

Property Owners Insurance

Policy Wording – TUEPOV2(v2)

The Underwriting Exchange Limited is authorised and regulated by the Financial Services Authority - number 537650. Registered address: Plaza 668, Hitchin Road, Luton, Bedfordshire LU2 7XH. Registered Company Number: 7126381.

The Underwriting Exchange (Ireland) Limited is regulated by The Financial Regulator as an Authorised Advisor. Registered address: Molyneux House, Bride Street, Dublin 8, Ireland. Registered Company Number: 435879.

About Your Policy

This Policy has been prepared in accordance with *Your* instructions.

It is a legal contract. Please read it carefully to ensure that it is in accordance with *Your* requirements and that *You* understand its limits, terms, conditions and exclusions. The insurance broker or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

This Policy consists of:

- the **General Insuring Clause** which explains the basis on which cover is provided;
- the **Schedule**, which states who is the *Insured*, the *Business* being covered and other particulars, such as the *Period of Insurance* and details of which Sections of the Policy are operative. It also shows such details as the property or occurrences insured, limits of liability, and matters and amounts for which *You* are responsible;
- **Definitions**, which define particular words and expressions applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- the **Sections** of the Policy which give precise details of the cover being provided;
- the **General Conditions** and **General Exclusions** of cover applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- any **Endorsements** which might apply to the Policy or individual Sections, which incorporate extensions, limitations, amendments and such like.

You should immediately notify the *Insurers* via *Your* insurance broker or other intermediary of any changes which may affect the insurance provided by this Policy.

Alterations in the cover required after issue of the Policy will be confirmed by separate *Schedule(s)* and/or *Endorsement(s)* which *You* should file with the Policy. *You* should refer to these *Schedule(s)* and/or *Endorsement(s)* and the Policy to ascertain precise details of cover currently in force.

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General Insuring Clause

This Policy, the *Proposal*, the *Schedule* (including any *Schedule* issued in addition or substitution) and any Endorsements or Memoranda shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

The *Insured* named in the *Schedule*:

- 1 having made to the *Insurers* a *Proposal* and/or having provided to the *Insurers* information, the truth of the representations, declarations and information contained therein being agreed to be the basis of this Insurance and to be considered incorporated herein; and
- 2 having paid or agreed to pay the *Premium*;

the *Insurers* hereby bound shall by payment, or at their option by reinstatement or repair, indemnify the *Insured* to the extent hereafter described in respect of loss, destruction or damage, accident or *Injury* occurring during the *Period of Insurance* subject to the limits, terms, conditions and exclusions contained herein or endorsed hereon.

**Authorised Signatory in accordance with the authorisation granted under Contract No. B1260XH112171
Signed by The Underwriting Exchange Limited on behalf of the Insurers stated below**

The Insurers

QBE Insurance (Europe) Limited or as stated in the Schedule
As per Contract No. B1260XH112171

Proportion

As per Schedule

Definitions

These Definitions are applicable to the whole Policy or, where specifically stated, to a particular Section of the Policy wherever the words appear in italics starting with a capital letter. These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

In accordance with General Condition 5, words importing the singular include the plural and vice versa.

A

Accident

means direct physical loss arising from an insured event as described under Extension 30 Equipment Breakdown Extension.

Additional Insured

means:

- 1 the personal representatives of the *Insured* in respect of legal liability incurred by the *Insured* for which the *Insured* would have been entitled to indemnity under this Policy if the claim for which indemnity is sought had been made against the *Insured*;
- 2 the officers, committees and members of the *Insured's* canteen, social, sports and welfare organisations and first aid, fire, medical and security services in their respective capacities as such;
- 3 any director or partner of the *Insured* or *Person Employed* in respect of private work undertaken by any *Person Employed* for such director, partner or *Person Employed* with the prior consent of the *Insured*;

each of whom shall as if they were the *Insured* be subject to the limits, terms, conditions and exclusions contained in this Policy so far as they can apply.

Annual Rent Receivable

means *Rent Receivable* during the 12 (twelve) months immediately before the date of the *Incident*.

Annual Rent Receivable and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

Any One Claim

means all claims or legal proceedings arising from the same originating cause or series of events or occurrences attributable to one originating cause.

Appointed Representative

means a solicitor, barrister or other appropriately qualified person appointed to act in the name of and behalf of the *Insured* in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.

Aspect Enquiry

means an enquiry by HM Revenue & Customs into the *Insured's* business self-assessment return following the issue of a formal Notice under S9A or S12AC of the Taxes Management Act 1970 or under S24 (1) Schedule 18 of the Finance Act 1998.

Auditor's Fees

means necessary and reasonable fees payable by the *Insured* to its auditors or professional accountants for producing such particulars or details contained in the *Insured's* books of account or other business documents, or such other proofs, information or evidence as may be required by the *Insurers*.

Awards of Compensation

means Basic and Compensatory Awards made against the *Insured* by an Employment Tribunal or payments in settlement of such claims made with the *Claims Administrator's* prior written consent, but not including Additional Awards, Special Awards, Interim Relief, arrears of pay, damages under the Equal Pay Act, or damages arising out of failure to comply with awards in respect of reinstatement or re-engagement. *Awards of Compensation* does not include any fine or award of damages incurred for deliberately avoiding a payment or liability under statutory requirements. Nor does it include any redundancy payment or monies due or properly payable arising from obligations under a contract of employment, service agreement or related document incorporated into the terms of a contract of service.

B

Breakdown

means:

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

Buildings

means the buildings, *Outbuildings*, annexes, conveniences, extensions and sub-stations at the *Premises* and shall include:

- 1 landlord's fixtures and fittings;
- 2 property comprising fixtures and fittings formerly the property of tenants, which has been relinquished to the *Insured*;
- 3 all foundations or footings unless otherwise excluded;
- 4 walls, gates, fences, forecourts, car parks, driveways and service areas;
- 5 telephone, gas, water and electric instruments, meters, pipes, ducts, cables and the like and the accessories thereof, including similar property in adjoining yards or roadways or underground (and pertaining to the *Buildings* or *Contents* insured);
- 6 all fixed glass in windows, doors, fanlights, skylights and partitions and fixed sanitary fittings;
- 7 roads, pavements, pedestrian malls, associated lamp-posts and

other street furniture;

- 8 fixed fuel oil tanks, fixed diesel fuel tanks and fixed liquefied petroleum gas tanks;
- 9 security lighting, security cameras and other security devices, fire protection devices, signs, communication aerials and similar devices;
- 10 tennis courts, swimming pools and roof gardens applicable to blocks of flats and individual private dwellings only;

which are the property of the *Insured* or for which the *Insured* is legally responsible.

Business

means the business of the *Insured* as stated in the *Schedule*.

[Sections 4 and 5] means the business of the *Insured* as stated in the *Schedule*, which shall include:

- 1 the ownership, repair, maintenance and decoration of the *Insured's Premises*;
- 2 the provision and management of canteen, social, sports and welfare organisations for the benefit of any *Person Employed* and first aid, fire, medical and security services;
- 3 private work undertaken by any *Person Employed* for any director, partner of the *Insured* or *Person Employed* with the prior consent of the *Insured*.

Business Hours

means any period during which the *Premises* are open for *Business* and attended by the *Insured* or any authorised *Insured Person*.

C

Collapse

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

Compensation Awards

means the *Insured's* liability for any judgement made against it under the Data Protection Act 1998 concerning the inaccuracy, loss, destruction or unauthorised disclosure of data.

Computer Equipment

means *Property Insured* that is electronic, computer or other data processing equipment, including *Data Media* and peripherals used in conjunction with such equipment.

Computer Record

means a unit of *Electronic Data* representing a particular transaction or inter-related data which describes an event, person or other entity.

Consequential Loss

means loss resulting from interruption of or interference with the *Business* carried on by the *Insured* at the *Premises* in consequence of accidental loss of or destruction of or damage to property used by the *Insured* at the *Premises* for the purpose of the *Business*.

Contents

- 1 Contents of Common Parts means the contents of common parts, including fitted carpets and, for which the *Insured* is responsible, furniture, furnishings, potted plants and their containers, fixtures and fittings and signs, contents of fixed fuel oil tanks, contents of fixed liquefied petroleum gas tanks and contents of fixed diesel fuel tanks, refuse disposal bins and skips, whilst contained in or about the *Buildings* insured by this Policy.
- 2 Contents of Residential Accommodation means furniture, furnishings, carpets, audio visual equipment and other household goods in any self-contained flat or other private dwelling at the *Premises*, the property of the *Insured* or for which the *Insured* is responsible.

Contracting Party

means a company, firm or individual who has a direct contractual relationship with the *Insured*.

Contract Works

means temporary or permanent works executed or in the course of execution at the *Premises* by or on behalf of the *Insured* for the purposes of alterations or improvements to the *Premises*, including unfixed site materials for use in connection therewith.

Covered Equipment

means *Property Insured* which is built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy.

D

Damage

means accidental physical loss of, destruction of or damage to the *Property Insured*.

Damage to Property

means physical loss of, destruction of or damage to material property.

Data Media

means data carrying materials of all types (other than paper records) both current and backup incorporating any stored *Programmes* and/or *Electronic Data* that is the property of the *Insured* or is leased, hired, rented or licensed to the *Insured*.

Debris Removal

means costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurers* to:

- 1 remove debris from;
- 2 dismantle and/or demolish;
- 3 shore-up or prop up;

the portion or portions of the *Property Insured* following *Damage*.

The *Insurers* will not pay for any costs or expenses:

- 1 incurred in removing debris except from the site of the *Property Insured* and the area immediately adjacent to such site;
- 2 arising from pollution or contamination of property not insured by this Policy.

Defined Peril

means fire, lightning, explosion, aircraft or other aerial devices or articles dropped or falling therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances,

malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any vehicle or animal.

Denial of Service Attack

means 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 Attack* includes, but is 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.

Derangement

means electrical or mechanical malfunction of the machinery arising from a cause internal to the *Covered Equipment* unaccompanied by visible damage to or breaking out of any parts of the equipment.

E

Electronic Data

means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes *Programmes*, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee

See **Person Employed**

Event

means any occurrence, including the continuous or repeated injurious exposure to substantially the same general conditions, which results in accidental *Injury* or *Damage to Property* or *Nuisance*. All *Events* or series of *Events* consequent upon or attributable to one source or original cause shall be regarded as a single *Event* for the purposes of this Policy.

Excess

[Sections 1 to 3] means the amounts as stated either in this Policy wording or in the *Schedule*, as applicable, that are to be deducted from any loss and which amount shall be borne by the *Insured*. Under Section 1 Property Damage All Risks this shall apply to each loss at each *Premises* after the application of any Average (Underinsurance) Condition.

[Sections 4 and 5] means the amounts as stated in the *Schedule*, which the *Insured* shall pay in respect of all damages, compensation, claimant's costs, *Legal Costs* and expenses before the *Insurers* shall be liable to make any payment. The *Excess* shall apply to each *Event* other than legal liability arising out of *Injury* unless otherwise stated in the *Schedule*.

Explosion

[Section 1 Extension 30 Equipment Breakdown Extension] means the sudden and violent rending of the *Covered Equipment* by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the *Covered Equipment* together with forcible ejection of the contents.

F

Fungal Pathogens

means any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

H

Hacking

means unauthorised access to any computer or other equipment or component or system or item which processes, stores or retrieves data, whether or not the property of the *Insured*.

I

Incident

means loss or destruction of or damage to property used by the *Insured* at the *Premises* for the purpose of the *Business*.

Indemnity Period

means the period beginning with the occurrence of the *Incident* and ending not later than the end of the *Maximum Indemnity Period* thereafter during which the results of the *Business* are affected in consequence of the *Incident*.

Injury

means bodily injury, death, disease (or sickness), illness, nervous shock or mental injury.

Insured

means the *Insured* as stated in the *Schedule*.

Insured Person

means any partner, director or employee of the *Insured* whose usual place of employment is at the *Premises* or as otherwise stated in the *Schedule*.

Insurers

means QBE Insurance (Europe) Limited or as stated in attaching Schedule.

Intruder Alarm System

means an electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into *Protected Premises*.

Investigation

means in respect of:

- 1 business tax investigations the enquiry which takes place when HM Revenue & Customs makes a request to examine all of the business books and records and issues a formal Notice under S9A or S12AC of the Taxes Management Act 1970 or under S24 (1) Schedule 18 of the Finance Act 1998; or
- 2 employer compliance disputes the enquiries which take place following an expression of dissatisfaction with the *Insured's* PAYE, and/or NIC affairs following an employer compliance visit by HM Revenue & Customs following an expression of dissatisfaction with the *Insured's* P11Ds or P9Ds; or
- 3 IR35 disputes the enquiries which take place when HM Revenue & Customs challenges the status of a contract for services and invokes the IR35 legislation following either the issue of a Notice under S24(1) Schedule 18 of the Finance Act 1998 or a compliance

visit by HM Revenue & Customs; or

- 4 VAT disputes the enquiries which take place following a written decision, assessment or statement of alleged arrears made by HM Revenue & Customs into Value Added Tax and/or Value Added Tax default surcharges and penalties for incorrect declarations.

K

Keyholder

means the *Insured* or any person or key holding company authorised by the *Insured* who must be available at all times to accept notification of faults or alarm signals relating to the *Intruder Alarm System*, attend and allow access to the *Premises*.

L

Legal Costs

means:

- 1 costs of legal representation at:
 - a any coroners inquest or fatal accident inquiry in respect of any death;
 - b proceedings in any court arising out of any alleged breach of statutory duty resulting in any *Event*;which may be the subject of indemnity under Sections 4 and 5 of this Policy;
- 2 all other legal costs and expenses in relation to any *Event* which may form the subject of a claim for

indemnity under Sections 4 or 5 of this Policy;

incurred with the written consent of the *Insurers*.

