



Property Owners' Insurance Policy

WILLOW

The Duty of Fair Presentation

By entering into this insurance contract **we** accept that **you** have made a reasonably clear and accessible presentation of the risk, in accordance with Section 3(3)(b) of the Insurance Act 2015.

The Contract of Insurance

This is **your** WILLOW Property owners' insurance policy. It sets out the details of **your** insurance contract with **us**.

This document, any endorsements, certificates and the schedule must be read together as one contract as they form **your** policy.

In return for payment of the premium shown in the schedule, **we** agree to insure **you** against:

- loss or **damage you** sustain; and
- loss resulting from interruption or interference with the **business** following **damage**,
- legal liability **you** incur for accidents

during the **period of insurance** and in accordance with the terms and conditions contained in or endorsed on this policy.

Please read the whole document carefully and keep it in a safe place. **You** should take the time to read all its terms, especially the conditions which **you** have to fulfil to ensure **your** insurance remains valid and what **you** have to do when making a claim.

It is important that **you**:

- check that the sections **you** have requested are included in the schedule;
- check that the information **you** have given **us** is accurate;
- comply with **your** duties under each section and under the insurance as a whole.

If this policy does not meet **your** requirements, or if **your** requirements change, **you** should contact **your** insurance agent at **your** earliest opportunity.

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If you need to make a claim

If **you** need to make a claim under this policy, please telephone **our** claims team on **0845 600 3174** and **we** will be pleased to advise **you** of the steps to take. It will assist if **you** have details of **your** policy and cover available when telephoning.

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

We would refer **you** also to the claims conditions of the policy set out on pages 21 – 22.

In some cases all or part of **your** claim may be handled on **our** behalf by one of **our** trusted partners. **You** can rest assured that **we** will strive to ensure **you** are provided with exceptional service from MS Amlin and **our** trusted partners.

Important Information

How to make a complaint

WILLOW's aim is to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times WILLOW are committed to providing **you** with the highest standard of service.

If **you** have any questions or concerns about **your** policy or the handling of a claim **you** should, in the first instance, contact WILLOW or the broker where applicable. In the event that **you** remain dissatisfied and wish to make a complaint, **you** can do so at any time. Making a complaint does not affect any of **your** legal rights. Please contact WILLOW at:

Post: Ian Page, Director, Aro Underwriting Group Limited, Riverside House, River Lawn Road, Tonbridge Kent TN9 1EP
Telephone: 01732 783576
Email: ian.page@aro-underwriting.com
Website: www.aro-underwriting.com

If **your** complaint cannot be resolved within two weeks, or if **you** have not received a response within two weeks **you** are entitled to refer the matter to Lloyd's. Lloyd's will then conduct a full investigation of **your** complaint and provide **you** with a written final response.

Lloyd's contact details are:

Post: Complaints, Lloyd's Fidentia House, Walter Burke Way, Chatham Maritime, Chatham Kent ME4 4RN
Telephone: +44 (0) 20 7327 5693
Fax: +44 (0) 20 7327 5225
Email: complaints@lloyds.com
Website: www.lloyds.com

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

If **you** remain dissatisfied after Lloyd's has considered **your** complaint, or if **you** have not received a written final response within eight weeks from the date WILLOW received **your** complaint, **you** may be entitled to refer **your** complaint to the Financial Ombudsman Service who will independently consider **your** complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123 Tel (Outside UK): +44 (0) 20 7964 0500 Fax: +44 (0)20 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Alternatively, if **you** have bought a product or service online **you** may have the right to register **your** complaint with the European Commission's on-line dispute resolution (ODR) platform. The ODR platform will redirect **your** complaint to the appropriate alternative dispute resolution body.

For further details visit <http://ec.europa.eu/odr>

Please note:

- **You** must refer **your** complaint to the Financial Ombudsman Service within six months of the date of the final response
- The Financial Ombudsman Service will normally only consider a complaint from private individuals or from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

Important Information

How to cancel your policy

You have a statutory right to cancel **your** policy within 14 days from the day of purchase or renewal of the contract or the day on which **you** receive **your** policy or the renewal documentation, whichever is the later.

If **you** wish to cancel and the insurance cover has not yet started, **you** will be entitled to a full refund of the premium paid. Alternatively, if **you** wish to cancel and the insurance cover has already started, provided **you** have not made a claim, **you** will be entitled to a refund of the premium paid, less a proportional deduction for the time **we** have provided cover.

If **you** do not exercise **your** right to cancel **your** policy, it will continue in force and **you** will be required to pay the premium.

For cancellation outside of this statutory cooling off period **you** can cancel this insurance at any time by telephoning or writing (by e-mail or letter) to **your** insurance agent.

If this insurance is cancelled outside the statutory cooling off period, provided **you** have not made a claim and there hasn't been an incident that could give rise to a claim, **you** will be entitled to a refund of any premium paid, less a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis. For example, if **you** have been covered for 6 months, the deduction for the time **you** have been covered will be half the annual premium.

If **we** pay any claim, in whole or in part, then no refund of premium will be allowed.

Cancellation – instalment payments

Time is of the essence in relation to **your** payment of the premium. If **you** pay **your** premium by direct debit and there is any default in payment, **we** will contact **you** to request payment by a given date, which will be 14 days from the date **we** contact **you**. If payment is still not received by this date, **we** may then cancel this policy. No refund or credit of premium will be due when cancellation takes place in these circumstances.

For **our** rights to cancel **your** policy please refer to General conditions page 16.

Changes to your circumstances

Please tell **your** insurance agent as soon as reasonably practicable if there are any changes to **your** circumstances and/or the information **you** have previously provided during the **period of insurance**, to allow **us** to reassess **your** insurance risk.

Please refer to General Conditions 4 of this policy on page 17.

If **your** circumstances change and **you** do not tell **your** insurance agent, **you** may find that **you** are not covered if **you** need to claim.

Important Information

Privacy Notice

Information we process

You should understand that information **you** provide, have provided and may provide in future will be processed by **us**, in compliance with UK data privacy laws for the purpose of providing insurance, handling claims and/or responding to complaints.

Information containing personal and sensitive personal information

Information **we** process may be defined as personal and/or sensitive personal information. Personal information is information that can be used to identify a living individual e.g. name, address, driving licence or national insurance number. Personal information is also information that can identify an individual through a work function or their title.

In addition, personal information may contain sensitive personal information; this can be information about **your** health and/or any criminal convictions.

We will not use personal and/or sensitive personal information except for the specific purpose for which **you** provide it and to carry out the services as set out within this notice.

Collecting electronic information

If **you** contact **us** via an electronic method, **we** may record **your** internet electronic identifier i.e. **your** internet protocol (IP) address. **Your** telephone company may also provide **us** with **your** telephone number.

How we use your information

Your personal and/or sensitive personal information may be used by **us** in a number of ways, including to:

- arrange and administer an application for insurance;
- manage and administer the insurance;
- investigate, process and manage claims; and/or
- prevent fraud.

Who we share your information with

We may pass **your** personal and/or sensitive personal information to industry related third parties, including authorised agents; service providers; reinsurers; other insurers; legal advisers; loss adjusters; and claims handlers.

We may also share **your** personal and/or sensitive personal information with law enforcement, fraud detection, credit reference and debt collection agencies and within the MS Amlin Group of companies to:

- assess financial and insurance risks;
- recover debt;
- to prevent and detect crime; and/or
- develop products and services.

We will not disclose **your** personal and/or sensitive personal information to anyone outside the MS Amlin Group of companies except:

- where **we** have **your** permission;
- where **we** are required or permitted to do so by law;
- to other companies who provide a service to **us** or **you**; and/or
- where **we** may transfer rights and obligations under the insurance.

Important Information

Why it is necessary to share information

Insurance companies share claims data to:

- ensure that more than one claim cannot be made for the same personal injury or property damage;
- check that claims information matches what was provided when the insurance was taken out;
- act as a basis for investigating claims when **we** suspect that fraud is being attempted; and/or respond to requests for information from law enforcement agencies.

The transferring of information outside the European Economic Area

In providing insurance services, **we** may transfer **your** personal and/or sensitive personal information to other countries including countries outside the European Economic Area. If this happens **we** will ensure that appropriate measures are taken to safeguard **your** personal and/or sensitive personal information.

Access to your information

You have a right to know what personal and/or sensitive personal information **we** hold about **you**. If **you** would like to know what information **we** hold, please contact the MS Amlin Data Privacy Officer at the address listed within this notice, stating the reason for **your** enquiry. **We** may write back requesting **you** to confirm **your** identity, **we** may also charge a fee of £10 for processing **your** enquiry.

If **we** do hold information about **you**, **we** will:

- give **you** a description of it;
- tell **you** why **we** are holding it;
- tell **you** who it could be disclosed to; and
- let **you** have a copy of the information in an intelligible form.

If some of **your** information is inaccurate, **you** can ask **us** to correct any mistakes by contacting **our** Data Privacy Officer.

Providing consent to process your information

By providing **us** with **your** personal and/or sensitive personal information, **you** consent to **your** information being used, processed, disclosed, transferred and retained for the purposes set out within this notice.

If **you** supply **us** with personal information and/or sensitive personal information of other people, please ensure that **you** have fairly and fully obtained their consent for the processing of their information. **You** should also show this notice to the other people.

You should understand that if **you** do not consent to the processing of **your** information or **you** withdraw consent, **we** may be unable to provide **you** with insurance services.

Changes to this Notice

We keep **our** privacy notice under regular review. This notice was last updated on the 20th October 2015.

Contacting us

If **you** have any questions relating to the processing of **your** information, please write to The MS Amlin Data Privacy Officer, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AG.

You can also email: dataprivacyofficer@msamlin.com

For information about the MS Amlin Group of companies please visit www.msamlin.com.

