242 524498

enquiries@lansdowninsurance.com

www.lansdowninsurance.com

This contract is underwritten by:

Ecclesiastical Insurance Office plc

Our FCA register number is 113848

Our permitted business is general insurance

You can check this on the FCA's register by
visiting the FCA's website

www.fca.org.uk/register

or by contacting the FCA on

0800 111 6768