Legal Expenses

means:

- 1 fees, expenses and disbursements including *Witness Attendance Allowance* reasonably incurred by the *Appointed Representative* with the *Claims Administrator's* written consent;
- 2 costs incurred by other parties to which the *Insured* is held liable in court or tribunal proceedings to pay or which the *Insured* agrees to pay with the *Claims Administrator's* written consent but excluding any costs which the *Insured* may be ordered to pay by a court of criminal jurisdiction following a conviction;
- 3 fees, expenses and disbursements including *Witness Attendance Allowance* reasonably incurred by the *Appointed Representative* with the written consent of the *Claims Administrator* in an appeal of the judgement of a court or tribunal.

Loss of Interest

means interest that the *Insured*:

- 1 would have earned on *Money* that would have been received; and/or
 - 2 would not have been incurred;
- had the *Accident* not occurred.

M

Manufacturing Production or Process Equipment

means any machine or apparatus which takes in, processes, forms, cuts, shapes, grinds or conveys raw materials, materials undergoing the process or the finished product, including any equipment forming a part of the dedicated power supply, driving or controlling mechanism for such machine or apparatus.

Maximum Indemnity Period

means the number of months as stated in the *Schedule*.

Minimum Sum in Dispute

means the amount specified in the *Schedule*.

Money

means money that is the property of the *Insured* or for which the *Insured* is legally responsible that is either:

- 1 negotiable instruments which must be current coinage, bank and currency notes, uncrossed cheques, Giro cheques, uncrossed postal and money orders, unexpired units in franking machines, unused postage stamps, revenue stamps, National Savings and National Insurance stamps, business travel tickets, luncheon and customer redemption vouchers, trading stamps, holiday-with-pay stamps, bills of exchange, promissory notes, travellers' cheques, dividend warrants, gift tokens, sales vouchers, land registry stamps or telephone cards; or
- 2 non-negotiable instruments which must be any crossed instrument being a cheque, money or postal order, traveller's cheque, Giro draft, banker's draft, National Savings Certificates, premium bonds, credit cards and reservation vouchers, VAT purchase invoices, used National Insurance stamps, stamped National Insurance cards, credit and charge card counterfoils or stamped pension cards.

N

Nuisance

means nuisance, trespass or interference with any easement, right of air, right of light, right of water or right of way.

O

Occurrence

means any one loss or series of losses consequent upon or attributable to one source or original cause.

[Section 3] means all individual losses arising during a continuous period of 72 (seventy two) hours of which the proximate cause is the same Act of *Terrorism*.

Offshore

means from the time of embarkation onto a conveyance at the point of final departure to any *Offshore* installation, including but not limited to any *Offshore* rig or platform, whilst on any *Offshore* installation or support or accommodation vessel for an *Offshore* installation, until disembarkation onto land upon return from such installation.

Outbuildings

means any building that is subsidiary to the *Buildings*, which does not incorporate permanent foundations below ground level and which is not capable of being properly secured, including but not limited to any stable, garage, shed, hut, lean-to, greenhouse, hay loft or barn.

P

Period of Insurance

means the period as stated in the *Schedule*.

Person Employed

means:

- 1 person under a contract of service or apprenticeship with the *Insured*;
- 2 labour master or labour only subcontractor or person supplied by any of them;
- 3 self employed person;
- 4 person hired to or borrowed by the *Insured*;
- 5 person undertaking study or work experience;
- 6 person supplied to the *Insured* under a contract or agreement, the terms of which deem such a person to be in the employment of the *Insured*;
- 7 voluntary worker or temporary worker;
- 8 driver or operator of plant hired by the *Insured* under Contractors Plant Hire Association or similar conditions;

while working under the control of the *Insured* in connection with the *Business*.

Pollution or Contamination

means pollution or contamination of buildings or other structures, or of water or land, or the atmosphere and all loss or destruction or damage or *Injury* directly or indirectly caused by such pollution or contamination.

Premises

means the location(s) as stated in the *Schedule* used by the *Insured* for the purposes of the *Business*.

Premium

means the amount specified in the *Schedule*.

Products

means any commodities, articles or things including packaging, containers and labels sold, supplied, distributed, erected, repaired, altered, treated, installed, processed, manufactured or tested by or on behalf of the *Insured* and no longer in the possession of, or under the control of, the *Insured*.

Professional Duty

means contractual, tortious or fiduciary duties owed to or by the *Insured* to or by another company, firm or individual in connection with the provision of professional services or advice.

Professional Expenses

means fees, expenses and disbursements reasonably incurred by the *Appointed Representative* with the written consent of the *Claims Administrator* but does not include any tax or VAT, interest or penalties demanded, assessed or required by the relevant authority or other penalty imposed by a court or tribunal.

Professional Fees

means architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred with the *Insurers'* consent in the reinstatement of the *Property Insured* directly consequent upon its *Damage* by an event insured hereby but not for the preparation of any claim. The amount payable for such fees shall not exceed those authorised under the scales of the

professional institutions and/or bodies regulating such charges prevailing at the time of the *Damage*, and the amount payable under any Item including or consisting of *Professional Fees* shall not exceed in total its *Sum Insured*.

Programmes

means the set of instructions significant to the computer's central processor which is composed to enable a user to achieve the desired result with data input by the user.

Property Insured

means the subject matter insured as stated in the *Schedule*, but not intellectual property.

Proposal

means any information supplied by the *Insured* in connection with this Insurance and any declaration made in connection therewith by or on behalf of the *Insured* or its agents.

Protected Premises

means the *Premises* or those portions of the *Premises* protected by the *Intruder Alarm System*.

R

Rent Receivable

means the money paid or payable to the *Insured* for the letting of the *Premises* provided in the course of the *Business* including service charges and other income for the use of the *Premises* and services provided in connection therewith.

Responsible Person

means the *Insured* or any other person authorised by the *Insured* to be responsible for the security of the *Premises*.

S

Schedule

means the Schedule of Insurance attaching to and forming part of this Policy.

Software

means any *Programmes* which are characterised as systems and/or application software and which are designed to invoke processing and/or facilitate the writing of any *Programmes*.

Standard Rent Receivable

means the *Rent Receivable* during that period in the 12 (twelve) months immediately before the date of the *Incident* which corresponds with the *Indemnity Period*.

Annual Rent Receivable and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the *Incident*.

Sum Insured

means the *Sum Insured* as stated in the *Schedule* applicable to the particular Item or Section.

T

Territorial Limits

means unless expressly stated to the contrary in any Section of this Policy, the *Schedule* or any Endorsement which may be attached to this Policy, Great Britain, Northern Ireland, the Channel Islands and the Isle of Man. In respect of Sections 4 and 5 cover is extended to include the non-manual activities of any director and/or partner of the *Insured* and/or *Person Employed* ordinarily resident in the territories named above, but temporarily engaged in the *Business* elsewhere in the world.

Terrorism

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

U

Unlawful Association

means any organisation which is engaged in *Terrorism* and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

Unoccupied

means not occupied for its usual purposes, and shall include *Buildings* that are empty, untenanted or no longer in active use.

V

Vehicle

means any vehicle including a caravan or trailer constructed to be towed by such a vehicle on the public highway, which is owned by the *Insured* or leased to the *Insured* other than one used in connection with racing and/or rallies and/or competition of any kind.

Verified

means checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration.

Virus or Similar Mechanism

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect any computer *Programmes*, data files or operations, whether involving self-replication or not. *Virus or Similar Mechanism* includes but is not limited to trojan horses, worms and logic bombs.

W

We/Us/Our

means QBE Insurance (Europe) Limited or as stated in the attaching Schedule.

Witness Attendance Allowance

means costs not to exceed £100 per day or £1,000 *Any One Claim* when any director, partner or *Employee* of the *Insured* is absent from work consequent upon attending a court or tribunal hearing of a claim to which the *Claims Administrator* has given written consent under this Policy.

Y

You/Your/Yours

means the *Insured* as stated in the *Schedule*.

Section 1 | Property Damage All Risks

The Cover

The *Insurers* will indemnify the *Insured* against *Damage* arising from any accidental cause not being an Excepted Cause, occurring during the *Period of Insurance*, subject always to the *Excesses* and the limits, terms, conditions and exclusions of this Section and the Policy.

Limit of Liability

The liability of the *Insurers* under this Section shall not exceed in the whole the Total *Sum Insured* or the *Sum Insured* in respect of any individual Item subject to any other limit of liability as stated herein or in the *Schedule*.

The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess*.

The Property Insured

A *Buildings*;

B *Contents*;

Unless as otherwise stated in the *Schedule*, any insurance by this Section in respect of *Buildings* or *Contents* shall include provision for *Professional Fees* and *Debris Removal*.

All the property of the *Insured* or for which the *Insured* is legally responsible whilst at the *Premises* to which this Insurance applies.

Section 1 Exclusions

Excepted Causes

The *Insurers* shall not indemnify the *Insured* for:

- 1 *Damage* caused directly by or consisting of:
 - a inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
 - b faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of its employees;
 - c the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;
 - d explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the *Insured*;

but this shall not exclude subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded.

- 2 *Damage* caused directly by or consisting of:

- a corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
- b change in temperature, colour, flavour, texture or finish;
- c joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;

but this shall not exclude:

- i such *Damage* which itself results from a *Defined Peril* or from any other cause not being an Excepted Cause or otherwise excluded;
 - ii subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded.
- 3 *Damage* caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates but this shall not exclude:
 - a loss of, or damage to, surrounding property not forming part of the same machine, apparatus or equipment;
 - b such *Damage* which itself results from a *Defined Peril* or from any other cause not being an Excepted Cause or otherwise excluded;
 - c subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded.
 - 4 *Damage* caused directly by theft, or any attempted theft, by any person lawfully on the *Premises*.
 - 5 *Damage* caused directly by or consisting of theft or attempted theft from yards, gardens, open spaces or *Outbuildings* unless the contents thereof are specifically insured by this Section.
 - 6 *Damage* caused directly by or consisting of:
 - a subsidence, ground heave or landslip, unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
 - b normal settlement or bedding down of new structures.
 - 7 *Damage* caused directly by or consisting of:
 - a acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured* or members of their families;
 - b unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - c erasure or distortion of information on computer systems or other records:
 - i whilst mounted in or on any machine or data processing apparatus, or
 - ii due to the presence of a magnetic flux;
- unless caused by *Damage* not being the result of an Excepted Cause in respect of the machine or apparatus in which the records are mounted.

- 8 *Damage* in respect of buildings or structures caused directly by their own collapse or cracking unless such *Damage* results from a *Defined Peril* and is not otherwise excluded.
- 9 *Damage* caused directly by wind, rain, hail, sleet, snow, flood or dust to:
- a moveable property in the open or in open sided buildings or contained in *Outbuildings*;
 - b fences and gates.
- 10 *Damage*:
- a caused directly by the escape of water from any tank, apparatus or pipe;
 - b caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
 - c caused directly by freezing;
 - d caused directly by theft or attempted theft;
- in respect of any *Unoccupied Building*.
- 11 *Damage* caused directly by or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property.
- 12 delay, loss of market, loss of use or *Consequential Loss* or damage of any kind.
- 13 *Damage* attributable solely to change in the water table level.

Excepted Property

The *Insurers* shall not indemnify the *Insured* in respect of loss of or damage to:

- 1 a *Money*, jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
 - b glass (other than fixed glass), china, earthenware, marble, statuary or other fragile or brittle objects;
- but this shall not exclude *Damage* caused by a *Defined Peril* and not otherwise excluded.
- 2 property in transit except as provided for in Extension 20 Temporary Removal.
 - 3 a vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - b property or structures in course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection;
 - c working dynamos, motor wires, main or electrical apparatus through short circuiting, over-running or excessive pressure;
 - d land, piers, jetties, bridges, culverts or excavations;
 - e livestock or growing crops;
- unless specifically mentioned in the *Schedule* as insured by this Section.

Section 1 Clauses

1 Designation

For the purpose of determining where necessary the heading under which any property is insured, the *Insurers* agree to accept the designation under which such property has been entered into the *Insured's* books of accounts.

2 Electrical Apparatus

If any electrical apparatus or fittings are damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, the *Insurers* shall not be liable for damage to the equipment which contained the particular piece of apparatus or fitting which has caused the fire, but the *Insurers* shall be liable for damage to any other apparatus or fittings in consequence of such fire if such other apparatus or fittings are otherwise insured under this Section.

3 Non-invalidity

The Insurance under this Section shall not be invalidated by any act, omission or alteration whereby the risk of *Damage* is increased unknown to or beyond the control of the *Insured*, provided that the *Insured* shall give notice to the *Insurers* as soon as reasonably practicable after such act, omission or alteration comes to the notice of the *Insured* and shall pay any additional premium required by the *Insurers*.

4 Replacement or Reinstatement

In the event of *Damage* under Item A (*Buildings*) and/or Item B (*Contents*) insured hereby, the basis upon which the amount payable by the *Insurers* is to be calculated shall be the reinstatement of the *Property Insured* suffering *Damage*, subject to the following Special Provisions and subject also to the limits, terms, conditions and exclusions of the Policy except insofar as the same may be varied hereby.

For the purpose of this Clause "reinstatement" shall mean the carrying out of the after-mentioned work, namely:

- a where *Property Insured* is lost or destroyed, the rebuilding of the property, if a *Building*, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new;
- b where *Property Insured* is damaged, the repair of the *Damage* and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions for Clause 4

- a The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the *Insured* subject to the liability of the *Insurers* not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under this Policy if this Clause had not been incorporated herein shall be made.
- b When any *Property Insured* under Item A (*Buildings*) and/or Item B (*Contents*) is damaged or destroyed in part only the liability of the *Insurers* shall not exceed the sum representing the cost that the *Insurers* could have been called upon to pay for reinstatement if such property had been wholly destroyed.