Important Information

Employers' Liability Tracing Office (ELTO)

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

1. Certain information relating to **your** insurance policy including, without limitation:
 - a) the policy number(s);
 - b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;
 - d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
 - e) Companies House reference numbers (if relevant), will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database.
2. This information will be made available by **us** to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.
3. The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants):
 - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
 - b) to identify the relevant employers' liability insurance policies.
4. The database will be managed by ELTO.
5. The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

Choice of Law and jurisdiction

In the absence of any agreement to the contrary, the laws of England and Wales will apply and this policy will be subject to the exclusive jurisdiction of the courts of England unless, at the start of the **period of insurance**, **you** are either:

- a) a resident of; or
- b) a business with its registered office or principal place of business is situated in;

Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country, crown protectorate or dependency will apply and this policy will be subject to the exclusive jurisdiction of the courts of that country, crown protectorate or dependency

Important Information

Registration and regulatory information

WILLOW is a trading style of ARO Underwriting Group Ltd, who are authorised to underwrite and administer this policy on behalf of Amlin UK Limited.

Aro Underwriting Group Limited are an appointed representative of Ambant Underwriting Services Limited, a company which is authorised and regulated by the Financial Conduct Authority under registration number 597301 to carry on insurance mediation activities.

Amlin UK is a trading name of Amlin UK Limited. Amlin UK Limited is wholly owned by and an appointed representative of MS Amlin Underwriting Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference number 204918. Amlin UK Limited is registered in England No. 02739220. Registered office: Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG.

Compensation (Financial Services Compensation Scheme)

Lloyd's insurers are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if a Lloyd's insurer is unable to meet its obligations to **you** under this policy. If **you** were entitled to compensation from the Scheme, the level and extent of the compensation would depend on the nature of this policy. Further information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU) and on their website www.fscs.org.uk

Contracts (Rights of Third Parties) Act 1999

A person or company who was not 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 condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any subsequent amendment to it.

Sanction

This policy will not provide any insurance cover or benefit and **we** will not pay any sum if doing so would mean that **we** are in breach of any sanction, prohibition or restriction imposed by any law or regulation applicable to **us**.

Tax

There may be circumstances where taxes may be due that are not paid via **us**. If this occurs then it is **your** responsibility to ensure that these are paid direct to the appropriate authority.

Renewal of this insurance

When **your** policy is due for renewal, **we** will write to **your** insurance agent at least 21 days before the **period of insurance** ends with full details of **your** next year's premium and policy terms and conditions. If **you** do not want to renew the policy, please contact **your** insurance agent. Occasionally, **we** may not be able to offer to renew **your** policy. If this happens, **we** will write to **your** insurance agent at least 21 days before the expiry of **your** policy to allow enough time for **you** to make alternative insurance arrangements.

General Definitions

The following definitions apply in all sections of this policy, the schedule and any endorsements attaching to the policy unless otherwise stated. Each time one of the words below is used it will have the same meaning wherever it appears in the policy or schedule. To help identify these words they will appear in bold in the policy wording.

Please also refer to the Additional Definitions which appear at the start of each section.

Bodily injury

Death, injury, illness, disease or nervous shock.

Buildings

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

Business

The business stated in the schedule and additionally for Sections 3 and 4 includes the following activities:

- a) use, repair, maintenance and decoration of premises owned or occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services;

General Definitions

- d) participation in exhibitions held in the **territorial limits**, in connection with the business specified in the schedule; and
- e) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** consent.

Contents of common parts

Contents of common parts comprising furniture, furnishing, potted plants, potted trees and shrubs, statues, garden furniture, garden machinery, contents of fuel tanks, video, audio, building management systems and security equipment, and other similar property belonging to **you** or for which **you** are responsible.

Consequential loss

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

Clean up

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

Costs and expenses (applicable to Sections 3 and 4 only)

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

Damage(d)

Loss or destruction of or damage to the property insured by this policy.

Declared value

Your assessment of the cost of **reinstatement** of the **property insured** at the level of costs applying at the start of the **period of insurance**. **You** should ignore any inflationary factors which may operate later. **You** should also make an allowance for:

- a) the additional cost of **reinstatement** to comply with public authority requirements;
- b) professional fees; and
- c) debris removal costs.

Denial of service attack

Any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability of networks, network services, network connectivity or information 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 and the generation of excess or non-genuine traffic between and amongst networks.

Deposit

The sum paid by the **tenant** to **you** or the managing agent under the terms of the **tenancy agreement** for the purpose of providing **you** with an reimbursement or partial reimbursement against losses arising from the **tenant's** breach of any of the terms of the **tenancy agreement**.

General Definitions

Employee

Any person who is:

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

Excess

This is the first part of any claim that **you** will have to pay after the application of all other terms and conditions of the insurance including General condition 2. Average.

Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data, whether **your** property or not.

Landlord's contents

Furniture, furnishings, potted plants, trees and shrubs, statues and garden furniture, video, audio, building management systems and security equipment, the contents of fuel tanks and other similar property or property for which **you** are responsible all whilst contained in or on the **buildings**.

Money

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

Offshore

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

Period of insurance

The period from the effective date shown in the schedule until midnight on the expiry date shown in the schedule.

General Definitions

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception.

Pollution

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

Premises

The premises stated in the schedule.

Property insured

Buildings, landlords' contents, contents of common parts, gardening equipment, all other contents and other property at the **premises** (in accordance with any specific exclusions) all as defined below or more fully described in the schedule and all belonging to **you** or for which **you** are responsible but **we** will not cover:

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

Reinstatement

- a) the rebuilding or replacement of property lost or destroyed which, provided **our** liability is not increased, may be carried out in any manner suitable to **you** or on another site; or
- b) the repair or restoration of property damaged

in either case to a condition equal to but not better or more extensive than its condition when new.

Rent receivable

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

Services

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

Tenancy agreement

- a) a tenancy agreement in writing made between **you** and the **tenant** which is an Assured Shorthold Tenancy Agreement within the meaning of the Housing Acts 1988 and 1996 or a Short Assured tenancy or an Assured Tenancy as defined in the Housing (Scotland) Act 1988. In Northern Ireland the Agreement between **you** and the **tenant** to let the **premises** must not be a Protected Tenancy or a Statutory Tenancy within the meaning of the Rent (NI) Order 1978 nor a Protected Shorthold Tenancy within the meaning of Housing (NI) Order 1983. Tenancy Agreements in which the **tenant** is a limited company or a tenancy agreement or lease of commercial premises are not included in this definition.
- b) Any other residential tenancy as agreed and accepted by **us** in writing.

General Definitions

Tenant(s)

A person or company occupying **your premises** by virtue of a **tenancy agreement**.

Territorial limits

Great Britain, Northern Ireland the Channel Islands or the Isle of Man.

Terrorism

- a) Acts of persons acting on behalf of or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other legitimate government or accepted (illegitimate) government.
- b) Any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation for action or threat of action described in a) above.

Unoccupied

Any **building** or part of any **building** which is empty or not in use by **you** or **your tenant** for more than 60 consecutive days.

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to **damage**, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The definition of virus or similar mechanism includes but is not limited to Trojan horses, worms and logic bombs.

We/us/our

Lloyd's Syndicate 2001 managed by MS Amlin Underwriting Limited through its appointed representative Amlin UK Limited as insurers of **your** policy and Aro Underwriting Group, trading as Willow, who are authorised to underwrite and administer **your** policy on their behalf.

You/your

- a) The policyholder named in the schedule; and additionally for Sections 3 and 4 only includes:
- b) any associated or subsidiary company of the insured provided it has been notified to and agreed by **us**;
- c) At your request:
 - i) any director or **employee** while they are acting on behalf of or in course of their employment or engagement with **you** for liability for which **you** would have been entitled to cover under this policy if the claim against that person had been made against **you**;
 - ii) any officer, member or **employee** in their respective capacities of your social, sports or welfare organisation or fire, first aid or ambulance service;
- i) any of your directors, partners or senior officials for private work carried out by any **employee** for them with your consent;
- ii) any principal for legal liability for which you would have been entitled to cover under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement;

General Definitions

- v) your personal representatives (in the event of your death) for liability incurred by you, provided that if cover is extended to any party described in paragraphs i) to iv) above that party will be in accordance with the terms of this policy so far as they can apply and in any event **our** liability will not exceed the limit of liability.

General Conditions

These are the conditions of the cover and apply throughout your policy. There may be additional conditions under each section of cover and any applicable endorsements. If you do not comply with these conditions you may not receive payment for a claim, a claim may be reduced, or you may lose all right to cover under your policy.

If you are unsure about any of these conditions or whether you need to notify us about any matter, please contact your insurance agent.

1. Adjustment of premium

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

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

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

2. Average *(Applicable to sections 1 – Property damage and 2 – Business interruption)*

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

3. Cancellation – our rights

We may cancel this policy or any section by giving 30 days' notice in writing by registered letter to **you** at **your** last known address and in this case **you** will be entitled to a proportionate return of premium for the unexpired term of this policy (other than in circumstances where **we** invoke 5. Fraudulent claims under the Claims conditions section).

Reasons **we** may decide to cancel **your** policy include if:

- a) there is a material change in **your business**;
- b) there is reasonable suspicion of fraud or where there has been a deliberate or reckless misrepresentation of material facts and/or other non-disclosure;
- c) **you** do not co-operate or supply information or documentation that **we** request which materially affects our ability to process this policy or **our** ability to defend **our** interests;
- d) following a survey at any of **your** properties or sites **we** have required **you** to make risk improvements and **you** have not completed these within a reasonable period of time advised by **us**;
- e) the first or renewal premium has not been paid;
- f) **you** or **your** agent engage in threatening or abusive behaviour or the use of threatening or abusive language, intimidation or bullying of **our** staff or suppliers; and

General Conditions

- g) **you** do not exercise **your** duty of care as required under General Condition 7 – Maintenance and reasonable precautions contained in this policy and failing to put this right when **we** ask **you** by sending **you** 7 days' written notice to **your** last known address.

Where a claim has been made during the current **period of insurance**, the full annual premium will still be payable despite cancellation of cover and **we** reserve the right to deduct this from any claim payment.

4. **Change in circumstances or alteration to the risk**

If **you** would like to make changes to **your** policy please contact **your** insurance agent.

If **you** are aware of any material changes to the information provided or if **you** become aware of any material changes **you** must tell **us** about those changes. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **you** need to change the information **you** have given **us** please contact **your** insurance agent as soon as reasonably practicable on becoming aware of that change.

Examples where **we** would need **you** to notify **us** of a change:

- If any sums insured **you** have declared to **us** have increased or decreased;
- There is a change to the business **you** undertake that **we** do not know about;
- **You** move premises or make alterations to the **premises you** occupy;
- The security and fire protections **you** have declared to **us** change;

These are just some examples and there may be other circumstances **we** would want **you** to tell **us** about. If **you** are in any doubt, please contact **your** insurance agent directly as failure to notify **us** of any changes could lead to **your** policy being cancelled, or a claim rejected or not fully paid.

If **you** are unsure whether a change to the information **you** have given **us** is material please contact **your** insurance agent.

In addition **you** must notify **us** of any alteration to the information provided at the start or renewal occurring during the **period of insurance** at which time **we** may apply an additional premium or other additional terms or conditions.

5. **Flat roof**

You must ensure, at **your** own expense, that all flat roof areas (where the flat roof area is in excess of 25% of the total roof area) at the **premises** are inspected at least once every year by a competent roofing contractor and that any necessary remedial work required is carried out as soon as reasonably practicable.

Written evidence of inspections and any remedial work must be retained and made available to **us** upon request.

6. **Interest**

We agree to automatically note the interest of any other party if requested to do so by **you**, to any of the property insured and which attached before the happening of any **damage**, but only to the extent that the interest is not otherwise insured and subject to their identity being disclosed in writing to **us** by **you** following **damage**.

General Conditions

7. Maintenance and reasonable precautions

You will at **your** own expense:

- a) take all reasonable precautions to prevent or reduce **damage**;
- b) stop any activity which may result in a claim under this policy;
- c) maintain all **buildings**, furnishings, ways and works machinery in sound condition and good repair;
- d) remedy any defect or danger as soon as reasonably practicable after discovery and in the meantime take additional precautions as the circumstances may require;
- e) comply with all statutory requirements and other safety regulations imposed by any authority;
- f) act promptly to gain vacant possession of the **buildings** and recover any **rent arrears**;
- g) ensure that all protections installed for the protection of the **building** are regularly maintained are in use when the **building** is left unattended.

8. Multiple insureds

The most **we** will pay is the relevant amount shown in the schedule or this policy.

If more than one insured is named in the schedule, the total amount **we** will pay will not exceed the amount **we** would be liable to pay were there only one insured named in the schedule.

You agree that if there is more than one insured named in the schedule, the first insured listed is authorised to receive all notices and agree any changes to this policy.

9. Non vitiation

This policy will not be vitiated or avoided:

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

10. Remedies following a breach in your duty of fair presentation

A non-disclosure or misrepresentation is "deliberate or reckless" if:

- a) in the case of a misrepresentation, **you** knew it was untrue or misleading, or did not care whether it was untrue or misleading
- b) in the case of a non-disclosure, **you** knew that the matter to which the non-disclosure related was material to **us**, or did not care whether or not it was material to **us**.

The burden will be on **us** to prove all matters set out in this condition.

General Conditions

Deliberate or reckless breach of the duty of fair presentation

If **you** deliberately or recklessly breach **your** duty of fair presentation of the risk this policy will be avoided from its start date and no premium will be returned.

Breach of the duty of fair presentation which is neither deliberate nor reckless

If **your** breach of the duty of fair presentation of the risk was neither deliberate nor reckless, and had **we** known the information which led to the breach from the start of the policy or at the time of its renewal, **we**:

a) **would not have entered into the contract:**

we will:

- i) charge an additional premium calculated from the start of the **period of insurance** (the amount charged will be proportionate with the increase in risk);
- ii) apply additional terms from the date **we** discover the breach;

Provided **you** have paid the additional premium **we** requested and agreed in writing to the additional terms, **we** will also:

- a. pay any valid claims notified to **us** before the date of the discovery of the breach, including any valid claim which led to the discovery of the breach;
- b. continue to cover **you** on the revised basis for the remaining **period of insurance**, but **we** may not continue insuring **you** once the policy reaches its renewal date.

However there may be certain circumstances where **we** will cancel the policy from the start date. These circumstances will include where the breach means **we** or **our** parent company will suffer reputational harm in either the insurance market, the media or amongst **our** customers or trading partners.

If **we** do cancel **your** policy from the start date because of the above all premiums paid will be returned.

b) **would have applied different terms**

we will apply those different terms from the date of the discovery. Any claims already made will not be affected by **our** discovery;

c) **would have charged a higher premium**

we will charge an additional premium calculated from the start of the policy.

Any claims already made will not be affected by **our** discovery;

d) **would have applied different terms and charged a higher premium**

we will charge the additional premium (calculated from the start of the policy) and apply additional terms from the date of discovery. Any claims already made will not be affected by **our** discovery.

We or **your** insurance agent will write to **you** if **we** intend to apply one of the above proportional remedies.

General Conditions

11. **Unoccupied property notification**

We must be notified in writing by e-mail, letter or fax, as soon as reasonably practicable after **you** become aware that any insured occupied building becomes **unoccupied**.

We will have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which will be paid by **you** if required.

12. **Unoccupied property security**

The following conditions must be complied with unless otherwise agreed by **us**, where any **building** becomes **unoccupied**:

- a) the gas, electricity (other than power required for an intruder alarm or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down;
- b) all devices for preventing access to the building(s) are in full and effective operation at all times;
- c) the **buildings** and yards are clear of all waste materials and redundant contents;
- d) the letter box is permanently sealed shut or a non-combustible receptacle is permanently fixed to the letter box;
- e) the **premises** are inspected at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the building and that compliance with conditions a) - d) continues.

Claims Conditions

1. Arbitration

If **we** agree to pay **your** claim and **you** disagree with the amount to be paid it may be referred to an arbitrator who is jointly appointed. Whether **we** or **you** bear the costs of the arbitration, or these are shared by **us** and **you**, will be determined at the discretion of the arbitrator. Alternatively, depending on **your** circumstances, **you** may be able to refer **your** case to the Financial Ombudsman Service (FOS). In either case, this will not affect **your** right to take action against **us** over the disagreement.

2. Claims co-operation

You must provide all help and assistance and co-operation required by **us** in connection with any claim.

3. Claims procedures

Things **you** must do:

You must comply with the following conditions. If **you** fail to do so, **we** may not pay **your** claim, or any payment could be reduced.

- a) **You** must notify **your** insurance agent as soon as possible giving full details of what has happened.
- b) **You** must provide **your** insurance agent with any other information **we** may require.
- c) **You** must forward to **your** insurance agent as soon as possible, if a claim for liability is made against **you**, any letter, claim, writ, summons or other legal document **you** receive.
- d) **You** must inform the police as soon as possible following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property.
- e) **You** must not admit liability or offer or agree to settle any claim without **our** written permission.
- f) **You** must take, or allow others to take, practical steps to prevent further **damage** or **bodily injury**, recover property lost and otherwise minimise the claim.

4. Discharge of liability

Where in **our** opinion, the limit of liability or the sum insured of any claim may exceed the available limit of liability or sum insured **we** will be entitled at **our** discretion, to discharge **our** liability by paying the available limit of liability or sum insured to **you** or on **your** behalf and pay defence costs up to the date of that payment. In this situation, if at the time of payment **we** are conducting the defence of the claim, **we** will also relinquish that conduct.

Claims Conditions

5. **Fraudulent claims**

If **you** or anyone acting on **your** behalf makes a fraudulent claim under **your** policy, including providing fraudulent information or documentation, **we** may:

- a) refuse to pay the claim;
- b) seek to recover any of costs already incurred by **us** relating to the fraudulent claim;
- c) have the option to cancel the policy from the date of the fraudulent act; and
- d) keep any premium paid to **us**.

This will not affect separate claims made before the fraudulent act unless they too were fraudulent.

If **your** policy covers more than one insured and a fraudulent claim is made by one of those insureds, **we** will treat that claim in accordance with the above, but the rights of the other insured(s) under the policy will not be affected.

6. **Other Insurance**

If **you** have any other insurance which covers the same loss, **damage** or liability, **we** will only pay **our** pro rata share of any claim.

7. **Salvage**

We may enter the **premises** where **damage** has occurred and take possession of or require to be delivered to **us** any property insured and deal with it in a reasonable manner but the property may not be abandoned to **us**.

8. **Subrogation**

We are entitled to:

- a) take over and conduct the defence or settlement of any claim in **your** name or on **your** behalf at **our** discretion;
- b) take steps to enforce rights against any other party before or after payment is made by **us**.

General Exclusions

This policy will not insure or pay any claims for:

1. **Asbestos** *Not applicable to section 4 - Employers' liability*

liability arising from the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos.

2. **Cyber terrorism**

digital or cyber risks, that is:

- a) any loss caused by or contributed to, by, or arising from or occasioned by or resulting from:
 - i) the alteration, modification, distortion, corruption of or **damage** to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part of it whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii) any alteration, modification, distortion, erasure or corruption of data processed by any computer or other equipment or component or system or item;

whether **your** property or not, where the loss is caused by a **virus or similar mechanism, phishing or hacking or denial of service attack,**

or

- b) any legal liability or financial loss or expense, including but not limited to consequential loss, caused by or contributed to, by, or arising from or occasioned by or resulting from a **virus or similar mechanism, phishing or hacking or denial of service attack.**

3. **Date recognition**

damage caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

But **we** will cover further **damage** resulting from an insured cover, providing **damage** is covered elsewhere in the policy.