- c No payment beyond the amount which would have been payable by the *Insurers* under this Policy if this Clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred by the *Insured*.
- d Item A (*Buildings*) and Item B (*Contents*) are declared to be separately subject to the following condition of Average but only if stated to be non-indexed linked in the *Schedule*:

If at the time of reinstatement the sum representing 85% (eighty five percent) of the cost which would have been incurred by the *Insured* in reinstatement if the whole of the *Property Insured* under the Item had been destroyed, exceeds the *Sum Insured* at the commencement of the *Damage*, then the *Insured* shall be considered as being their own insurers for the difference between the *Sum Insured* and the sum representing the cost of reinstatement of the whole of the *Property Insured* and shall bear a rateable proportion of the loss accordingly.

Where by reason of any of the above Special Provisions no payment is to be made by the *Insurers* beyond the amount which would have been payable under the Policy if these Special Provisions had not been incorporated herein, the rights and liabilities of the *Insurers* and the rights and liabilities of the *Insured* in respect of the loss, destruction or damage shall be subject to the limits, terms, conditions and exclusions of this Policy, including any conditions of Average herein as if these Special Provisions had not been incorporated herein.

Loss of Market Value

If the *Insured* elects not to repair, rebuild or restore the *Buildings*, the *Insurers* will pay the loss of market value, being the reduction in the market value of the *Buildings* immediately following the *Damage*, solely as a result of the *Damage* but not exceeding the amount which would have been payable had the *Buildings* been repaired, rebuilt or restored.

Section 1 Condition

1 Fire Extinguishing Appliances

This Insurance takes into consideration the installation of fire extinguishing appliances in accordance with details provided by the *Insured* to the *Insurers* and, where under the control of the *Insured*, the *Insured* undertakes to maintain the said appliances in full and effective working order and under a contract for maintenance during the *Period of Insurance*. Subject to the observance of this Condition, this Section shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to or beyond the control of the *Insured*.

Section 1 Extensions

Unless otherwise stated in the *Schedule* the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

1 Additional Sprinkler Costs

The Insurance hereby extends to include the additional costs incurred following loss or destruction of or damage to the automatic sprinkler installation at the *Premises* as insured hereby in the event that on repair or reinstatement thereof, the *Insurers* require the installation to conform to the Loss Prevention Council Rules for Automatic Sprinkler Installations current at that time.

2 Automatic Reinstatement of Sums Insured

In consideration of the *Sums Insured* not being reduced by the amount of any loss, the *Insured* undertakes to pay the appropriate additional premium on the amount of the loss from the date thereof to the expiry of the *Period of Insurance*, and to carry out any measures that the *Insurers* may require to prevent further *Damage* or enhance the security of the *Premises*. Subject to the *Insurers'* liability not exceeding the *Sum Insured* in respect of any one Item in respect of any one *Occurrence*.

3 Capital Additions, Alterations and Improvements

The Insurance of Item A (*Buildings*) and Item B (*Contents*) extends to include cover for capital additions, alterations, improvements and newly acquired and/or newly erected *Buildings* provided they are not otherwise insured anywhere within the *Territorial Limits*, subject to the following conditions:

- a the *Insured* shall declare to the *Insurers* the date and value of such capital additions, alterations, improvements and newly acquired and/or newly erected *Buildings* at intervals of not more than 6 (six) months and shall pay an appropriate additional premium from the time such additional cover applies;
- b the maximum additional cover granted by this Extension for capital additions, alterations and improvements shall not exceed 10% (ten percent) of the Total *Sum Insured* under Items A (*Buildings*) and B (*Contents*) or £1,000,000 whichever is the lesser amount;
- c the maximum additional cover granted by this Extension for newly acquired and/or newly erected *Buildings* shall not exceed £1,000,000;
- d this Extension does not include cover for appreciation in value.

4 Changing Locks

This Section extends to include costs incurred by the *Insured* as a result of the necessary replacement of locks, if any of the keys of the *Premises* are accidentally lost or stolen from the *Premises* or from the homes of principals, partners, directors or authorised employees, provided that if such keys relate to a safe or strongroom they shall not be left on the *Premises* outside the *Insured's* normal *Business Hours*. Subject to a limit of £2,500 in respect of any one *Occurrence* unless otherwise stated in the *Schedule*. The *Excess* does not apply in respect of this Extension.

5 Contractors Interest

Where the *Insured* is required to effect insurance on Item A (*Buildings*) in the joint names of themselves and the contractor under the terms of a contract condition then the interest of the contractor in the *Buildings* as a joint insured is hereby noted subject to any single contract valued in excess of £250,000, unless otherwise stated in the *Schedule*, being advised to the *Insurers* and an additional premium being paid as appropriate.

6 Contract Works

The Insurance by Item A (*Buildings*) extends to include *Contract Works* to the extent to which the *Insured* has contracted to arrange cover provided that:

- a this Extension shall not apply to any contract where the original contract price or contract value on completion exceeds £250,000 unless otherwise stated in the *Schedule*;
- b this Extension shall only apply insofar as the *Contract Works* are not otherwise insured.

7 Drain Clearing

This Section extends to include cover for reasonable expenses necessarily incurred by the *Insured* in clearing, cleaning and/or repairing drains, gutters, sewers and the like for which the *Insured* is legally responsible in consequence of *Damage* insured hereby. Subject to the maximum liability of the *Insurers* not exceeding £5,000 any one *Occurrence* unless otherwise stated in the *Schedule*.

8 Fire Extinguishment Expenses

This Section is extended to include, where not otherwise recoverable, the expenses reasonably incurred by the *Insured* in the replacement or replenishment of the *Insured's* fire extinguishing equipment or the cost of resetting fire, intruder alarm and closed circuit television systems used in order to minimise the *Damage*.

9 Index Linking

The *Sums Insured* will be increased automatically throughout the *Period of Insurance* in line with:

- a for Item A (*Buildings*), the General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors, or for residential *Premises*, the Household Rebuilding Cost Index issued by the Association of British Insurers (or some other suitable indices the *Insurers* decide upon) will be used;
- b for Item B (*Contents*), the Retail Price Index (or some other suitable index the *Insurers* decide upon) will be used.

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

The *Premium* will remain unchanged during the *Period of Insurance* but at each renewal the *Premium* will be calculated on the revised *Sum Insured*.

10 Landscaped Grounds

It is agreed that the Insurance by this Section extends to include:

- a damage to landscaping, external trees and plants, planters, ornamental features and statues at the *Premises*. The *Insurers'* liability under this Extension is limited to £25,000 or 10% (ten percent) of the *Sum Insured* for *Buildings*, whichever shall be the lesser amount, in respect of any one *Occurrence* unless

otherwise stated in the *Schedule*;

- b the costs necessarily and reasonably incurred by the *Insured* in making good the landscaped grounds of the *Premises* damaged by the Fire Brigade or any other Emergency Service in consequence of *Damage*. The *Insurers'* liability under this Extension is limited to £25,000 in respect of any one *Occurrence* unless otherwise stated in the *Schedule*.

11 Loss of Metered Charges

This Section extends to include cover for additional metered gas, electricity, oil and water charges incurred by the *Insured*, following *Damage* insured hereby, at the *Premises* during the *Period of Insurance*. The basis upon which the amount payable is to be calculated shall be the amount of the said charges for the period during which *Damage* occurs, less the charge made to the *Insured* for the corresponding period in the preceding year, adjusted for changes in the suppliers' charges and for variations affecting the consumption of the *Insured* during the intervening period. Subject to the maximum liability of the *Insurers* not exceeding £25,000 any one *Occurrence* unless otherwise stated in the *Schedule*.

12 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 such increase in risk is without their prior knowledge or authority and that the *Insurers* are notified immediately they become aware of such increase in risk and pay an appropriate additional premium if required.

13 Non-recoverable VAT

This Section is extended to include Value Added Tax paid by the *Insured* in respect of *Buildings* (including self-supply Value Added Tax), which is not subsequently recoverable.

Provided that:

- a the *Insured's* liability for such tax arises solely as a result of reinstatement of *Buildings* following *Damage* and the *Insurers* shall have paid or shall have agreed to pay for such *Damage*;
- b if any payment made by the *Insurers* in respect of the reinstatement of such *Damage* should be less than the actual costs of reinstatement any payment under this Extension resulting from *Damage* shall be reduced in like proportion;
- c the *Insured's* liability for such tax does not arise from the replacement *Building* having a greater floor area than or being better or more extensive than the *Building* suffering *Damage*;
- d where an option to reinstate on another site is exercised the *Insurers'* liability under this Extension shall not exceed the amount of tax that would have been payable had the *Building* been rebuilt on its original site;
- e the *Insurers'* liability under this Extension shall not include amounts payable by the *Insured* as penalties or interest for non-payment or late payment of tax.

14 Other Interests

It is understood and agreed that the interest of all parties who wish to register an interest in the *Property Insured* is noted at the request of the *Insured*. The *Insured* undertakes to declare the names, nature and extent of such interests within 30 (thirty) days of any *Damage*.

15 European Union and Public Authorities

The Insurance by Item A (*Buildings*) or Item B (*Contents*) extends to include such additional cost of reinstatement of the lost, destroyed or damaged *Property Insured* as may be incurred by the *Insured* solely by reason of the necessity to comply with the Stipulations of:

- a European Union legislation; or
- b Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye Laws of any municipal or local authority or other Codes of Practice;

(hereinafter referred to as the Stipulations) in respect of the lost, destroyed or damaged *Property Insured* and undamaged portions thereof provided always that the amount recoverable under this Extension shall not include:

- a the cost incurred in complying with the Stipulations:
 - i in respect of *Damage* occurring prior to the granting of this Extension;
 - ii in respect of *Damage* not insured hereby;
 - iii under which notice has been served upon the *Insured* prior to the happening of the *Damage*;
 - iv for which there is an existing requirement which has to be implemented within a given period;
- b the additional cost that would have been required to make good the property lost, damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Stipulations not arisen;
- c the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Stipulations.

Provided that:

- a the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within 12 (twelve) months after the *Damage*, or within such further time as the *Insurers* may (during the said 12 (twelve) months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Stipulations so necessitate) subject to the liability of the *Insurers* under this Extension not being thereby increased;
- b if the liability of the *Insurers* under any Item of the *Schedule* apart from this Extension shall be reduced by the application of any of the terms and conditions of the Section and the Policy then the liability of the *Insurers* under this Extension in respect of any such Item shall be

reduced in like proportion;

- c the total amount recoverable under any Item of the *Schedule* shall not exceed:
 - i in respect of the lost, destroyed or damaged *Property Insured* – its *Sum Insured*;

- ii in respect of undamaged portions of property (other than foundations) – 15% (fifteen percent) of the total amount for which the *Insurers* would have been liable had the *Property Insured* by the Item at the *Premises* where the *Damage* has occurred been wholly destroyed;
- iii in respect of European Union legislation:
 - a 15% (fifteen percent) of its *Sum Insured*;
 - b where the *Sum Insured* by the Item applies to property at more than one *Premises* 15% (fifteen percent) of the total amount for which the *Insurers* would have been liable had the *Property Insured* by the Item at the *Premises* where *Damage* has occurred been wholly destroyed;
- iv in respect of building or other regulations under or framed in pursuance of any Act of Parliament or Bye Laws of any municipal or local authority or other Codes of Practice its *Sum Insured* being part of and not in addition to the *Sum Insured* shown in the *Schedule*;
- d all the terms, limits, exclusions and conditions of this Section and the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

16 Rent for Residential Buildings

In the event that the *Premises* are occupied totally or partially for residential purposes, suffer loss, destruction or damage as insured hereby and no *Sum Insured* on Item A *Rent Receivable* of Section 2 Loss of Rent Receivable All Risks for the residential portions has been allocated, then this Section extends to include such loss of *Rent Receivable* and other costs as specified under Item A *Rent Receivable* of Section 2 Loss of Rent Receivable All Risks – Basis of Claims Settlement.

For the purpose of this Extension *Indemnity Period* shall be a maximum period of 3 (three) years from the date of the loss, destruction or damage for which the *Insurers* shall be liable to pay any loss.

This Extension will also indemnify the *Insured* in respect of any expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease, including costs of kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

The *Insurers'* liability under this Extension shall not exceed 20% (twenty percent) of the *Sum Insured* applicable to the residential portion of the *Building* concerned as insured by this Section.

Alternative Accommodation – Reduction of Loss

If in consequence of the *Incident*, the *Insured* shall use other premises to provide accommodation to tenants and/or leaseholder(s) the rent received from those premises during the *Indemnity Period* shall be taken into account in assessing the loss of *Rent Receivable*.

17 Seventy-two Hour Clause

It is hereby agreed that *Damage* caused by storm, tempest, flood or escape of water from any tank, apparatus or pipe under this Section occurring in any one period of 72 (seventy-two) consecutive hours during any one *Period of Insurance* shall constitute one loss for the purposes of this Policy.

The *Insured* shall select the time from which any such period shall commence but no two such selected periods shall overlap.

The *Excess* shall apply separately to each selected period.

18 Spontaneous Heating

The Insurance of each Item extends to include cover for loss of or damage to coal, coke and wood blocks caused by its own spontaneous fermentation, heating or combustion.

19 Subrogation Waiver

The *Insurers* agree to waive any rights to which they may become entitled against any tenant of the *Premises* insured unless:

- a *Damage* has been occasioned, or contributed to, by the fraudulent or criminal or malicious act of such a tenant;
- b *Damage* has occurred to parts of the *Premises* not leased or rented by such tenants, other than common areas, the use of which is available to all tenants.

20 Temporary Removal

The *Property Insured* under this Section is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes, elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or inland waterway within the *Territorial Limits*, subject to a limit of 15% (fifteen percent) of the relevant *Sum Insured*. The *Insurers* shall not be liable for losses arising elsewhere than at the *Premises* from which the property is temporarily removed to vehicles licensed for road use in so far as they are insured by this Section.

21 Temporary Repairs

Within the limits of the *Sum Insured*, this Section extends to include cover for the cost actually incurred by the *Insured* in making temporary repairs to any of the insured *Buildings* and erecting temporary buildings in place of any of the insured *Buildings* following *Damage* insured hereby.

22 Trace and Access

In the event of *Damage* during the *Period of Insurance* resulting from escape of water or fuel oil from any tank, apparatus or pipe, the *Insurers* shall pay costs necessarily and reasonably incurred by the *Insured* in locating the source of such *Damage*, and in the subsequent making good of *Damage* caused as a consequence of locating such source, up to an amount of £25,000 any one *Occurrence* unless otherwise stated in the *Schedule*.

23 Transfer of Interest

It is agreed that notwithstanding General Condition 25 Insurable Interest that, if at the time of loss of or damage to any *Buildings* insured by Item A of this Section, the *Insured* shall have contracted to sell their interest in such *Buildings* and the purchase shall not have been completed but shall thereafter be completed, the purchaser on the completion of the purchase, if and so far as the property is not otherwise

insured by or on behalf of the purchaser against such *Damage*, shall be entitled to the benefit of this Section so far as it relates to such *Damage*, without prejudice to the rights and liabilities of the *Insured* or the *Insurers* under this Section, but only up until the date of completion.

24 Unauthorised Use of Electricity, Gas or Water

This Section is extended to include the cost of metered electricity, gas or water for which the *Insured* is legally responsible arising from its unauthorised use by persons taking possession of or occupying *Premises* without the *Insured's* authority,

provided that:

- a the *Insurers'* maximum liability under this Extension shall not exceed £25,000 any one *Occurrence* unless otherwise stated in the *Schedule*;
- b the *Insured* shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

25 Workmen

Workmen shall be allowed on the *Premises* for the purpose of carrying out minor repairs, decorations or alterations without prejudice to this Insurance.

The following Extensions 26, 27, 28 and 29 are applicable to Section 1 Property Damage All Risks (other than Extension 30 Equipment Breakdown Extension) and Section 2 Loss of Rent Receivable All Risks.

26 Incompatibility of Computer Records

The *Insurers* will also pay the *Insured* in respect of:

- a the cost of modifying the *Computer Equipment* insured under this Policy;
- or
- b the cost of replacing the data carrying materials together with reinstatement of data whichever is the lesser;

where such costs are incurred as a result of *Damage* insured under this Policy to achieve equivalent compatibility with that existing immediately prior to the loss due to undamaged data carrying materials being incompatible with the replacement *Computer Equipment*;

provided that:

- i the replacement *Computer Equipment* is the nearest equivalent to that lost or damaged;
- ii the amount payable under this coverage shall not exceed £50,000 in any one *Period of Insurance*.

27 Repair Investigation Costs

The *Insurers* will pay for costs (including consulting engineers' fees) incurred with the prior written consent of the *Insurers* in conducting investigations and/or tests into possible repair (whether or not successful), replacement or reinstatement of *Computer Equipment* following *Damage* insured by this Policy. The *Insurers* shall not be liable under this coverage for fees incurred in preparing a claim under this Policy.

The liability of the *Insurers* under this coverage shall not exceed £25,000 in any one *Period of Insurance*.

28 Loss of Interest

The *Insurers* will pay for *Loss of Interest* during the *Indemnity Period* solely in consequence of the occurrence of loss of or

damage to *Computer Equipment* insured under this Policy during the *Period of Insurance*;

provided that:

- a the liability of the *Insurers* in respect of any one *Period of Insurance* shall not exceed £25,000;
- b *Loss of Interest* relates solely to identifiable transactions carried out or would but for the *Damage* have been carried out by the *Computer Equipment*.

29 Accidental Discharge of Gas Flooding Systems

The Insurance by Section 1 Property Damage All Risks is extended to include the cost of recharging gas cylinders installed solely for the protection of the *Property Insured* following accidental discharge. The *Insurers* shall not be liable for discharge arising:

- a during repairs or alterations to the building in which the cylinders are situated;
- b during installation, repair, removal, alteration, extension or testing of all or part of the gas flooding system;
- c during the operation of the gas flooding system with the intention of preventing or extinguishing fire;

Subject to the maximum liability of the *Insurers* not exceeding £10,000 in any one *Period of Insurance*.

30 Equipment Breakdown Extension

Insuring Agreement

Subject to all of the provisions stated herein and in the Policy of which this Extension is part, not in conflict herewith, the *Insurers* agree to provide insurance for loss, as defined in Section 1 Property Damage All Risks and Section 2 Loss of Rent Receivable All Risks, where these Sections are shown as effective under the *Schedule* for the current *Period of Insurance*, caused by or resulting from an *Accident* to *Covered Equipment* owned by the *Insured* or for which the *Insured* is responsible.

The liability of the *Insurers* under this Extension shall not exceed either the new replacement value of *Covered Equipment* or £5,000,000 (whichever shall be the lesser amount) in respect of any one *Accident* or series of *Accidents* arising out of one occurrence.

Equipment Breakdown cover will apply in respect of an *Accident* arising out of:

- a electrical or mechanical *Breakdown*, including rupture or bursting caused by centrifugal force;
- b artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c *Explosion* or *Collapse* where the *Covered Equipment* is operating under steam or other fluid pressure and is owned or leased by the *Insured*, or operated under the *Insured's* control;
- d any condition or event (not otherwise excluded), occurring inside *Covered Equipment* operating under steam or other fluid pressure;
- e any condition or event (not otherwise excluded), occurring inside hot water boilers or other water heating equipment;
- f operator error.

If an initial *Accident* causes other *Accidents*, all will be

considered one *Accident*. All *Accidents* that are the result of the same event will be considered one *Accident*.

None of the following is deemed to be *Covered Equipment* under this Extension:

- i supporting structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
- ii insulating or refractory material;
- iii sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- iv water piping other than boiler feedwater piping, boiler condensate, return piping, hot water heating and supply piping or water piping forming a part of a refrigerating or air conditioning system;
- v vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment), aircraft or floating vessel;
- vi mobile plant and equipment (other than fork lift trucks used by the *Insured* at their *Premises*) dragline, excavation or construction equipment;
- vii equipment manufactured by the *Insured* for sale;
- viii tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands, consumables and auxiliary materials, reagents, toner, coolant and extinguishing medium, development fluids, cassette ribbons, image and sound carriers, films, film/foil combinations, specially prepared paper and type face carriers, light sources, fuses, batteries, filters, cutters, bits, tools or any part requiring periodic renewal or replacement;
- ix any electronic equipment (other than *Computer Equipment*) and/or any other specialised electronic equipment, used for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- x any *Manufacturing Production or Process Equipment*;
- xi domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters;
- xii equipment owned by tenants of the *Insured*;
- xiii neon signs;
- xiv satellites.

Extensions of Cover applicable to the Equipment Breakdown Extension

The following Extensions of Cover also apply to loss caused by or resulting from an *Accident* to *Covered Equipment*. These Extensions do not provide additional amounts of insurance.

1 Hazardous Substances

The *Insurers* shall be liable for the additional costs to repair or replace *Covered Equipment* because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond what would have been required had no hazardous substance been involved. The *Insurers* shall not be liable for more than £10,000 for loss or damage under this

extension of cover, including, if shown as covered, actual loss of *Rent Receivable* sustained.

2 Computer Equipment, Reinstatement of Data and Increased Costs of Working

- a** The *Insurers* shall be liable under this extension for *Damage* caused by or resulting from an *Accident* to *Computer Equipment*. The liability of the *Insurers* in any one *Period of Insurance* shall not exceed £250,000 in respect of damage to *Computer Equipment*.
- b** In addition, the *Insurers* shall be liable for costs incurred in reinstating data lost or damaged in consequence of an *Accident* to or *Derangement* of *Computer Equipment*.

Provided that:

- i** liability is limited solely to the cost of reinstating data onto *Data Media*;
- ii** the *Insurers* shall not be liable for any losses discovered later than 6 (six) months after the loss was initiated;
- iii** the liability of the *Insurers* shall not exceed £25,000 in respect of such costs;
- iv** the *Insurers* shall not be liable for loss of or damage to *Software*;
- v** the *Insurers* shall not be liable under this additional coverage for costs more specifically described under the increased costs of working coverage.
- c** In addition, the *Insurers* will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the *Insured* as a consequence of an *Accident* to or *Derangement* of *Computer Equipment*. The total liability of the *Insurers* in any one *Period of Insurance* shall not exceed £25,000 in respect of such additional costs.
- d** The *Insurers* will also pay the *Insured* in respect of:
- i** the cost of modifying the *Computer Equipment* insured under this coverage;
- or
- ii** the cost of replacing the data-carrying materials together with reinstatement of data whichever is the lesser;

as a result of an *Accident* insured under this coverage to achieve equivalent compatibility with that existing immediately prior to the loss due to undamaged data-carrying materials being incompatible with the replacement *Computer Equipment*.

Provided that:

- a** the replacement *Computer Equipment* is the nearest equivalent to that lost or damaged;
- b** the amount payable under this coverage shall not exceed £50,000 in any one *Period of Insurance*.
- e** The *Insurers* will pay for costs (including consulting engineers' fees) incurred with the prior written consent of the *Insurers* in conducting investigations and/or tests into possible repair (whether or not successful), replacement or reinstatement following *Damage* insured by the Policy. The *Insurers* shall not be liable under this coverage for fees incurred in preparing a claim under this Policy.

The liability of the *Insurers* under this coverage shall not exceed £25,000 in any one *Period of Insurance*.

- f** The *Insurers* will pay for *Loss of Interest* during the *Indemnity Period* solely in consequence of the occurrence of an *Accident* insured under paragraph **c** above during the *Period of Insurance*.

Provided that:

- i** the liability of the *Insurers* in respect of any one *Period of Insurance* shall not exceed £25,000;
- ii** *Loss of Interest* relates solely to identifiable transactions carried out or would but for the *Accident* have been carried out by the *Computer Equipment*.

3 Business Interruption

Liability of the *Insurers* for loss as described under Section 2 Loss of Rent Receivable All Risks that is caused by an *Accident* to *Covered Equipment* or *Computer Equipment* shall not exceed £50,000.

For the purposes of this extension *Accident* shall not include *Rent Receivable* losses resulting from Extension 9 – Damage to Own Surrounding Property below.

4 Public Authorities/Law or Ordinance

If an *Accident* to *Covered Equipment* damages a *Building* that is covered under this Policy, and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the *Accident* that regulates the construction or repair of buildings, or establishes zoning or land use requirements, the *Insurers* shall be liable for the following additional costs to comply with such ordinance or law:

- a** the *Insured's* actual expenditures for the cost to demolish and clear the site of undamaged parts;
- b** the *Insured's* actual expenditures for increased costs to repair, rebuild or construct the *Building*. If the *Building* is repaired or rebuilt, it must be intended for similar use or occupancy as the current *Building*, unless otherwise required by zoning or land use ordinance or law;
- c** loss as described under Section 2 Loss of Rent Receivable All Risks caused by loss covered in **a** or **b** above.

The *Insurers* shall not be liable for:

- i** any fine;
- ii** any liability to a third party;
- iii** any increase in loss due to a hazardous substance (other than as specifically insured under 1 Hazardous Substances); or
- iv** increased construction costs until the *Building* is actually repaired or replaced.

This additional coverage is within and does not increase the *Sum Insured* shown in the *Schedule*.

5 Expediting Expenses

With respect to damaged *Covered Equipment* or *Computer Equipment*, the *Insurers* shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement. The *Insurers* shall not be liable for more than £20,000 for loss or damage under this coverage.

6 Hire of Substitute Item

If *Covered Equipment* or *Computer Equipment* is damaged as a result of an *Accident* the *Insurers* will also indemnify the *Insured* against the cost of hire charges actually incurred by the *Insured* during the *Period of Insurance* for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The *Insurers* shall not be liable for more than £5,000 under this coverage.

7 Storage Tanks and Loss of Contents

The Insurance under this Policy extends to include *Damage* caused by an *Accident* to oil storage tanks or water tanks (other than sprinkler system tanks), including connected pipework belonging to the *Insured* or for which the *Insured* is responsible at the *Premises*. In addition, this Extension covers loss of the contents of oil storage tanks caused by:

- a escape of contents - leakage, discharge or overflow from the oil storage tanks caused by or resulting from an *Accident*;
- b contamination - contamination of the contents of the oil storage tanks caused by or resulting from an *Accident*;

including cleaning costs incurred as a result of such loss.

This additional coverage excludes:

- 1 loss caused by fire howsoever the fire may have been caused;
- 2 loss resulting from corrosion, erosion or wasting;
- 3 contamination of the contents resulting from:
 - a the natural settling, separation or accumulation of fluids or materials constituting the normal contents;
 - b the deliberate use of fluids or materials in the oil storage for cleaning, flushing or similar purposes;
- 4 loss sustained whilst oil storage tanks are in transit between premises;
- 5 costs or expenses arising from pollution or contamination of property not covered by this additional cover.

The *Insurers* shall not be liable for more than £7,500 under this coverage in respect of any one *Accident* or series of *Accidents* arising out of one occurrence.

8 Loss Avoidance Measures

Reasonable costs necessarily incurred by the *Insured* to take exceptional measures to prevent or mitigate impending damage to *Covered Equipment* or *Computer Equipment* as a result of an *Accident*.

Provided that:

- a damage would reasonably be expected if such measures were not implemented;
- b the *Insurers* are satisfied that damage has been avoided or mitigated by means of the exceptional measures;
- c the amount payable will be limited to the cost of damage which would have otherwise occurred;
- d the terms, conditions and exclusions of this Section and the Policy apply as if damage has occurred;

- e if damage had occurred it would have resulted in a claim that would have been accepted by the *Insurers* under this Section of the Policy.

Limit £5,000 any one *Period of Insurance*.

9 Damage to Own Surrounding Property

The *Insurers* shall be liable for damage to property belonging to or in the custody and control of the *Insured* and for which the *Insured* is responsible directly resulting from *Explosion* or *Collapse* of any steam boiler, steam generator, economiser, superheater, steam pipework or steam vessel.