4. **Excess**

the excess shown in **your** schedule.

5. **Gradual events**

any loss relating to **consequential loss** or **damage** which happens or develops gradually over time.

General Exclusions

6. **Mould**

loss caused directly by or consisting of or resulting from mould, mildew, fungus or spores.

This will not exclude any loss not otherwise excluded which itself results from an insured Cover under Sections 1 and 2 provided that **you** report to **us** the existence and cost of the loss as soon as reasonably practicable, but no later than six months after the insured Cover first caused any loss to **you** during the **period of insurance**. **We** will not cover **you** for loss reported after that six month period.

7. **Radioactive contamination**

bodily injury, disablement or **damage** to any property, or any resulting loss or expense or any legal liability caused by, contributed to or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or its nuclear components;
- c) any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter; or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when those isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

8. **Riot and civil commotion**

riot, civil commotion in Northern Ireland. **Damage** is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the **damage**.

9. **Terrorism**

damage or financial loss or expense, occasioned by or happening through or because of **terrorism**. In any action suit or other proceedings where **we** allege that any **damage** is not covered by this policy the burden of proving that **damage** is covered will be upon **you**.

This exclusion will apply to all sections of this policy, other than Section 3 Property owners' liability and Section 4 - Employers' liability to the extent that it is necessary to comply with the minimum requirements of the law in the **territorial limits**, relating to compulsory insurance of liability to **employees** and provided that the maximum limit for any one loss or series of claims arising from one source or original cause will not exceed £5,000,000.

10. **War**

any event whatsoever which is the result of any of the following, or anything connected with any of the following, whether or not the event has been contributed to by any other cause or event:

- a) war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack;

General Exclusions

- i) by government or sovereign power (legal or illegal) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia; or
 - ii) by military, naval or air forces, or any other armed forces or militia; or
 - iii) by an agent of any government, power, authority or force;
- b) any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental;
- c) insurrection, rebellion, or action taken by government authority in hindering, combating, or defending against an occurrence, seizure or destruction.

Section 1 – Property Damage

This section is optional and will only apply if shown as covered in your schedule

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions section.*

Day one rebuilding value

the total cost of reinstating the **buildings** insured to a condition substantially the same as when new at the level of costs applying at the beginning of the **period of insurance** in which the **damage** occurred.

Insuring clause

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

Our liability in any one **period of insurance** will not exceed:

1. the total sum insured;
2. for any item its sum insured;
3. any other stated limit of liability;
4. £25,000 any one loss for **landlord's contents**;
5. £5,000 any one loss for gardening equipment;
6. £25,000 any one loss for **contents of common parts**.

Section 1 – Property Damage

Covers – provided as standard

1. **Fire, lightning and explosion** but not **damage** caused by:
 - a) earthquake, subterranean fire, riot, civil commotion;
 - b) its undergoing any heat process or any process involving the application of heat;
 - c) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **damage** caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds other than to a residential **building**.
3. **Riot, civil commotion, strikers, locked out workers** or persons taking part in labour disturbances or **malicious persons** but not **damage** arising from:
 - a) confiscation, requisition or destruction by order of the government or any public authority;
 - b) stopping work;
 - c) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
4. **Earthquake or subterranean fire**.
5. **Storm** but not **damage**:
 - a) caused by lightning, frost, subsidence, ground heave or landslip;
 - b) for movable property in the open, fences and gates.
6. **Flood** but not **damage**:
 - a) attributable solely to change in the water table level;
 - b) caused by lightning, frost, subsidence, ground heave or landslip;
 - c) for movable property in the open, fences and gates.
7. **Escape of water or oil** from any tank apparatus or pipe but not **damage** by water discharged or leaking from any automatic sprinkler installation.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **damage** caused by explosion, earthquake, subterranean fire or heat caused by fire.
9. **Impact** by any road or rail vehicle or animal.
10. **Accidental damage** but not:
 - a) **damage** caused by:
 - i) any of the covers specified above;
 - ii) the causes expressly excluded from the covers specified above;

Section 1 – Property Damage

- iii) inherent vice, latent defect, wear and tear, faulty or defective design or materials;
- iv) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include subsequent **damage** which itself results from a cause not otherwise excluded;
- v) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
- vi) change in temperature, colour, flavour, texture or finish;
- vii) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services;
- viii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
- ix) mechanical, electronic, electrical or computer breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair of the particular machine, apparatus or equipment in which breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair of the particular machine originates but this will not exclude subsequent **damage** so long as it is not excluded above;
- x) **pollution** or contamination;
- xi) normal settlement or bedding down of new structures;
- xii) acts of fraud or dishonesty;
- xiii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
- xiv) **damage** to a **building** or structure caused by its own collapse or cracking;
- xv) any process of production, packing, treatment, testing, commissioning, servicing or repair;
- xvi) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.

Section 1 – Property Damage

- b) **damage to:**
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - d) glass;
 - e) any **building** or structure caused by its own collapse or cracking.

- 11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of any lettering and artwork. Cover includes reasonable costs and expenses incurred in temporary glazing and any boarding up as necessary.

- b) **Damage to:**
 - i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmerile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs

as a direct result of glass breakage as defined under paragraph 11a) provided that **our** liability will not exceed £2,500 in total in any one **period of insurance**.

- 12. **Breakage of fixed sanitaryware** but not breakage or **damage:**
 - a) in vehicles, vending machines or to stock in trade;
 - b) in any **building** which is **unoccupied**;
 - c) in transit or while being fitted;
 - d) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion;
 - e) existing before the start of the **period of insurance**;
 - f) of neon and illuminated signs and electric light fittings;
 - g) by wear and tear, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;
 - h) of bulbs or tubes unless the signs or fittings are also damaged;
 - i) caused by fire or explosion.

Section 1 – Property Damage

13. **Theft** or **attempted theft** but not **damage**:
- a) which does not involve:
 - i) entry to or exit from a **building** by forcible and violent means; or
 - ii) actual or threatened assault or violence.
 - b) from the open or from any outbuilding not attached to the main **building** unless otherwise specified;
 - c) to property in transit;
 - d) to **money** and securities of any description.
14. **Subsidence, ground heave** or **landslip** of any part of the site on which the property stands but not **damage**:
- a) to yards, carpark, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**;
 - b) caused by:
 - i) normal settlement or bedding down of new structures;
 - ii) settlement or movement of made up ground;
 - iii) coastal or river erosion;
 - iv) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
 - c) which originated before the start of this cover;
 - d) resulting from:
 - i) demolition, construction, structural alteration or repair of any property; or
 - ii) groundwork or excavationat the same **premises**.

Special condition to cover 14

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

Excess

An **excess** applies to the covers under this section as shown in the schedule.

Section 1 – Property Damage

Extensions of cover – provided as standard

1. Additional metered water or gas charges

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

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

2. Additional sprinkler costs

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

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

3. Additions

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

- a) cover under this extension in any one location is limited to the value of the alterations, additions or improvements but not exceeding £2,000,000;
- b) **you** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

4. Clearing of drains

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

We will not pay more than the sum insured.

5. Contract works

We will pay for contract works to the extent to which **you** have contracted to arrange cover with a limit of £25,000 any one loss at any **premises** and excluding the first £250 of each loss. This insurance will only apply if the contract works are not otherwise insured.

6. Contracting purchaser's interest

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

Section 1 – Property Damage

7. Contractor's interest

Where **you** are required to take out insurance on the **buildings** in the joint names of **yourselves** and the contractor under the terms of a contract condition, then the interest of the contractor in the **buildings** as a joint insured is noted, provided that details of any single contract valued in excess of £150,000 are advised to **us** before work starts and the required additional premium has been paid.

8. Debris removal

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

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

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

We will not pay:

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

9. European Union and public authorities' requirements

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

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

Section 1 – Property Damage

10. **Failure of third party insurances** (*applicable to **buildings** and rent of the **buildings***).

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

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

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

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

No amount will be recoverable:

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

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

Special conditions

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

Section 1 – Property Damage

11. Fire extinguishing expenses

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

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

up to a limit of £25,000 for any one loss

12. Fly tipping

We will pay for costs and expenses necessarily and reasonably incurred in clearing and removing any properly following its illegally deposited in, on or around the **premises** up to a limit of £2,500 for any one loss.

13. Further investigation expenses

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

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

14. Inadvertent omission to insure

We will pay for **damage** to any premises in the **territorial limits** which **you** own or which **you** are responsible to insure but which **you** have inadvertently failed to insure under this or any other policy provided that:

- a) **you** will as soon as practicable on becoming aware of any premises not insured arrange insurance with **us** with effect from the start of this policy or the date upon which the insurance should have been arranged whichever is the later;
- b) this extension will not apply to any premises covered under extension 9 of this section;
- c) **we** will not pay more than £2,000,000 any one loss or in total for any premises;
- d) all other terms, provisions, conditions and exclusions of the policy will apply.

15. Cover to individual owners

We will at **your** request, cover any owner, **tenant** or lessee of the **buildings** against legal liability for which **you** would have been entitled to cover if the claim had been made against **you**.

Section 1 – Property Damage

16. Inflation provision (day one basis)

- a) In accordance with the following special conditions, the basis upon which the claim will be settled for material **damage** will be the **reinstatement** of the property damaged.
- b) The premium has been calculated according to the **declared value** which **you** gave to **us**.

Special conditions applicable to extension 16.

1. **You** will notify **us** of the declared value of the **property insured** for each item at the beginning of each **period of insurance**. In the absence of the declaration, the last amount declared by **you** will be taken as the declared value for the ensuing **period of insurance**.
2. If at the time of **damage** the declared value of the property is less than the cost of **reinstatement** at the start of the **period of insurance**, then **our** liability for the **damage** will not exceed that proportion of the amount of the **damage** which the declared value bears to the cost of **reinstatement**.
3. **Our** liability for the **reinstatement** of property partly damaged will not exceed the amount which would have been payable had the property been wholly destroyed.
4. No payment beyond the amount which would have been payable in the absence of this extension 16. will be made:
 - a) unless **reinstatement** starts and proceeds as quickly as possible;
 - b) until the cost of **reinstatement** will have been actually incurred; or
 - c) if the **property insured** at the time of its **damage** is insured by any other insurance effected by or on **your** behalf which is not upon the same basis of **reinstatement**.
5. All the other terms and conditions of the policy will apply:
 - a) for any claim payable under this clause unless they are specifically varied.
 - b) where claims are payable as if this clause had not been incorporated except that the sum insured will be limited to the percentage of the declared value stated in the schedule.

17. Landscaping

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

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

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

Section 1 – Property Damage

18. Loss minimisation and prevention expenditure

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

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

19. Loss of market value

If

- a) **you** choose not to repair or rebuild, **we** will pay to **you** the reduction in market value of the **buildings** following **damage** but not exceeding the amount that would have been payable had the **buildings** been repaired or rebuilt.
- b) as a result of **damage**, **you** are required to rebuild or reinstate the **buildings** in a manner different from that before **damage** solely to comply with any regulations or requirements of the European Union, public authority or other statutory requirements (as shown under extension 9 and as a result there is reduction in market value, **we** agree to pay:
 - i) the cost of repairing or reinstating the **buildings**; and
 - ii) a cash settlement representing the reduction in market value

so that the total payment made is no greater than the amount that would have been payable had the **buildings** been repaired or reinstated in an identical manner to their condition before the **damage**.

The above are in accordance with the following:

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

20. Mortgagees and lessors

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

- a) the increase in risk is without their knowledge or authority;
- b) **we** are notified as soon as practicable when they become aware of the increase in risk; and
- c) **you** pay any additional premium required.

21. Non-invalidating

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

Section 1 – Property Damage

22. Privity of contract

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

Special conditions

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

23. Professional fees

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

24. Reinstatement to match

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

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

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

25. Removal of nests

Costs incurred in the removal of any wasp, hornet or bee nest found at the **property insured**, removal to be carried out by specialist persons at a limit of £500 any one loss (please note we will only pay for the removal of a honey bee nest where a member of the British Beekeepers Association has been unable to assist **you** and has stated that there is no alternative).

26. Rent of residential property

Provided there is no other insurance in force, in the event that **buildings** occupied solely or partly for residential purposes suffer **damage**, **we** will pay **you** for your loss of rental income including the cost of reletting and any additional expenditure **you** may reasonably incur.

We will also cover **you** for any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

We will not pay more than 30% of the sum insured applicable to the residential **building** or residential portion of the **building** concerned or for any losses **you** incur beyond a maximum period of three years from the date of the **damage**.

Section 1 – Property Damage

27. Replacement locks

We will pay for the reasonable expenses necessarily incurred as a result of the necessary replacement of locks or resetting digital locks at the **premises** to a standard equal to but not better than their original standard following the loss of keys by loss or theft from the **premises** or from the homes of directors, partners or authorised **employees** or by the unauthorised duplication of the keys.

We will not pay more than £5,000 any one loss.

28. Subrogation waiver

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

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

29. Temporary removal

We will pay for **damage** to any landlords' contents not otherwise insured whilst temporarily at other premises for cleaning, renovation or repair or other similar purposes and whilst in transit by road, rail or inland waterway.

We will not pay more than £25,000 or 10% of the **buildings** sum insured, whichever is the lesser, for any one loss.

30. Tenants damage

We will pay for **damage**, including malicious damage and theft, caused by the **tenant** or their guests to the **buildings** or **landlords contents**.

However **we** will not cover:

- i) any amount recoverable by **you** from the **deposit** paid by the **tenant** as detailed on the **tenancy agreement** (proof of deposit payment must be submitted following a claim);
- ii) **damage** which is insured by a policy issued to the **tenant**;
- iii) any amount exceeding £2,500 for any one loss;
- iv) any loss arising from an **unoccupied** building.

Section 1 – Property Damage

31. Trace and access

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

We will not pay more than £2,500 for any one loss or £25,000 in total in any one **period of insurance**.

32. Tree removal

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

We will not pay more than £500 any one loss or £2,500 in total in any one **period of insurance**.

Cover to include the costs and expenses incurred at the **property insured** for any necessary tree felling, lopping or topping to prevent **damage** or injury to any person or **property insured** up to a limit of £5,000.

We will also pay up to £25,000 for replanting of trees as may be necessary as a result of **damage**

33. Unauthorised use of public utilities

This insurance includes loss resulting from the unauthorised use of electricity, gas and water at the **property insured** but only to the extent that:

- a) the loss is determined by measurement from the relevant service provider's meter or
- b) if the service provider demands excess charges

provided that the cover is limited to £1,000 any one loss.

34. Value Added Tax (VAT)

The insurance by each item on **buildings** extends to include Value Added Tax paid by **you** which is not subsequently recoverable in accordance with the following:

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

Section 1 – Property Damage

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

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

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

35. **Workmen**

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

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. **Automatic reinstatement after a loss**

Unless **we** advise **you** otherwise, **our** liability will not be reduced by the amount of any loss as long as:

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

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

2. **Delays in rebuilding**

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

3. **Designation of property**

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

4. **Fire protection equipment**

You will take all reasonable measures to ensure that:

- a) any sprinkler or alarm installation or other fire protection equipment, for which a reduced premium rate is allowed, is maintained in efficient working order;
- b) the routine tests prescribed by **us** are carried out and any defects revealed by the tests are promptly remedied; and

Section 1 – Property Damage

- c) **our** written consent is obtained to any proposed changes, repairs or alterations to any sprinkler or alarm installation.

5. Index linking

a) Renewal

Where the schedule states that index linking applies, **we** will adjust the amounts insured to take into account movements in the appropriate index shown below.

- i) *Building and tenants improvements items*
The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.
- ii) *Other items*
The Producer Price Index for Home Sales of Manufactured Products issued by the Department of Trade and Industry.

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

In the event of a negative index **we** will retain **your** existing amounts insured, unless **you** advise **us** otherwise.

b) Claims

For claims settlement purposes (except Section 2 – Rental income protection) the adjustments set out above will continue during the **period of insurance** and the period of repair, replacement or **reinstatement** as long as the work is carried out and completed without undue delay.

6. Our option to rebuild

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

7. Rebuilding on another site

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

8. Reinstatement

In accordance with the following special conditions, the basis upon which the amount payable for **buildings** and **landlords' contents** is to be calculated will be the **reinstatement** of the property lost, destroyed or damaged.

Special conditions

- a) **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had the property been wholly destroyed.
- b) No payment beyond the amount which would have been payable in the absence of this condition will be made:

Section 1 – Property Damage

- i) unless **reinstatement** starts and proceeds without unreasonable delay;
 - ii) until the cost of **reinstatement** will have been actually incurred; or
 - iii) if the **property insured** at the time of its **damage** will be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of **reinstatement**.
- c) All other terms and conditions of the policy will apply:
- i) for any claim payable under the provisions of this condition; or
 - ii) where claims are payable as if this condition had not been incorporated.
- d) If, at the time of **reinstatement**, the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item in accordance with this condition exceeds its sum insured at the start of any **damage**, **our** liability will not exceed that proportion of the amount of the **damage** which said sum insured will bear to the sum representing the total cost of reinstating the whole of the property at that time.

Paragraph d) above does not apply to **buildings** and contents indicated in the schedule to be indexed linked.

9. Security requirements

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

- a) Any additional protection required by **us** will be fitted in accordance with **our** requirements and, together with all other devices for the protection of the **property insured**, will be kept in good order and put into full and effective operation whenever the **premises** are closed for business or are left unattended.
- b) All keys, including duplicate keys, relative to the security of a portion of the **premises** or to any safe or strong room containing **property insured** will be removed from that portion of the **premises** whenever they are closed for business or left unattended.

10. Seventy two hour provision

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

Section 1 – Property Damage

Exclusions applicable to this section

1. Cover under this section does not apply to the following items unless specifically mentioned:
 - a) **money**, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs, curiosities, rare books or works of art;
 - b) goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, explosives, video tapes or cassettes for sale or hire;
 - c) property in transit;
 - d) patterns, models, moulds, plans and designs.
2. **We** will not pay for damage caused by **pollution** except **damage** caused by:
 - a) **pollution** which results solely and directly from an insured cover;
 - b) any insured cover which results from **pollution or contamination**.

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This section is optional and will only apply if shown as covered in your schedule

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions section.*

Note 1

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

Note 2

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

Indemnity period

The period beginning with the occurrence of **damage** and ending not later than the **maximum indemnity period** after that during which the results of the **business** will be affected following the **damage**.

Maximum indemnity period

As stated in the schedule.

Notifiable disease

Injury or illness sustained by any person resulting from:

- a) food or drink poisoning; or
- b) any human infectious or human contagious disease as specified below an outbreak of which the competent public authority has stipulated will be notified to them.

Acute encephalitis;	Acute poliomyelitis;
Anthrax;	Chicken pox;
Cholera;	Diphtheria;
Dysentery;	Erysipeloid;
Legionellosis;	Legionnaires Disease;
Leprosy;	Leptospirosis;
Lyme Disease;	Malaria;
Measles;	Meningitis;
Meningococcal septicaemia;	Mumps;
Ophthalmia neonatorum;	Paratyphoid fever;
Puerperal fever;	Plague;
Rabies;	Relapsing fevers;
Rubella;	Scarlet fever;
Smallpox;	Tetanus;
Toxoplasmosis;	Tuberculosis;
Typhoid fever;	Typhus fever;
Viral hepatitis;	Whooping cough;
Yellow fever;	

Viral haemorrhagic fever caused by the following virus's: Lassa virus; Junin virus; Machupo virus; Sabia virus; Guanarito virus; Ebola virus; Marburg virus; Crimean-Congo haemorrhagic fever virus; Hanta virus; Rift Valley fever virus; Yellow fever virus; Dengue virus.