The liability of the *Insurers* in respect of this Extension shall not exceed £1,000,000 any one *Period of Insurance*.

Additional Conditions to Equipment Breakdown Extension

1 Precautions

The *Insured* shall exercise due diligence in:

- a complying with any statute or order;
- b ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage.

2 Backup Records

The *Insured* shall maintain a minimum of 2 (two) generations of *Verified* backup *Data Media* taken at intervals no less frequently than 7 (seven) days, one copy as a minimum being held off site and take all reasonable precautions to store and maintain records in accordance with the makers' recommendations.

Exclusions to the Equipment Breakdown Extension which replace the Section 1 and 2 Exclusions

- 1 The *Insurers* will not be liable for the amount shown in the *Schedule* as the *Excess*. The *Excess* applicable under this Extension is either the *Excess* applicable under Section 1 Property Damage All Risks or Section 2 Loss of Rent Receivable All Risks (as appropriate) or £250, whichever is the greater.
- 2 The *Insurers* will not be liable for loss or damage caused by or resulting from:
 - a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an insulation breakdown test of any type of electrical equipment, or caused by its own *Breakdown* or derangement before the satisfactory completion of testing or commissioning;
 - b loss due to solidification, biological activity or spontaneous chemical reaction in the contents of tanks.
- 3 The *Insurers* will not be liable for loss or damage recoverable under any maintenance agreement or any Warranty or Guarantee, or which would be recoverable but for breach of the *Insured's* obligations under the agreement.
- 4 The *Insurers* will not be liable for loss or damage arising from any defect, virus or any loss of data (other than as specifically provided for under Extension of Cover 2 or other situation arising within *Data Media*).
- 5 With respect to Section 2 Loss of Rent Receivable All Risks, the *Insurers* will not be liable for delay in resuming operations due to

the need to reconstruct or re-input data or programs on *Data Media* where the *Insured* has not fully complied with Additional Condition 2 Backup Records.

- 6 The *Insurers* will not be liable for loss or damage or any loss arising from programming errors or design defects in *Software*.
- 7 The *Insurers* will not be liable for loss or damage or any loss arising from the use of *Software* on which development has not been finalised or that has not passed all testing procedures and has not been successfully proven.
- 8 The *Insurers* will not be liable for loss or damage or any loss arising from an *Accident* to *Covered Equipment* or *Computer Equipment* that is prototype, experimental or untried.
- 9 The *Insurers* will not be liable for loss or damage arising out of depletion, corrosion, erosion, wear and tear or other gradually developing conditions, scratching, denting, rust and oxidation, damp and mildew, but if loss or damage from an *Accident* results, the *Insurers* shall be liable for that resulting loss or damage.
- 10 The *Insurers* will not be liable for loss or damage arising from the wilful act or wilful neglect of the *Insured*.
- 11 The *Insurers* will not be liable for any loss arising from the failure of the *Insured* to comply with the manufacturers' recommendations for the storage of *Software* and *Data Media*.
- 12 The *Insurers* will not be liable for the value to the *Insured* of data stored on the *Computer Equipment*.
- 13 The *Insurers* will not be liable for any loss arising from the failure or fluctuation of the electricity supply directly or indirectly caused by:
 - a a deliberate act not performed for the sole purpose of safeguarding life or protecting any part of the supply system; or
 - b scheme of rationing not necessitated by accidental damage to the generating or supply distribution equipment; or
 - c the inability of the supplier to maintain the supply system as a result of industrial action.
- 14 The *Insurers* will not be liable for any loss arising as a result of the failure of any telecommunications system directly or indirectly caused by the:
 - a use of equipment by the *Insured* that is not approved by the telecommunications supplier;
or
 - b deliberate act of any telecommunications supplier in withholding or restricting the operation of the telecommunications system or the inability of the supplier to maintain the telecommunications system caused by industrial action.
- 15 The *Insurers* will not be liable for any professional or other fees incurred in making a claim.
- 16 The *Insurers* will not be liable for any loss or destruction of or

damage arising as a result of the cleaning, servicing or repair of the *Covered Equipment* or *Computer Equipment*.

- 17 The *Insurers* will not be liable for *Consequential Loss* except as expressly provided for herein.

Special Extensions

1 Day One Basis (Non Adjustable) Extension

This Special Extension shall only apply if stated as “Included” in the *Schedule*, in which circumstance Extension 9 Index Linking is deemed to be deleted and of no effect.

Day One Basis (Non Adjustable) applicable to Item A (*Buildings*) and Item B (*Contents*) unless otherwise stated in the *Schedule*:

- a The *Insured* having stated in writing the Declared Value incorporated in each Item to which this Special Extension applies, the *Premium* has been calculated accordingly.

Declared Value shall mean the *Insured's* assessment of the cost of reinstatement of the *Property Insured* arrived at in accordance with paragraph a of Clause 4 at the level of cost applying at the inception of the *Period of Insurance* (ignoring inflationary factors which may operate subsequently) together with, in so far as the insurance by the Item provides, due allowance for:

- i the additional cost of reinstatement to comply with Public Authority requirements;
 - ii *Professional Fees*;
 - iii *Debris Removal*.
- b At the inception of the *Period of Insurance* the *Insured* shall notify the *Insurers* of the Declared Value of the *Property Insured* by the said Item. In the absence of such declaration the last amount declared by the *Insured* shall be taken as the Declared Value for the ensuing *Period of Insurance*.
 - c Notwithstanding any General Condition or Endorsement to the contrary, the following wordings shall apply to the Special Provisions to Clause 4, both paragraphs d of which are restated as follows:
 - d Each Item insured under this Extension is declared to be separately subject to the following condition of Average:

If at the time of *Damage* the Declared Value of the *Property Insured* covered by such Item is less than the cost of reinstatement (as defined in paragraph a of Clause 4) at the inception of the *Period of Insurance* then the *Insurers'* liability for any *Damage* hereby insured shall be limited to that proportion thereof which the Declared Value bears to the cost of reinstatement.

Where by reason of any of the Section Extensions, no payment is to be made beyond the amount which would have been payable under this Policy if this Special Extension had not been incorporated therein the rights and liabilities of the *Insurers* and the rights and liabilities of the *Insured* in respect of the loss, destruction or damage shall be subject to the limits, terms, conditions and exclusions of this Policy including any condition of Average therein, as if this Special Extension had not been incorporated therein except that the *Sums Insured* shall be limited to the percentage as stated in the *Schedule* of the Declared Value.

- d The provisions of Section Extension 3 (Capital Additions, Alterations and Improvements) shall not be subject to this Special Extension.

2 Subsidence Extension

This Special Extension shall only apply if stated as “Included” in the *Schedule*.

It is hereby understood and agreed that:

- 1 Excepted Causes 6 a and 6 b are deleted and of no further effect;
- 2 this Section is extended to include *Damage* caused by subsidence, landslip or ground heave of any part of the site on which the *Property Insured* stands, excluding *Damage*:
 - a resulting from:
 - i collapse, cracking, shrinkage or settlement of *Buildings* or any part thereof;
 - ii coastal or river erosion;
 - iii defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
 - iv settlement or movement of made up ground;
 - v the normal settlement or bedding down of new structures;
 - b to forecourts, car parks, tennis courts, swimming pools, roof gardens, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured hereunder where such *Damage* also affects the main structure at the *Premises* at the same time;
 - c which originated prior to the inception of this cover;
 - d resulting from:
 - i demolition, construction, structural alteration or repair of any *Buildings*;
 - ii groundworks or excavation;at the same *Premises*.

Special Conditions

- 1 It is a condition precedent to liability that the *Insured* shall notify the *Insurers* immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- 2 The *Insurers* shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

Section 2 | Loss of Rent Receivable All Risks

The Cover

The *Insurers* will indemnify the *Insured* against *Consequential Loss* arising from any accidental *Incident* occurring during the *Period of Insurance* and not otherwise being excluded, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Provided that:

at the time of the happening of the *Incident* there shall be in force an insurance covering the interest of the *Insured* in the property at the *Premises* against such loss or damage and that:

- 1 payment shall have been made or liability admitted therefor; or
- 2 payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

The *Insurers* will also indemnify the *Insured* in respect of *Auditor's Fees*, subject to the *Sum Insured*.

Notes

- 1 To the extent that the *Insured* is accountable to the tax authorities for Value Added Tax, all terms in this Section shall be exclusive of such tax.
- 2 For the purpose of any Definitions applicable to this Section, any adjustment implemented in current cost accounting shall be disregarded.
- 3 The undefined words in this Section shall have the meaning usually attached to them in the *Insured's* books and accounts.
- 4 Refer to Extension 30 Equipment Breakdown of Section 1 Property Damage All Risks for details of coverage/limits of liability in respect of business interruption following breakdown of equipment.

Limit of Liability

The liability of the *Insurers* under this Section shall not exceed in the whole the total *Sum Insured* or the *Sum Insured* in respect of any individual Item or any other limit of liability stated herein or in the *Schedule*.

Notwithstanding anything contained in this Policy to the contrary, it is hereby understood and agreed that the liability of the *Insurers* under this Section for *Consequential Loss* that is as a result of any loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic Data* or loss of use, reduction in functionality, cost or expense of whatsoever nature resulting therefrom, shall not exceed £50,000 in respect of any one *Period of Insurance*.

The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess*.

Section 2 Exclusions

The *Insurers* shall not indemnify the *Insured* for:

- 1 *Consequential Loss* caused directly by or consisting of:
 - a inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
 - b faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of their employees;
 - c the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;
 - d explosion occasioned by the bursting of any vessel, machine or apparatus (not being a boiler or economiser on the *Premises*) in which internal pressure is due to steam only and belonging to or under the control of the *Insured*;

but this shall not exclude subsequent *Consequential Loss* which itself results from a cause not being an excepted cause or otherwise excluded.

- 2 *Consequential Loss* caused directly by or consisting of:
 - a corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
 - b change in temperature, colour, flavour, texture or finish;
 - c joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;
 - d a deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;

but this shall not exclude:

- i such *Consequential Loss* which itself results from a *Defined Peril* or from any other accidental loss or damage not otherwise excluded;
 - ii subsequent *Consequential Loss* which itself results from a cause not otherwise excluded.
- 3 *Consequential Loss* caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates but this shall not exclude:
 - a *Consequential Loss* in respect of surrounding property not forming part of the same machine, apparatus or equipment;
 - b such *Consequential Loss* which itself results from a *Defined Peril* or from any other accidental loss or damage not otherwise excluded;

- c subsequent *Consequential Loss* which itself results from a cause not otherwise excluded.
- 4 *Consequential Loss* caused directly by theft, or any attempted theft, by any person lawfully on the *Premises*.
- 5 *Consequential Loss* caused directly by or consisting of:
 - a subsidence, ground heave or landslip, unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
 - b normal settlement or bedding down of new structures.
- 6 *Consequential Loss* caused directly by or consisting of:
 - a acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured* or members of their families;
 - b unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - c
 - i erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software* caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons;
 - ii other erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software* unless resulting from a *Defined Peril* insofar as it is not otherwise excluded.
- 7 *Consequential Loss* in respect of buildings or structures caused directly by their own collapse or cracking unless resulting from a *Defined Peril* and not otherwise excluded.
- 8 *Consequential Loss* in respect of moveable property in the open or in open sided buildings or contained in *Outbuildings*, fences and gates caused directly by:
 - a theft or attempted theft;
 - b wind, rain, hail, sleet, snow, flood or dust.
- 9 *Consequential Loss*:
 - a caused directly by escape of water from any tank, apparatus or pipe;
 - b caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
 - c caused directly by freezing;
 - d caused directly by theft or attempted theft;
 in respect of any *Unoccupied* building.
- 10 *Consequential Loss* occasioned by the voluntary parting with title or possession of any property or rights to property.
- 11 *Consequential Loss* in respect of:
 - a *Money*, jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
 - b glass (other than fixed glass), china, earthenware, marble, statuary or other fragile or brittle objects;
 but this shall not exclude *Consequential Loss* caused by a *Defined Peril* and not otherwise excluded.
- 12 *Consequential Loss* in respect of *Computer Equipment* but this shall not exclude *Consequential Loss* caused by a *Defined Peril*, theft or attempted theft or any other accidental loss or damage not otherwise excluded.
- 13 *Consequential Loss* in respect of property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection unless specifically mentioned within the Definition of the *Business* and such sites of construction or erection are specifically mentioned within the Definition of the *Premises* or otherwise added by Endorsement to the cover by this Section subject to:
 - a such *Consequential Loss* being caused by a *Defined Peril* and not otherwise excluded;
 - b all other terms, conditions and exclusions of the Policy.
- 14 *Consequential Loss* in respect of:
 - a land, piers, jetties, bridges, culverts or excavations;
 - b vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c livestock or growing crops.
- 15 *Consequential Loss* attributable solely to change in the water table level.

Item A Loss of Rent Receivable

The Insurance under Item A *Rent Receivable* is limited to:

- 1 Loss of *Rent Receivable*;
- 2 Increase in Cost of Working; and
- 3 The cost of re-letting.

The amount payable by the *Insurers* as indemnity hereunder shall be:

- a In respect of loss of *Rent Receivable*: the amount by which the *Rent Receivable* during the *Indemnity Period* shall, in consequence of the *Incident*, fall short of the *Standard Rent Receivable*;
- b In respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Rent Receivable* which but for that expenditure would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the amount of the reduction in *Rent Receivable* thereby avoided;
- c In respect of the cost of re-letting: the cost necessarily and reasonably incurred from the date of the *Incident* until the expiry of the *Indemnity Period* in re-letting the *Buildings* (including legal fees in connection with the re-letting) solely in consequence of the *Incident*;

less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses of the *Business* payable out of *Rent Receivable* as may cease or be reduced in consequence of the *Incident*.

Basis of Claims Settlement

The amount payable shall be the actual amount of the reduction in *Rent Receivable* incurred during the *Indemnity Period* in consequence of the *Incident*.