Section 2 – Rental Income Protection

Standard rent receivable

For the purpose of any claim arising from **damage** occurring before the completion of the first year's trading of the **business** at the **premises** "standard rent receivable" means the proportional equivalent for a period equal to the **indemnity period** of the **rent receivable** realised during the period between the start of the **business** and the date of the **damage**, to which adjustments will be made as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** whether before or after the **damage** or which would have affected the **business** had the **damage** not occurred, so that the figures adjusted will represent as nearly as may be reasonably practicable the results which but for the **damage** would have been obtained during the relative period after the **damage**.

Insuring clause

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

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

Covers

1. **Fire, lightning and explosion** but not **consequential loss** caused by:
 - a) earthquake, subterranean fire, riot, civil commotion;
 - b) its undergoing any heat process or any process involving the application of heat;
 - c) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **consequential loss** caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds other than to a residential **building**.
3. **Riot, civil commotion, strikers, locked out workers** or persons taking part in labour disturbances or malicious persons but not **consequential loss** arising from
 - a) confiscation, requisition or destruction by order of the government or any public authority;
 - b) stopping work;
 - c) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.

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4. **Earthquake or subterranean fire.**
5. **Storm but not consequential loss:**
 - a) caused by lightning, frost, subsidence, ground heave or landslip;
 - b) for movable property in the open, fences and gates.
6. **Flood but not consequential loss:**
 - a) attributable solely to change in the water table level;
 - b) caused by lightning, frost, subsidence, ground heave or landslip;
 - c) for movable property in the open, fences and gates.
7. **Escape of water or oil** from any tank apparatus or pipe but not **consequential loss** caused by water discharged or leaking from any automatic sprinkler installation.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **consequential loss** caused by:
 - a) freezing whilst the **building** is **unoccupied**;
 - b) explosion, earthquake, subterranean fire or heat caused by fire.
9. **Impact** by any road vehicle or animal.
10. **Accidental damage** but not:
 - a) **consequential loss** caused by:
 - i) any of the covers specified above;
 - ii) the causes expressly excluded from the covers specified above;
 - iii) inherent vice, latent defect, wear and tear, faulty or defective design or materials;
 - iv) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include subsequent **damage** which itself results from a cause not otherwise excluded;
 - v) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - vi) change in temperature, colour, flavour, texture or finish;
 - vii) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;
 - viii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - ix) mechanical, electronic, electrical or computer breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair of

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the particular machine of the particular machine, apparatus or equipment in which disturbance in order, arrangement or functioning or from adjustment maintenance or repair of the particular machine originates but this will not exclude **consequential loss** caused by subsequent **damage** so long as it is not excluded above;

- x) **pollution** or contamination;
 - xi) normal settlement or bedding down of new structures;
 - xii) acts of fraud or dishonesty;
 - xiii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - xiv) **damage** to a **building** or structure caused by its own collapse or cracking;
 - xv) any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - xvi) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- b) **consequential loss** for:
- i) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - ii) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - iii) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - iv) glass.
11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of any lettering and artwork. Cover includes reasonable costs and expenses incurred in temporary glazing and any boarding up as necessary.
- b) **Damage** to:
- a) the contents of display windows;
 - b) windows and doorframes, vitrolite, marble, marmerile and similar materials, intruder alarm foils and other detection devices and circuits;
 - c) electric light fittings; or
 - d) neon and illuminated signs
- as a direct result of **glass breakage** as described under paragraph 11 a) provided that **our** liability will not exceed £2,500 in total.
12. **Breakage of fixed sanitaryware** but not breakage or **consequential loss**:
- a) in vehicles, vending machines or to stock in trade;

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- b) in any **building** which is empty or not in use unless specifically agreed by **us**;
 - c) in transit or while being fitted;
 - d) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion;
 - e) existing before the start of the **period of insurance**;
 - f) of neon and illuminated signs and electric light fittings;
 - g) by wear and tear, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;
 - h) of bulbs or tubes unless the signs or fittings are also damaged;
 - i) caused by fire or explosion.
13. **Theft or attempted theft but not consequential loss:**
- a) which does not involve:
 - i) entry to or exit from a **building** by forcible and violent means; or
 - ii) actual or threatened assault or violence;
 - b) from the open or from any outbuilding not attached to the main **building** unless otherwise specified;
 - c) to property in transit;
 - d) to **money** and securities of any description.
14. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **consequential loss**:
- i) to yards, carparks, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**.
 - ii) caused by:
 - a) normal settlement or bedding down of new structures;
 - b) settlement or movement of made up ground;
 - c) coastal or river erosion;
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
 - iii) which originated before the start of this cover.
 - iv) resulting from:
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavation.at the same **premises**.

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Special condition applicable to cover 14

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

Extensions of cover – provided as standard

1. Action of competent authorities

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

We will not pay:

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

under this extension.

2. Additions

The insurance extends to include alterations, additions and improvements to **buildings**, any newly acquired and/or newly erected **buildings**, adding new or bettering existing assets at the **property insured**, anywhere in the **territorial limits** to the extent that they are not insured elsewhere in accordance with the following:

- a) cover under this extension in any one location is limited to the value of the anticipated amount of additional rent but not exceeding £500,000;
- b) **you** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

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3. Automatic Rent Review

Where the rent under **rent receivable** is to be review during the **period of insurance** the sum insured applying to the **premises** will be automatically increased to reflect the revised **rent receivable** earned up to a maximum increase of 20% of the sum insured on **rent receivable** applying to the **premises**.

No additional premium will be charged for this increase in cover during the **period of insurance** provided that the Insured advise **us** before renewal, of the revised **rent receivable** for the next **period of insurance**.

4. Buildings awaiting sale

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

- a) loss of rent, being the actual amount of the reduction in the **rent receivable** by **you** solely following the **damage**, during the period before the date upon which, but for the **damage**, the **buildings** would have been sold.
- b) loss of interest during the period starting with the date upon which, but for the **damage**, the **buildings** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier. Loss of interest will be:
 - i) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the **business**;
 - ii) the investment interest lost to **you** on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) less any amount receivable for rent.
- c) Additional expenditure, being:
 - i) the expenditure necessarily and reasonably incurred following the **damage** solely to avoid or minimise the loss payable under paragraphs a) or b) above but not exceeding the amount of loss avoided by that expenditure; and
 - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay following the **damage** but not exceeding either an amount equivalent to the expenditure incurred before the **damage** or £50,000 whichever is the lesser except:
 - 1) the amount payable will be adjusted to provide for any benefit derived by **you** from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by **you**;
 - 2) in the event of underinsurance the amount payable will be adjusted in accordance with General condition 2. Average.

Section 2 – Rental Income Protection

5. Contingency rent

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

a) Failure of utilities

loss as insured caused by the failure of the supply of:

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

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

b) Notifiable disease, vermin, defective sanitary arrangements, murder and suicide

loss as insured caused by:

- i) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of
 - a) any occurrence of a **notifiable disease** within a 25 mile radius of the **premises** or attributable to food or drink supplied from the **premises**; or
 - b) any discovery of an organism within a 25 mile radius of the **premises** likely to result in the occurrence of a **notifiable disease**;
- ii) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- iii) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- iv) any occurrence of murder or suicide at the **buildings**.

For the purpose of this clause only:

a) the **indemnity period** will start:

- i) in the case of paragraphs b) i) and iv) above with the occurrence or discovery of the **damage**;
- ii) in the case of paragraphs b) ii) and iii) above with the date from which the restrictions on the **buildings** are applied;
- iii) the **maximum indemnity period** for any one loss is restricted to 3 months.

Section 2 – Rental Income Protection

- b) **indemnity period** means the period during which the results of the **business** will be affected because of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph d) above, with the date of the occurrence) and ending not later than the following **maximum indemnity period**.
- c) **premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the occurrence.

We will not pay under this clause for:

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

6. **Cost of reletting**

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

7. **Increased cost of working**

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

We will not pay for:

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

8. **Legionellosis**

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

Special conditions

1. **We** will only pay for loss arising at those **premises** which are directly related to the discovery or accident.
2. The maximum **we** will pay under this extension of cover for the total of all losses happening during the **period of insurance** is £1,000,000.
3. The provisions of any automatic reinstatement clause do not apply to this extension.
4. If in relation to any claim arising from an occurrence of legionellosis or legionnaires disease **you** have failed to fulfil the following condition, **you** will lose **you** right to cover or payment for that claim.

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At the **premises you** must ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, “The Prevention and Control of Legionellosis. (including Legionnaires Disease)” Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

For **your** information **you** can find information by following this link:

<http://www.hse.gov.uk/aboutus/meetings/hseboard/2013/220513/pmayb1352a.pdf>

We will not pay:

i) for any costs incurred in cleaning, repair, replacement or checking of property except those costs and expenses necessarily incurred with **our** consent in cleaning and decontamination of the air-conditioning or water supply equipment at the **premises**, the use of which has been restricted on the order or advice of the competent local authority;

ii) for more than 3 months’ **maximum indemnity period**

under this extension.

For the purposes of this extension only the following definitions apply:

a) **Premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the **damage**.

b) **Indemnity period** means the period during which the results of the **business** will be affected following the occurrence or discovery, beginning with the date from which the restrictions on the **premises** are applied and ending not later than the **maximum indemnity period**.

9. **Loss of attraction (leased premises)**

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

We will not pay more than £50,000 for any one loss and £250,000 in total in any one **period of insurance**.