Where under the terms of the lease or leases, rent reviews would have taken place during the *Indemnity Period* the Basis of Claims Settlement shall take into account such rent reviews, provided that the *Insurers'* total liability shall not exceed 200% (two hundred percent) of the *Sum Insured* on loss of *Rent Receivable*.

Special Provisions to Item A Loss of Rent Receivable

- 1 The premium paid for Item A (*Rent Receivable*) may be adjusted on receipt by the *Insurers* of a declaration of *Rent Receivable* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to loss of *Rent Receivable*, the above mentioned declaration shall be increased for the purpose of premium adjustment by the amount by which the *Rent Receivable* is reduced during the financial year solely in consequence of the *Incident*.
- 2 If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Rent Receivable Sum Insured* for the relative *Period of Insurance*, the *Insurers* shall allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

Extensions for Item A (Rent Receivable)

If stated in the *Schedule* as 'Included' the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

1 Capital Additions

This Section is extended to include loss of *Rent Receivable* in respect of:

- 1 alterations, additions, extensions and/or improvements to the *Buildings* insured (but not appreciation in value thereof);
- 2 newly acquired and/or newly erected *Buildings* provided they are not otherwise insured anywhere within the *Territorial Limits*.

Provided that:

- a at any one *Premises* this cover shall not exceed 10% (ten percent) of the Total *Sum Insured* on *Rent Receivable* or £500,000, whichever is the less, for 1 above;
- b at any one *Premises* this cover shall not exceed £500,000, for 2 above;
- c the *Insured* shall advise the *Insurers*:
 - i every 6 (six) months in respect of any such alterations, additions, extensions and improvements;
 - ii as soon as practicable and in any event within 6 (six) months of any such newly acquired and/or newly erected property.

The *Insured* will pay the appropriate additional premium required from inception of such additional cover and amounts so declared shall be added by Endorsement to the *Sum Insured* by the relative item.

2 Denial of Access

The Insurance by Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section to any property within 250 (two hundred and fifty) metres of the *Premises* which prevents or hinders the use of the *Property Insured* or access to the *Premises* (whether or not the *Property Insured* or the *Premises* suffer similar loss, destruction or damage). The *Insurers* shall not be liable for any claim in excess of £250,000 unless otherwise stated in the *Schedule*.

3 Disease, Infestation and Defective Sanitation

The Insurance of Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* in consequence of the occurrence at the *Premises* of:

- a murder, suicide or food or drink poisoning;
 - b a notifiable, human, infectious or contagious disease excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition;
 - c vermin, pests or defective sanitation;
- which causes restrictions on the use of the *Premises* on the order or advice of the competent local authority; or
- d accidental loss, destruction or damage as insured by this Section, to the drains or sanitary apparatus at the *Premises* which results in closure of the *Premises* for the *Business*.

The *Insurers* shall not be liable for any claim in excess of 10% (ten percent) of the *Sum Insured* under Item A (*Rent Receivable*) or £100,000 whichever is the lesser unless otherwise stated in the *Schedule*.

Clarification of Notifiable Human Infectious or Contagious Disease

It is hereby understood and agreed that for the purposes of the cover afforded by this Extension, the reference to a notifiable, human, infectious or contagious disease contained in paragraph b shall be deemed to mean solely the following diseases:

Diseases notifiable under the Public Health (Control of Disease) Act 1984 or the Public Health (Infectious Diseases) Regulations 1988, namely:

Acute encephalitis, Acute poliomyelitis, Anthrax, Cholera, Diphtheria, Dysentery, Food poisoning, Leprosy, Leptospirosis, Malaria, Measles, Meningitis, Meningococcal septicaemia (without meningitis), Mumps, Ophthalmia neonatorum, Paratyphoid fever, Plague, Rabies, Relapsing fever, Rubella, Scarlet fever, Smallpox, Tetanus, Tuberculosis, Typhoid fever, Typhus fever, Viral haemorrhagic fever, Viral hepatitis, Hepatitis A, Hepatitis B, Hepatitis C, Whooping cough and Yellow fever.

No other disease shall be added to the above list without the prior written consent of the *Insurers*.

4 Legionella

The Insurance by Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* as a result of any outbreak of Legionellosis at the *Premises* causing restrictions on the use of the *Premises* on the order or advice of the competent authority. The *Insurers* shall not be liable for any claim in excess of 10% (ten percent) of the *Sum Insured* under Item A (*Rent Receivable*) or £100,000, whichever is the lesser, unless otherwise stated in the *Schedule*.

The *Maximum Indemnity Period* for this Extension shall be 3 (three) months.

5 Loss of Investment Income on Late Payment of Rent

If as a result of an *Incident*, the *Insurers* are paying indemnity to the *Insured* in respect of loss of *Rent Receivable* and the payment by the *Insurers* to the *Insured* is made later than the date upon which the *Insured* would normally have expected to receive such *Rent Receivable* from a lessee, the *Insurers* will pay a further sum representing the investment interest lost to the *Insured* during the period of delay.

6 Managing Agents

The Insurance by Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section, to property at the *Premises* of any managing agents employed or engaged to collect *Rent Receivable*, provided that:

- a such *Rent Receivable* is not paid to the *Insured* as a direct result of the *Incident*;
- b the *Rent Receivable* is not outstanding for 120 (one hundred and twenty) days in excess of its due date;
- c all reasonable steps to recover the *Rent Receivable* are taken;
- d such *Rent Receivable* is not recoverable under any other Policy.

The *Insurers* shall not be liable for any claim in excess of 20% (twenty percent) of the *Sum Insured* under Item A (*Rent Receivable*), unless otherwise stated in the *Schedule*.

7 Public Utilities

The Insurance of Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section, to property at the premises of the following public utilities in the *Territorial Limits* from which the *Insured* obtains supplies or services:

- a any generating station or sub-station of the public electricity supply undertaking from which the *Insured* obtains electricity;
- b any land-based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the *Insured* obtains gas;
- c any water works or pumping station of the public water supply undertaking from which the *Insured* obtains water;

- d any land-based telecommunication services to the *Premises*.

The *Insurers* shall not be liable for any claim in excess of £250,000 unless otherwise stated in the *Schedule*.

The *Insurers* shall not be liable for total or partial failure occasioned by strike or lock-out, total or partial withdrawal of labour, or total or partial cessation of work.

8 Unlawful Occupation

The Insurance by Item A (*Rent Receivable*) extends to include interruption of or interference with the *Business* in consequence of access to, or use of, the *Premises* being hindered or prevented due to the *Premises*, or any property within 250 (two hundred and fifty) metres 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;
 - c thought to contain or actually containing a harmful device;
- provided that the police are immediately informed.

The *Insurers* shall not be liable for:

- a loss arising from any cause within the control of the *Insured*;
- b loss as a result of physical loss or destruction of or damage to property;
- c 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;
- d any incident involving prevention of, hindrance of, access to or use of the *Premises* for less than 48 (forty eight) hours duration. The *Insurers* shall not be liable for any claim in excess of £100,000 unless otherwise stated in the *Schedule*.

9 Special Extension Subsidence

It is hereby understood and agreed that:

- 1 Exclusions 5 a and 5 b are deleted and of no further effect;
- 2 this Section is extended to include *Consequential Loss* caused by subsidence, landslip or ground heave of any part of the site excluding *Consequential Loss*:
 - a resulting from:
 - i collapse, cracking, shrinkage or settlement of *Buildings* or any part thereof;
 - ii coastal or river erosion;
 - iii defective design or workmanship or the use of defective materials including inadequate construction of foundations;
 - iv settlement or movement of made up ground;
 - v the normal settlement or bedding down of new structures;

- b resulting from damage to forecourts, car parks, tennis courts, swimming pools, roof gardens, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured hereunder where such an incident also affects the main structure at the *Premises* at the same time;
- c which originated prior to the inception of this cover;
- d resulting from:
 - i demolition, construction, structural alteration or repair of any *Buildings*;
 - ii groundworks or excavation;
 at the same *Premises*.

Special Conditions

- 1 It is a condition precedent to liability that the *Insured* shall notify the *Insurers* immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- 2 The *Insurers* shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

Section 2 Conditions

The following Conditions are included in this Section.

1 Cessation of Business

This Section of this Policy shall be avoided if the *Business* is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued unless this Section's continuance is agreed in writing by the *Insurers*.

2 Due Diligence

In the event of an *Incident* that may give rise to a claim under this Section, the *Insured* shall with due diligence take all steps that are reasonably practicable to avoid or minimise any interruption of or interference with the *Business*.

3 First Twelve Months Trading

In the event of a claim arising from an *Incident* occurring before the completion of the first 12 (twelve) months trading of the *Business* at the *Premises*, any terms in this Section's Definitions referring to income and outgoings during a prior period of 12 (twelve) months shall be adjusted so as to apply to the income and outgoings during the period from commencement of the *Business* to the date of the *Incident*.

4 Payments on Account

Payments on account shall be made by the *Insurers* to the *Insured* during the *Indemnity Period* if required.

5 Reinstatement of Limit

In the event of loss or losses occurring under this Section, it is hereby mutually agreed to reinstate the *Sum Insured* of the Item(s) affected to the full amount from the time of the occurrence of such loss or losses until expiry of this Insurance and that an additional premium (calculated at pro rata of the Insurance rate) from the date of such loss or losses to expiry of this Insurance, shall be paid by the *Insured* upon the amount of such loss or losses when such loss or losses is/are settled. However, the liability of the *Insurers* shall never exceed the *Sum Insured* in respect of any one loss.

Section 3 | Terrorism

The Cover

The *Insurers* shall indemnify the *Insured* against **Damage** to the **Property Insured** under Section 1 Property Damage All Risks and/or any **Consequential Loss** under Section 2 Loss of Rent Receivable All Risks, resulting therefrom insofar and to the extent that it is stated as being insured in the *Schedule* to this Section in Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 or any subsequent amending legislation and not the Isle of Man or the Channel Islands) caused by an Act of *Terrorism* certified as such by Her Majesty's Government or Her Majesty's Treasury or any successor or other relevant authority, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Limit of Liability

The liability of the *Insurers* under this Section in respect of any one *Occurrence* and in the aggregate during the *Period of Insurance* shall not exceed the Limits of Liability as stated in the *Schedule*;

and

in any action, suit or other proceedings where the *Insurers* allege that any claim hereunder is not covered by this Section of this Policy (or is covered only up to a Limit of Liability as stated in the *Schedule*), the burden of proving that such claim hereunder is covered (or is covered beyond that Limit of Liability) shall be upon the *Insured*.

Section 3 Conditions

The Insurance provided by this Section shall be subject to all limits, terms, conditions and exclusions of this Policy except that the following shall not apply:

- 1 any long term agreement or undertaking;
- 2 any terms in the Policy which provide for adjustments of premium based upon declarations on expiry or during the *Period of Insurance*;
- 3 any extension of *Premises* to locations outside England and Wales and Scotland;
- 4 any General or Section Exclusions elsewhere in this Policy (other than those stated as Section 3 Exclusions).

Section 3 Exclusions

This Section does not cover any claim of whatsoever nature directly or indirectly caused by or occasioned by or happening through or in consequence of:

- 1 Chemical, biological or radioactive contamination from:
 - a the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - b ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
 - c chemical and/or biological and/or radiological irritants contaminants or pollutants;in respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual.
- 2 Riot, civil commotion, war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or seizure or destruction of or damage to property by or under the order of any Government or public or local authority.
- 3 Arising out of Marine, Aviation, Transit and Motor Certificates or Policies.
- 4 Electronic, digital or cyber risks that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
 - a damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof, whether tangible or intangible (including but without limitation any information or *Programmes* or *Software*) and whether the property of the *Insured* or not, where such damage is caused by *Virus* or *Similar Mechanism* or *Hacking* or *Denial of Service Attack*;or
 - b consequential loss directly or indirectly caused by or arising from *Virus* or *Similar Mechanism* or *Hacking* or *Denial of Service Attack*.

Section 4 | Employers' Liability

The Cover

The *Insurers* shall indemnify the *Insured* and any *Additional Insured*:

- 1 against legal liability for damages and claimant's costs and expenses in respect of *Injury* sustained by any *Person Employed* caused during the *Period of Insurance* within the *Territorial Limits* and arising out of and in the course of employment by the *Insured* in the *Business*;
- 2 in respect of *Legal Costs* in connection with any *Event* which is or may be the subject of indemnity under 1 above.

The *Insurers* shall not indemnify the *Insured* in respect of any judgement, award or settlement made in any country or territory outside Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or in respect of any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part unless the *Insured* has requested that there shall be no such limitation and has accepted the limits, terms, conditions and exclusions offered by the *Insurers* in granting such cover, which offer and acceptance must be signified by an Endorsement attaching to this Policy.

Limit of Liability

Irrespective of:

- 1 the number of parties and/or entities entitled to indemnity;
- 2 the number of claimants;

the liability of the *Insurers* under this Section including all Extensions in respect of or arising from any one claim or series of claims against the *Insured* arising out of one *Event* shall not exceed the Limit of Liability as stated in the *Schedule*.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Section provides cover against legal liability for damages and claimant's costs and expenses in respect of *Injury* sustained by *Persons Employed* caused as a result of *Terrorism* during the *Period of Insurance* within the *Territorial Limits* up to a limit of £5,000,000 in respect of any one *Event*.

Section 4 Exclusions

This Section shall not apply to legal liability for damages and claimant's costs and expenses and/or *Legal Costs* in respect of:

1 Road Traffic Legislation

Injury for which the *Insured* is required to arrange motor insurance or security in accordance with any road traffic legislation within the *Territorial Limits*.

2 Offshore Work

Injury sustained by any *Person Employed* whilst *Offshore*.