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

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

Provided that:

a) the assessment of the interest lost will be at a rate of not more than 2% above the London Interbank Offered Rate applying during the **indemnity period**;

b) **our** liability in total in any one **period of insurance** will in no case exceed 200% of the sum insured specified against the relative item or any limit of liability stated in this section whichever is the lower.

Section 2 – Rental Income Protection

11. **Managing agents' premises**

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

We will not pay more than £20,000 for any one loss.

12. **Notifiable diseases, murder and suicide**

We will pay for loss as insured caused by:

- a) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of:
 - i) any occurrence of a **notifiable disease** within a 25 mile radius of the **premises** or attributable to food or drink supplied from the **premises**; or
 - ii) any discovery of an organism within a 25 mile radius of the **premises** likely to result in the occurrence of a **notifiable disease**;
- b) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- d) any occurrence of murder or suicide at the **buildings**.

For the purpose of this clause only:

- a) the **indemnity period** will start:
 - i) in the case of paragraphs a) and d) above with the occurrence or discovery of the **damage**;
 - ii) in the case of paragraphs b) and c) above with the date from which the restrictions on the **buildings** are applied;
 - iii) the **maximum indemnity period** for any one loss is restricted to 3 months.
- b) **indemnity period** means the period during which the results of the **business** will be affected because of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph d) above, with the date of the occurrence) and ending not later than the following **maximum indemnity period**.
- c) **premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the occurrence.

We will not pay for:

- i) any costs incurred in the cleaning, repair, replacement recall or checking of property;
- ii) loss arising at **buildings** which are not directly affected by the occurrence or accident;

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iii) more than £250,000 for any one loss.

13. **Payments on account**

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

14. **Prevention of access**

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

15. **Professional accountants and legal fees clause**

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

- a) **your** professional accountants for producing any information as may be required by **us** under the terms of Claims condition 3 applicable to property damage insurance and for reporting that the information is in accordance with **your** accounts;
- b) **your** lawyers for determining **your** contractual rights under any rent cessor clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

16. **Utilities**

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

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

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

17. **Rent free periods**

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

18. **Subrogation waiver**

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

- a) any company standing in the relation of parent to subsidiary or subsidiary to parent to **you** as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the **damage**;

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

20. Unlawful occupation

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

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

We will not pay for:

- i) loss arising from any cause within **your** control;
- ii) loss as a result of physical **damage** to property;
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear.
- iv) any **damage** involving prevention or hindrance of access to or use of the **premises** for less than 12 hours duration.
- v) more than £10,000 for any one loss.

Conditions

1. Alternative accommodation - reduction of loss

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

2. Automatic reinstatement after a loss

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

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

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

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3. **New business**

For the purpose of any claim arising from **damage** happening before the completion of the first year's trading of the **business** at the **premises**, "standard rent receivable" means the proportional equivalent for a period equal to the **indemnity period** of the **rent receivable** realised during the period between the start of the **business** and the date of the **damage**, to which adjustments will be made as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** whether before or after the **damage** or which would have affected the **business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which but for the **damage** would have been obtained during the relative period after the **damage**.

4. **Payments on account**

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

5. **Renewal**

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

6. **Service charges**

Rent is deemed to include service charges unless otherwise stated in the schedule.

7. **Savings**

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

Section 2 – Rental Income Protection

Appendix A – Rent receivable

Note 1

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

Note 2

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

Additional definitions

Annual rent receivable

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

Standard rent receivable

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

Claims - basis of settlement

The insurance by this item is limited to:

1. loss of **rent receivable**;
2. cost of reletting;
3. additional expenditure; and
4. accelerated reinstatement expenditure

and the amount payable will be:

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

less any sum saved during the **indemnity period** for the charges and expenses of the **business** payable out of **rent receivable** as may cease or be reduced following the **damage**.

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

Our liability will in no case exceed:

1. for paragraph a), 200% of the estimated **rent receivable** stated in the schedule;
2. for paragraphs b) – d), the sum insured stated in the schedule for any one item; or
3. for paragraphs a) – d) in total in any one **period of insurance**, 200% of the estimated **rent receivable** stated in the schedule.

Condition

1. Return of premium

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

Section 2 – Rental Income Protection

Appendix B – Loss of book debts

Note 1

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

Note 2

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

Additional definitions

Book debts

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

Outstanding debit balances

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

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

OR

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

We will not pay more than £25,000 for any one loss unless otherwise stated in the schedule.

Claims - basis of settlement

The insurance by this item is limited to the loss not exceeding the sum insured sustained by **you** for:

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

and the amount payable will be

- a) for loss of **book debts**, the amount of total **outstanding debit balances** less the total of amounts of **outstanding debit balances** traced or received.
- b) for additional expenditure, the amount necessarily and reasonably incurred solely following **damage** in order to trace and establish the amount of customer debit balances, but the amount payable under this heading will not exceed the additional amount that would have been payable under paragraph 1. above for loss of **book debts** if no increase in additional expenditure had been incurred.

Section 3 – Liability to others – Property Owners’ Liability

This section is optional and will only apply if shown as covered in your schedule

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions section.*

Property

Property which is both material and tangible.

Remediation

Remedying the effects of **pollution**.

Insuring clause

We will cover **you** under this section of the policy against:

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

in the event of:

- a) accidental **bodily injury** to any person other than any **employee**;
- b) accidental loss of or damage to **property**;
- c) accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water; or
- d) wrongful arrest or false imprisonment

happening during the **period of insurance** and arising out of **your business** in the **territorial limits**.

Limit of Liability

1. The most **we** will pay for all claims arising out of one original cause will not exceed the limit of liability stated in the schedule irrespective of the number of claims or claimants.
2. **Costs and expenses** are payable in addition to the limit of liability detailed in the schedule.

Section 3 – Liability to others – Property Owners’ Liability

Extensions of cover – provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. **Additional benefit**

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

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

2. **Compensation for court attendance**

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

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

3. **Contingent liability (non-owned vehicles)**

We will cover **you** for **your** legal liability for accidental **bodily injury** and **damage** to property which arises from any vehicle or attached trailer which is:

- a) not owned by **you**; or
- b) loaned, leased, hired or rented to **you**; or
- c) provided by **you**

whilst being used in connection with the **business** in the **territorial limits**.

We will not cover:

- i) **damage** to the vehicle or trailer or goods carried in or on the vehicle or trailer;
- ii) **you** whilst **you** are driving the vehicle;
- iii) any person who to **your** knowledge does not hold a licence to drive the vehicle unless that person has held and is not disqualified from holding or obtaining a licence;
- iv) **you** where there is other insurance in force.

Section 3 – Liability to others – Property Owners’ Liability

4. **Contractual liability**

We will cover **you** for accidental **bodily injury** or **damage** to property imposed on **you** solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in **us**.

We will not provide cover for any agreement for or including the performance of work outside the **territorial limits**.

For the purposes of this additional cover the definition of **you/your** (under General Definitions) is limited to part a).

5. **Cross liabilities**

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

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

6. **Data Protection legislation**

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

However this extension will not apply for:

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

7. **Defective premises**

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

8. **Discharge of liability**

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

- a) the maximum sum payable under this policy for any one loss;
- b) the balance of the maximum sum should any payments have already been made for claims arising out of the same occurrence; or

Section 3 – Liability to others – Property Owners’ Liability

- c) the balance of the maximum sum payable in any one **period of insurance** if this is less than either of the amounts specified in paragraphs a) and b) by reason of any payments made in connection with any previous claims together with the amount of any legal costs incurred before the time of the payment

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

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

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

9. Environmental statutory clean-up costs

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

The following conditions apply:

- a) liability must arise from **pollution** caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **period of insurance**. All **pollution** which arises out of one incident will be deemed to have occurred at the same time the incident takes place;
- b) **our** liability will not exceed £1,000,000 for any one loss and in total in any one **period of insurance** and will be the maximum **we** will pay inclusive of all **costs and expenses**. This limit will form part of and not be in addition to the limit of liability stated in the schedule;
- c) **We** will not pay for:
 - i) remediation or clean-up costs for **damage to your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - ii) primary, complementary or compensatory remediation costs for damage to **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - iii) removal of any risk of an adverse effect on human health on **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired tenanted or otherwise in **your** care, custody or control;
 - iv) costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation starts;
 - v) costs for prevention of imminent threat of environmental damage where the costs are incurred without there being **pollution** caused by a sudden, identifiable, unintended and unexpected incident;

Section 3 – Liability to others – Property Owners’ Liability

- vi) costs for the reinstatement or reintroduction of flora or fauna; or
- vii) fines or penalties of any kind.

10. Indemnity to directors and employees

In the event of any claim for which **you** would be entitled to receive cover under this policy being brought or made against:

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

we will cover them if **you** request it against any claim and any costs, charges and expenses with the following conditions:

- i) the person must not be entitled to cover under any other insurance;
- ii) the person must observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were **you**;
- iii) **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims;.
- iv) **our** total liability under this extension will not exceed the limit of liability of this section.

11. Indemnity to principal

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

12. Leased premises

We will cover **you** against liability for **damage** to premises or their fixtures or fittings which are leased to **you**. This cover does not apply for liability for:

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

13. Legal costs

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

Section 3 – Liability to others – Property Owners’ Liability

14. Legionellosis

We will provide cover to **you** against legal liability for damages and **costs and expenses** for **bodily injury** caused by legionellosis arising out of the **business** and for which:

- a) a claim is first made in writing to **you** during the **period of insurance**; or
- b) the first notification of any circumstance which:
 - i) has caused or is alleged to have caused **bodily injury**; or
 - ii) can be reasonably expected to give rise to a claim under this policy and is made to **us** during or within thirty days after expiry of the **period of insurance**.

Provided that the total amount payable by this extension will not exceed the limit of liability stated in the schedule.

15. Libel and slander

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

This extension is in accordance with the following:

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

16. Personal liability overseas

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

This extension does not apply to:

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

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- iii) liability more specifically insured under any other insurance;
- iv) legal liability for accidental death or personal injury to any of **your** directors, **employees** or members of their family.