Section 4 Extension

The following Extension shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Unsatisfied Court Judgements

If a judgement for damages obtained:

- 1 by any *Person Employed* or the personal representative(s) of any *Person Employed* in respect of *Injury* sustained by the *Person Employed* caused during the *Period of Insurance* and arising out of and in the course of employment by the *Insured* in the *Business*;
- 2 against any company, partnership or limited liability partnership or individual operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;

in any court within the territories specified in 2 above remains unsatisfied in whole or in part 6 (six) months after the date of such judgement, then at the request of the *Insured* the *Insurers* shall pay to the *Person Employed* or the personal representative(s) of the *Person Employed* the amount of any such damages and any awarded costs and expenses (but excluding any interest which may accrue after the day of judgement) to the extent that they remain unsatisfied provided that there is no appeal outstanding against the judgement.

Any payment made by the *Insurers* under the terms of this Extension shall be conditional on the *Person Employed* or the personal representative(s) of the *Person Employed* assigning the benefit of the unsatisfied amount of the judgement and awarded costs and expenses to the *Insurers* and giving all information and assistance required.

Section 4 Condition

The indemnity granted by Section 4 of this Policy is deemed to be in accordance with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to the compulsory insurance of legal liability to employees. The *Insured* shall repay to the *Insurers* all sums paid under this Policy which the *Insurers* would not have been liable to pay but for the provisions of such legislation.

Section 5 | Property Owners Liability

Sub-Section 5A Public Liability

The Cover

The *Insurers* shall indemnify the *Insured* and any *Additional Insured*:

- 1 against legal liability for damages and claimant's costs and expenses in respect of:
 - a accidental *Injury* sustained by any person;
 - b accidental *Damage to Property*;
 - c accidental *Nuisance*;occurring during the *Period of Insurance* within the *Territorial Limits* in connection with the *Business*;
- 2 in respect of *Legal Costs* in connection with any *Event* which is or may be the subject of indemnity under 1 above.

Limit of Liability

- 1 Irrespective of:
 - a the number of parties and/or entities entitled to indemnity;
 - b the number of claimants;the liability of the *Insurers* under this Sub-Section including all Extensions in respect of any one *Event* shall not exceed the Limit of Liability as stated in the *Schedule*.
- 2 *Legal Costs* payable by the *Insurers* shall be paid in addition to the Limit of Liability unless otherwise stated in the *Schedule*, provided that:
 - a if a payment of damages and/or claimant's costs and expenses exceeding the Limit of Liability has to be made by the *Insured* to settle any claim;
 - and
 - b the *Insurers* are liable to pay *Legal Costs* in addition to the Limit of Liability;then the liability of the *Insurers* for *Legal Costs* shall be limited to such proportion as the Limit of Liability bears to the amount paid by the *Insured* in settlement of such claim. Nothing contained in this clause shall be construed to vary or override Condition 2 of Sections 4 and 5 of this Policy.

However, in respect of any liability subject to the jurisdiction of any Court of Law in the United States of America or Canada, their territories or possessions, and any judgement, award, order or settlement in any such Court or orders for enforcement of judgement, award, order or settlement made elsewhere by way of reciprocal agreement, convention or otherwise, including any order made anywhere in the world to enforce such judgement, award, order or settlement either in whole or in part, the Limit of Liability as stated in the *Schedule* is inclusive of *Legal Costs*.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Sub-Section provides cover against legal liability for damages and claimant's costs and expenses and *Legal Costs* in respect of *Injury* sustained by any person, other than a *Person Employed*, and *Damage to Property* directly or indirectly caused by or contributed to by or arising from *Terrorism* occurring during the *Period of Insurance* within the *Territorial Limits* up to a limit of £2,000,000 in respect of any one *Event* or the amount of the Limit of Liability as stated in the *Schedule*, whichever is the lower.

Sub-Section 5A Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Sub-Section and the Policy.

1 Cross Liabilities

If the *Insured* comprises more than one party and/or entity the *Insurers* shall indemnify each in the same manner and to the same extent as if a separate Policy had been issued to each.

Provided that the liability of the *Insurers* shall not exceed the Limit of Liability stated in the *Schedule* regardless of the number of parties and/or entities entitled to indemnity.

2 Contingent Motor Liability

Notwithstanding Sub-Section Exclusion 4, the *Insurers* will indemnify the *Insured* (and no other) against legal liability for damages and claimant's costs and expenses arising out of the use and in the course of the *Business* of any mechanically propelled vehicle not the property of nor provided by the *Insured*.

This Extension shall not apply to legal liability for damages and claimant's costs and expenses:

- a arising while such vehicle is being driven by the *Insured* or any *Additional Insured* other than any *Person Employed*;
- b in respect of loss of or damage to such vehicle or to any property conveyed therein;
- c arising out of the use of any such vehicle owned or provided by any principal for whom the *Insured* is working or any subcontractor acting for or on behalf of the *Insured*;
- d arising outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands;
- e notwithstanding Condition 3 to Sections 4 and 5, where indemnity is provided by any other insurance;
- f caused or arising whilst such vehicle is engaged in racing, pace-making, reliability trials or speed testing;
- g caused or arising whilst such vehicle is being driven with the general consent of the *Insured* or his representative by any person who to the knowledge of the *Insured* or other such representative does not hold a licence to drive such a vehicle, unless such person has held and is not disqualified from holding or obtaining such a licence.

3 Movement of Obstructing Vehicles

Sub-Section Exclusion 4 shall not apply to liability caused by or arising from any vehicle (not owned or hired by or lent to the *Insured*) being driven by the *Insured* or by any *Person Employed* with the *Insured's* permission whilst such vehicle is being moved for the purpose of allowing free movement of any vehicle owned, hired by or lent to the *Insured* or any *Person Employed*,

provided that:

- 1 all movements are limited to vehicles parked on or obstructing the *Premises*;
- 2 the vehicle causing obstruction will not be driven by any person unless such person is competent to drive the vehicle;
- 3 the vehicle causing obstruction is driven by use of the owner's ignition key;
- 4 the *Insurers* shall not provide indemnity against liability:
 - a in respect of *Damage* to such vehicle;
 - b in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle.

4 Overseas Personal Liability Indemnity

The *Insurers* shall indemnify the *Insured* and if the *Insured* so requests any director or partner of the *Insured* or *Person Employed* against legal liability for damages and claimant's costs and expenses incurred in a personal capacity while temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man but excluding any country or territory which operates under the law of the United States of America or Canada in connection with the *Business*.

This Extension will not apply to legal liability for damages and claimant's costs and expenses:

- a arising out of the ownership or occupation of land or buildings;
- b notwithstanding Condition 3 to Sections 4 and 5, where indemnity is provided by any other insurance.

5 Data Protection

The *Insurers* shall indemnify the *Insured* and if the *Insured* so requests any director or partner of the *Insured* or *Person Employed* against legal liability for damages and claimant's costs and expenses arising out of any claim under Section 13 of the Data Protection Act 1998 or any subsequent amending legislation first made against the *Insured* during the *Period of Insurance*. For the purposes of this Extension only damage and/or distress within the meaning of such Act shall be deemed to be *Injury* provided that the *Insured*:

- a is registered in accordance with the terms of such Act or has applied for registration, which has not been refused or withdrawn;
- b has taken all reasonable care to comply with the requirements of such Act.

This Extension shall not apply to:

- i the costs of replacing, reinstating, rectifying or erasing data;
- ii legal liability for damages and claimant's costs and expenses arising from or caused by any deliberate act or omission of the *Insured* or any person entitled to indemnity if the result thereof could reasonably have been expected by the *Insured* or such other person having regard to the nature and circumstances of such act or omission;
- iii fines or penalties of any kind;

- iv claims arising out of circumstances notified to previous insurers or known to the *Insured* at the inception of this Policy;
- v legal liability for damages and claimant's costs and expenses in respect of which indemnity is provided by any other insurance.

6 Defective Premises Act

The *Insurers* shall indemnify the *Insured* against damages and claimant's costs and expenses arising out of legal liability in respect of accidental *Injury* or accidental *Damage to Property* incurred by the *Insured* by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises disposed of by the *Insured*.

This Extension will not apply to legal liability:

- a for the costs of remedying any defect or alleged defect in premises disposed of by the *Insured*;
- b notwithstanding Condition 3 to Sections 4 and 5, where indemnity is provided by any other insurance.

7 Indemnity to Principals

The Definition of *Additional Insured* extends to include any Principal for whom the *Insured* is carrying out a contract but only to the extent required by such contract and only if the *Insured* would have been entitled to indemnity under this Policy notwithstanding such a contract provided that the Principal will comply with and be subject to all terms, conditions and exclusions in this Policy and the full conduct and control of all claims is vested in the *Insurers*.

8 Wrongful Arrest

This Sub-Section is extended to include the *Insured's* liability arising out of wrongful detention, false or malicious arrest, malicious prosecution or false imprisonment arising out of any accusation of shoplifting, theft, dishonesty or other improper conduct by any person and occurring on or about the *Premises*.

Sub-Section 5A Exclusions

This Sub-Section shall not apply to legal liability for damages and claimant's costs and expenses and/or *Legal Costs*:

1 Injury Sustained by Persons Employed

for *Injury* sustained by any *Person Employed* arising out of and in the course of employment by the *Insured* in the *Business*.

2 Products

directly or indirectly caused by, arising from or in connection with any *Products* (other than food or drink for consumption on the *Insured's* *Premises*).

3 Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*.

4 Vehicles

arising out of the ownership, possession or use of any mechanically propelled vehicle by or on behalf of the *Insured* in circumstances where insurance or security is required under the provisions of any road traffic legislation but this Exclusion shall not apply to:

- a mechanical plant while operating as a tool of trade;
 - b the loading or unloading of any vehicle;
- except in respect of legal liability for which:
- i insurance or security is required by law;
 - ii indemnity is provided by any motor insurance contract.

5 Vessels and Craft

arising out of the ownership, possession or use by or on behalf of the *Insured* of any vessel or craft designed to travel in, on or through water and/or air and/or space but this Exclusion shall not apply to waterborne craft not exceeding 4 (four) metres in length in inland or United Kingdom territorial waters.

6 Property in the Care, Custody or Control of the Insured

in respect of *Damage to Property* which at the time of the *Event* giving rise to such liability is the property of or held in trust by or in the care, custody or control of the *Insured* or any *Person Employed* other than:

- a personal effects including vehicles and their contents of any *Person Employed* or any director or partner of or visitor to the *Insured*;
- b premises including their contents not owned by or leased or rented to the *Insured* but temporarily occupied by the *Insured* for the purposes of undertaking work in connection with the *Business*;
- c premises and their fixtures and fittings leased or rented to the *Insured* provided that where such liability has been accepted by agreement, indemnity shall only be provided by the *Insurers* to the extent that such liability would have attached in the absence of the

said agreement.

7 Work Offshore

arising from or in connection with any work undertaken *Offshore*.

8 War

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

9 Cyber Liabilities

in respect of any claim or loss:

- a arising from loss, alteration or impairment of, or damage to, information and/or data in electronic form;
- b arising from malicious acts of any person carried out by electronic means;
- c for defamation or harassment carried out by electronic means;

but this Exclusion shall not apply in respect of liability for any ensuing accidental *Injury* (save for mental injury or mental disease) or *Damage to Property* which is not otherwise excluded.

Sub-Section 5B Products Liability

The Cover

The *Insurers* shall indemnify the *Insured* and any *Additional Insured*:

1 against legal liability for damages and claimant's costs and expenses in respect of:

- a accidental *Injury* sustained by any person;
- b accidental *Damage to Property*;

happening during the *Period of Insurance* and caused by any *Products*;

2 in respect of *Legal Costs* in connection with any *Event* which is or may be the subject of indemnity under 1 above.

Limit of Liability

1 Irrespective of:

- a the number of parties and/or entities entitled to indemnity;
- b the number of claimants;

the liability of the *Insurers* under this Sub-Section including all Extensions in respect of any one *Event* and in the aggregate shall not exceed the Limit of Liability as stated in the *Schedule* and in the aggregate.

2 *Legal Costs* payable by the *Insurers* shall be paid in addition to the Limit of Liability unless as otherwise stated in the *Schedule*, provided that:

- a if a payment of damages and/or claimant's costs and expenses exceeding the Limit of Liability has to be made by the *Insured* to settle any claim;
- and
- b the *Insurers* are liable to pay *Legal Costs* in addition to the Limit of Liability;

then the liability of the *Insurers* for *Legal Costs* shall be limited to such proportion as the Limit of Liability bears to the amount paid by the *Insured* in settlement of such claim. Nothing contained in this clause shall be construed to vary or override Condition 2 of Sections 4 and 5 of this Policy.

However, in respect of any liability subject to the jurisdiction of any Court of Law in the United States of America or Canada, their territories or possessions, and any judgement, award, order or settlement in any such Court or orders for enforcement of judgement, award, order or settlement made elsewhere by way of reciprocal agreement, convention or otherwise, including any order made anywhere in the world to enforce such judgement, award, order or settlement either in whole or in part, the Limit of Liability as stated in the *Schedule* is inclusive of *Legal Costs*.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Sub-Section provides cover against legal liability for damages and claimant's costs and expenses and *Legal Costs* in respect of *Injury* sustained by any person, other than a *Person Employed*, and *Damage to Property* directly or indirectly caused by or contributed to by or arising from *Terrorism* occurring during the *Period of Insurance* within the *Territorial Limits* up to a limit of £2,000,000 or the amount of the Limit of Liability as stated in the *Schedule*, whichever is the lower.

Sub-Section 5B Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Sub-Section and the Policy.

1 Consumer Protection Act and Food Safety Act Legal Defence Costs

The *Insurers* shall indemnify the *Insured* and, if the *Insured* so requests, any *Person Employed* or any director or partner of the *Insured* in respect of *Legal Costs* incurred with the written consent of the *Insurers* in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of:

- a Part 2 of the Consumer Protection Act 1987; or
- b Part 2 of the Food Safety Act 1990;

arising out of the *Business*.