This extension is in accordance with the following:

- a) any person indemnified under this extension will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as if they were **you**;
- b) **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims;
- c) **our** total liability under this extension will not exceed the limit of liability of this section.

17. **Personal representatives**

In the event of **your** death, the cover provided by this policy will apply to **your** personal representatives for liability incurred by **you**, provided that the personal representatives will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were **you**.

18. **Terrorism**

We will cover **you** against legal liability, **costs and expenses** caused by or contributed to, by or arising from **terrorism** provided that **our** liability for all damages (including interest) does not exceed:

- a) for or arising out of any one event or all events of a series consequent upon one original cause £5,000,000 or the amount of the Property owners; liability limit of liability stated in the schedule whichever is the lower but for products supplied this limitation will apply to all insured events occurring in any one **period of insurance**;
- b) for all pollution or contamination consequent upon **terrorism** and which is deemed to have occurred during any one **period of insurance** £2,000,000 in total or the amount of the Property owners liability limit of liability stated in the schedule whichever is less.

Section 3 – Liability to others – Property Owners’ Liability

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this contract. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. Legionella precautions

If **you** own or are responsible for water systems, water installations or cooling systems, a written risk assessment must be undertaken and controls put in place to prevent the growth of biological agents that may cause disease or illness.

2. Use of heat

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

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

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

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

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

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

Section 3 – Liability to others – Property Owners’ Liability

Exclusions

We will not cover **you** under this section against liability:

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

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

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

Section 4 – Liability to others – Employers’ Liability

This section is optional and only applies if shown as insured in the schedule

Definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions.*

Principal

The other party to a contract or agreement for whom **you** are undertaking work or services where that party is responsible for setting out the terms of the contract or agreement.

Insuring clause

We will cover **you** against:

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

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

- a) in the **territorial limits**;
- b) elsewhere in the world for temporary manual visits by any **employee** provided that the **employee** is normally resident in the **territorial limits**.

Limit of liability

1. The amount specified in the schedule.

Our total liability payable to any claimant or any number of claimants for or arising out of any one loss or all losses of the series consequent on or attributable to one source or original cause will not exceed the limit of liability.

The limit of liability will be the maximum amount payable including **costs and expenses**.

2. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable for any one loss arising out of any one event or all events of a series consequent on or attributable to one source or original cause and arising out of terrorism will not exceed £5,000,000.
3. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable for any one loss arising out of any one event or events of a series consequent on or attributable to one source or original cause and arising out of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos will not exceed £5,000,000.

Section 4 – Liability to others – Employers’ Liability

Employers’ liability compulsory insurance

The cover granted by this section is deemed to be in accordance with the provisions of any law enacted in the United Kingdom, the Channel Islands and the Isle of Man relating to compulsory insurance of liability to **employees**.

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

Extensions of cover – provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Compensation for court attendance

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

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

with a maximum total limit in the **period of insurance** of £2,500.

2. Contractual liability

Regardless of the Contracts (rights of Third Parties) Act 1999 clause contained under General information, **we** will cover **you** under this section against liability for **bodily injury** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires provided that:

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

3. Cross liabilities

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

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

4. Indemnity to principal

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

Section 4 – Liability to others – Employers’ Liability

5. Injury to partner or proprietor

For **bodily injury** to any partner or proprietor named in the schedule as the policyholder, **we** will deem them to fall within the definition of **employee** in accordance with the following conditions:

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

6. Solicitors’ fees

We will pay solicitors’ fees incurred with **our** consent for:

- a) representation at any coroners’ inquest or fatal injury inquiry for any death; and
- b) defending in any court of summary jurisdiction any proceedings for any act or omission causing or relating to any event

which may be the subject of cover under this section.

7. Unsatisfied court judgements

In the event that:

- a) a judgement for damages is obtained against any company or individual operating from premises within the **territorial limits** by any **employee** for **bodily injury** caused during any **period of insurance** arising out of and in the course of their employment by **you** in the **business** and
- b) it remains unsatisfied in whole or in part six months after the date of a judgement

we will cover the **employee** or their personal representative up to the limit of liability for the amount of damages and awarded costs which remain unsatisfied as long as:

- i) there is no appeal outstanding;
- ii) any payment made by **us** will only be for **bodily injury** which would otherwise be within the scope of cover of this section of the policy;
- iii) any payment made by **us** will only be for liability for which **you** would have been entitled to cover under this section of the policy if the judgement had been made against **you**; and
- iv) **we** will be entitled to take over and prosecute for **our** own benefit any claim against any other party and **you**, the **employee** or their personal representatives will give all information and assistance required.

Section 4 – Liability to others – Employers’ Liability

Exclusions

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

Prosecution Defence Costs – applicable to sections 3 and 4

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions.*

Applicable legislation

- a) Health and Safety at Work etc. Act 1974 including the Control of Substances Hazardous to Health Regulations 2002 concerning the risk from exposure to legionella;
 - b) Management of Health and Safety at Work Regulations 1999;
 - c) Corporate Manslaughter and Corporate Homicide Act 2007;
 - d) Health and Safety Inquiries (Procedure) Regulations 1975;
 - e) Protection from Harassment Act 1997,
- or similar legislation in force in the **territorial limits**; and
- f) Part II of the Consumer Protection Act 1987 and Part II of the Food Safety Act 1990.

Appointed advisor

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this section.

Costs and expenses (this definition replaces the General definition of costs and expenses for this section only)

Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed advisor** on the **standard basis** and agreed in advance by **us**.

Insured person

- a) **You** and **your** directors, partners, managers, officers and the **employees** of **your business**.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of the person dying.
- c) Any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Prosecution Defence Costs – applicable to sections 3 and 4

Reasonable prospects of success

In criminal prosecution claims where the **insured person**:

- i) pleads guilty, a greater than fifty per cent chance of the **insured person** successfully reducing any sentence or fine;
- ii) pleads not guilty, a greater than fifty per cent chance of that plea being accepted by the court.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Insuring clause

We will pay the **insured person's costs and expenses** up to £1,000,000 in total during the **period of insurance** for all claims related by time or original cause including the cost of appeals, for:

- a) the defence of any criminal proceedings brought against **you** for an offence or breach, whether actual or alleged, of any **applicable legislation**;
- b) any prosecution costs awarded against **you** arising from those proceedings described in a) above;
- c) **costs and expenses** incurred with **our** consent for **your** legal representation at an inquiry ordered under any applicable legislation;
- d) appeals against improvement and prohibition notices incurred with **our** consent.

Provided that:

- 1. the claim arises in connection with **your business** and occurs within the **territorial limits**;
- 2. the claim always has **reasonable prospects of success**; and
- 3. the prosecution or proceedings relate to an offence alleged to have been committed during the **period of insurance**.

Prosecution Defence Costs – applicable to sections 3 and 4

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. **Acts of parliament, statutory instruments, civil procedure rules and jurisdiction**

All legal instruments and rules referred to within this section of the policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation.

2. **Consent**

The **insured person** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to **us** or **our** appointed agent to have sight of the **appointed advisor's** file for auditing and quality and cost control purposes.

3. **Freedom to choose an appointed advisor**

- a) **We** will choose the **appointed advisor**; however, the **insured person** is free to choose an **appointed advisor** if they wish.
- b) Where the **insured person** wishes to exercise their right to choose, they must write to **us** (by e-mail, fax or letter) with their preferred representative's contact details. If the **insured person** does choose their own **appointed advisor**, the amount payable for their services will be on the basis of **our** standard terms of appointment for legal representation or other reasonable terms of appointment to which **we** agree, **our** agreement not to be unreasonably withheld.
- c) If the **insured person** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement or if the **appointed advisor** refuses with good reason to continue acting for the **insured person**, cover will end with immediate effect.

4. **Barrister's opinion**

At any time **we** may seek an independent barrister's opinion as to the **reasonable prospects of success** in defending the prosecution.

If the opinion is that a "not guilty" plea does not have a **reasonable prospect of success** then **we** will advise **you** of that opinion.

Should **you** elect to continue with a "not guilty" plea then **we** will withdraw **our** support for the **insured person's** defence and be under no further obligation to cover **you** for any costs incurred from the date of **your** refusal to accept that opinion; unless **you** obtain an independent barrister's opinion at **your** own expense which contradicts the opinion that **we** have obtained; in which case **we** will ask the chairperson or vice-chairperson of the bar council to appoint a queen's counsel to give a final opinion, at **our** expense, as to the prospects of success in defending the prosecution.

If the opinion of the queen's counsel agrees with the **insured person's** barrister's opinion then **we** will continue to support the **insured person's** defence, but if it does not **we** will withdraw **our** support for the **insured person** and be under no further obligation to cover the **insured person's** costs incurred from the date of the queen's counsel final opinion.

Prosecution Defence Costs – applicable to sections 3 and 4

This does not affect the **insured person's** right under Claims condition 1. Arbitration within the Claims conditions section.

5. The insured person's responsibilities

An **insured person** must:

- a) tell **us** as soon as is practicably possible of anything that may make it more costly or difficult for the **appointed advisor** to resolve a claim in their favour;
- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them;
- c) take reasonable steps to recover **costs and expenses** and pay them to **us**; and
- d) keep **costs and expenses** as low as reasonably possible.

Exclusions

We will not be liable under this section for any claim arising from or relating to:

1. Costs and expenses incurred without consent

costs and expenses incurred without **our** consent;

2. Fines & penalties

finances or penalties of any kind;

3. Prior losses

any actual or alleged act, omission or dispute happening before, or existing at the start of the policy, and which the **insured person** knew or ought reasonably to have known could lead to a claim; and

4. Legal expenses insurance

costs and expenses incurred as a result of any criminal proceedings, appeals or inquiries which arise independently of any legal liability **you** may have to pay damages.