This Extension will not apply:

- a to fines or penalties of any kind;
- b to proceedings consequent upon any deliberate act or omission by:
 - i the *Insured*; or
 - ii any partner or director or *Person Employed* of the *Insured*;

which could reasonably have been expected to constitute a breach of applicable legislation having regard to the nature and circumstances of such act or omission;

- c notwithstanding Condition 3 to Sections 4 and 5, where indemnity is provided by any other insurance.

For the purposes of this Extension, *Products* shall be deemed to include food or drink for consumption on the *Insured's Premises*.

2 Cross Liabilities

If the *Insured* comprises more than one party and/or entity the *Insurers* shall indemnify each in the same manner and to the same extent as if a separate Policy had been issued to each provided that the liability of the *Insurers* shall not exceed the Limit of Liability stated in the *Schedule* regardless of the number of parties and/or entities entitled to indemnity.

Sub-Section 5B Exclusions

This Sub-Section shall not apply to legal liability for damages and claimant's costs and expenses and/or *Legal Costs*:

1 Products

- a in respect of loss of or damage to any *Products* caused by any defect therein or the unsuitability thereof for its intended purpose;
- b in respect of the costs of recall, removal, repair, alteration, reconditioning, replacement, reinstatement, reduction in value or making any refund in respect of any *Products* caused or necessitated by the defective condition or unsuitability of any *Products* or part of such *Products* to fulfil its intended purpose;

2 Aircraft and Marine Products

arising from or in connection with any *Products* which to the knowledge of the *Insured* is or are for use in or incorporation into any craft designed to travel in, on or through air or space or in the safety or navigation of marine craft of any sort;

3 Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*;

4 Contractual Liability

in respect of liability assumed under contract or agreement which would not have attached in the absence of such contract or agreement;

5 Food and Drink

directly or indirectly caused by, arising from or in connection with food or drink for consumption on the *Insured's Premises*;

6 North American Products

in connection with any *Products* which to the knowledge of the *Insured* are directly or indirectly exported to the United States of America or Canada;

7 War

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

Sections 4 and 5 Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of Sections 4 and 5 and the Policy.

1 Corporate Manslaughter Legal Defence Costs

The indemnity provided under Sections 4 and 5 of this Policy is extended to indemnify the *Insured* and if the *Insured* so requests any *Person Employed* or director or partner of the *Insured* in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide including an offence under the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation provided that an offence is alleged to have been committed during the *Period of Insurance* in the course of the *Business*.

The *Insurers* shall be entitled but not obliged to assume the conduct of the defence of any criminal proceedings in respect of which an indemnity is provided under this Extension.

The indemnity provided under this Extension shall not exceed £2,500,000 any one claim and in the aggregate for all claims during any one *Period of Insurance*.

However the total liability of the *Insurers* under Sections 4 and 5 of this Policy, inclusive of this Extension, shall not exceed the Limit(s) of Liability as stated in the *Schedule*.

This Extension shall not apply:

- a to fines or penalties of any kind;
- b where indemnity is provided by any other Insurance.

2 Health and Safety at Work Legal Defence Costs

Subject to the written consent and the control of the *Insurers*, the *Insurers* shall indemnify the *Insured* and if the *Insured* so requests any *Person Employed* or director or partner of the *Insured* in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of any Applicable Legislation provided that an offence is alleged to have been committed during the *Period of Insurance* in the course of the *Business*.

This Extension shall not apply to:

- a fines or penalties of any kind;
- b proceedings consequent upon any deliberate act or omission by:
 - i the *Insured*; or
 - ii any partner, director or *Person Employed* of the *Insured*;

which could reasonably have been expected to constitute a breach of the Applicable Legislation having regard to the nature and circumstances of such act or omission;

- c where indemnity is provided by any other Insurance.

For the purposes of this Extension "Applicable Legislation" shall mean:

- i the Health and Safety at Work etc Act 1974 and any amending and/or subsequent legislation;
- ii the Health and Safety at Work (Northern Ireland) Order 1978 and any amending and/or subsequent legislation.

3 Compensation for Court Attendance

If at the request of the *Insurers* any director or partner of the *Insured* or any *Person Employed* shall attend court as a witness in connection with a claim in respect of which the *Insured* is entitled to indemnity under these Sections the *Insurers* shall provide compensation to the *Insured* at the following rates per day for each day on which attendance is required.

| | |
|---|------|
| Any director or partner of the <i>Insured</i> | £500 |
| Any other <i>Person Employed</i> | £250 |

Section 5 Extension

The following Extension shall apply, subject always to the limits, terms, conditions and exclusions of Section 5 and the Policy.

1 Pollution or Contamination

Notwithstanding Exclusion 3 of Sub-Section 5A and Exclusion 3 of Sub-Section 5B the *Insurers* will indemnify the *Insured* and any *Additional Insured* against legal liability for damages and claimant's costs and expenses in respect of *Pollution or Contamination* within the *Territorial Limits* in connection with the *Business* provided always that:

- a *Pollution or Contamination* is caused by a sudden, identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place during the *Period of Insurance*;

- b** no indemnity shall be provided in respect of activities commenced by or on behalf of the *Insured* prior to inception of the *Period of Insurance* or any period of continuous Insurance prior to inception of the *Period of Insurance* placed under QBE Insurance (Europe) Limited.

All *Pollution or Contamination* which arises out of a sudden, identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place during the *Period of Insurance* shall be deemed by the *Insurers* for the purposes of this Policy to have been caused at the time such happening takes place.

The total liability of the *Insurers* for all events agreed by the *Insurers* to have happened during the *Period of Insurance* in respect of *Pollution or Contamination* shall not exceed the Limit of Liability specified in the *Schedule* for Sub-Section 5A in the aggregate for Sub-Sections 5A and 5B in respect of the *Period of Insurance*, inclusive of *Legal Costs*.

Section 5 Exclusions

Section 5 of this Policy shall not apply to legal liability:

1 Professional Services

arising from or in connection with:

- a** advice;
- b** design;
- c** specification;

provided for a fee.

2 Employment Practice Liability

directly or indirectly occasioned by, happening through or in consequence of any claim for breach of employment contract in relation to the hiring, supervision, retention and/or personal development of any director or partner of the *Insured* and/or *Persons Employed* howsoever arising.

Sections 4 and 5 Conditions

1 Excess

No indemnity shall be provided until the applicable *Excess* for any claim has been paid to and received by the *Insurers*.

2 Discharge of Liability

In respect of any claim(s) against the *Insured* to which a Limit of Liability applies, the *Insurers* may at any time pay the amount of such Limit after deduction of any sums already paid or incurred or any lesser amount for which at the absolute discretion of the *Insurers*, such claim(s) can be settled. The *Insurers* shall relinquish control of the said claim(s) and be under no further liability in respect thereof except for *Legal Costs* for which the *Insurers* may be responsible prior to the date of such payment unless the Limit of Liability is inclusive of *Legal Costs*.

3 Other Insurances

If at the time of any claim(s) covered by this Policy there is, or but for the existence of this Policy would be any other insurance covering the same legal liability the indemnity afforded by this Policy will not apply except in respect of any amount beyond that which would have been payable under such other insurance had this Policy not been effected and shall be subject to the Limit of Liability as stated in the *Schedule*.

4 Bona Fide Subcontractors

The *Insured* shall as a condition precedent to liability in every instance ensure and keep a record that bona fide subcontractors maintain Employers' Liability insurance, where required by statute, and Public and Products Liability insurances for not less than the Limit of Liability in respect of each such Section as stated in the *Schedule*.

Sections 4 and 5 Exclusions

Sections 4 and 5 of this Policy shall not apply to legal liability:

1 Radioactive Contamination

directly or indirectly caused by or contributed to, by or arising from:

- a** ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b** the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

- c the radioactive, toxic, explosive or other hazardous or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

but in respect of Section 4 only, this Exclusion shall apply only where such legal liability is:

- i that of any principal;
- ii accepted under agreement and would not have attached in the absence of such agreement.

2 Punitive and Exemplary Damages

for punitive, exemplary or aggravated damages or any damages

resulting from the multiplication of compensatory damages or any similar compensation ordered by the Courts.

3 Fines, Liquidated Damages, Penalty Clauses and Performance Warranties

for fines, liquidated damages, penalty clauses or performance warranties.

4 Defamation

in respect of any form of defamation.

5 Excess

for the amount of the *Excess* for each Operative Section.

6 North American Pollution or Contamination

directly or indirectly caused by or arising from *Pollution or Contamination* in the United States of America or Canada.

7 North American Companies

arising from or in connection with any company domiciled or registered in the United States of America or Canada or their territories or possessions.

8 Inhalation of Asbestos

directly or indirectly caused by or contributed to, by or arising from the handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre.

However, where such activities do not form any part of the *Insured's* normal activities this Exclusion shall not apply to legal liability arising from:

- a the accidental discovery of materials known or suspected to be asbestos or to contain asbestos fibre;
- b the investigation of any such suspect materials;

provided always that:

- i immediately upon discovery as defined in **a** above all work ceases until the composition of all such materials is established;
- ii any subsequent handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre requiring licence is carried out by qualified licensed subcontractors on terms which indemnify the *Insured* for liability arising out of such work.

General Conditions

The following General Conditions shall apply to all Sections of this Policy unless stated otherwise:

Continuing Obligations:

1 Alteration

This Policy shall be voided if after the inception of the *Period of Insurance* there is any alteration:

- a by removal; or
 - b whereby the risk of *Damage, Injury* or legal liability is increased; or
 - c whereby the *Insured's* interest ceases except by will or operation of law; or
 - d whereby the *Business* of the *Insured* is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
 - e any change is made in the description of the *Business*;
- unless such alteration has been accepted by the *Insurers* in writing.

2 Average (Underinsurance) (applicable to Sections 1 and 3 only)

Whenever a *Sum Insured* is declared to be subject to Average, if at the time of any *Damage* such *Sum Insured* is less than the total value of such property, then the *Insured* shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

3 Computer Records

It is a condition precedent to liability that the *Insured* shall maintain a minimum of 2 (two) generations of backup *Computer Records* and *Software* taken at intervals no less frequently than 7 (seven) days, one copy as a minimum being held off site.

4 Fire Protections (applicable to Sections 1 to 3 only)

In respect of *Buildings* occupied by the *Insured* or for which the security is the direct responsibility of the *Insured* or the *Insured's* agents:

Fire Alarms

It is a condition precedent to liability that where the *Insurers* require that the *Premises* are protected by an automatic fire alarm installation the *Insured* will:

- a carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed;
- b carry out the maintenance procedures specified by the manufacturers of the equipment;
- c notify the *Insurers* immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 (twelve) hours or more;
- d record details of all events such as alarm faults, tests, maintenance and disconnections and keep such details available for examination by the *Insurers'* representatives.

Fire Break Doors and Shutters

It is a condition precedent to liability that where required by the *Insurers*, all fire break doors and shutters shall be kept closed except during working hours and shall be maintained in efficient working order.

Sprinkler Maintenance

It is a condition precedent to liability that where the *Insurers* require that the *Premises* are protected by an automatic sprinkler system, and the system is under the control of the *Insured*, the system is:

- a maintained in good working order;
- b in full and effective operation unless otherwise agreed by the *Insurers*;
- c under a contract for maintenance and half yearly inspections with engineers approved by the *Insurers* and any defects, faults or shortcomings revealed by such tests are immediately rectified unless otherwise agreed by the *Insurers*;
- d tested by the *Insured* in accordance with the *Insurers'* requirements and the Sprinkler Test card provided by them;

throughout the currency of this Policy.

5 Interpretation

In this Policy:

- a reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- b reference to any statutory or other body shall include the successor to that body;
- c words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing any gender shall include all genders;
- d if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- e the headings are for reference only and shall not be considered when determining the meaning of this Policy.

6 Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.

working day:

7 Precautions and Reasonable Care

It is a condition precedent to liability that the *Insured* shall take all reasonable precautions:

- a for the safety of and to avoid, prevent or minimise any *Damage* to the *Property Insured*;
- b to avoid, prevent or minimise any injury to others or damage to their property;

which might give rise to a claim under this Policy.

It is a condition precedent to liability that the *Insured* shall also:

- a comply with all statutory and other obligations and regulations imposed by any authority;
- b maintain the *Premises*, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair;
- c exercise reasonable care in the selection and supervision of *Persons Employed* and in the employment of competent staff;
- d in the event of discovery of any defect or danger immediately cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

8 Security (applicable to Sections 1 to 3 only)

Intruder Alarm System

It is a condition precedent to liability in respect of loss or damage following entry or attempted entry into or exit from the *Premises* by forcible and violent means that where the *Insurers* require that the *Premises* are protected by an *Intruder Alarm System* whilst the *Premises* are unattended and where the *Intruder Alarm System* is under the control of the *Insured*:

- a the *Premises* are protected by an *Intruder Alarm System* and means of communication used to transmit signals from such an *Intruder Alarm System* designed, installed and maintained as agreed with the *Insurers*;
- b the *Protected Premises* shall not be left without at least one *Responsible Person* in attendance without the agreement of the *Insurers*:
 - i unless the *Intruder Alarm System* is set in its entirety with all means of communication used to transmit signals in full operation;
 - ii if the police have withdrawn their response to alarm calls;
- c in the event of notification of any activation of the *Intruder Alarm System* or interruption of any means of communication during any period that the *Intruder Alarm System* is set, a *Keyholder* shall attend the *Premises* as soon as reasonably possible, in order to confirm the security of the *Premises* and reset the *Intruder Alarm System* in its entirety. If the *Intruder Alarm System* cannot be reset in its entirety or all the means of communication used to transmit signals are not in full operation, a *Keyholder* must remain at the *Premises* unless agreed in writing with the *Insurers*;
- d the *Insured* shall advise the *Insurers* as soon as possible, and in any event not later than 10.00am on the *Insurers'* next

- i that police attendance in response to alarm signals/calls from the *Intruder Alarm System* may be withdrawn or the level of response reduced or delayed;
- ii of notice from a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
- iii that the *Intruder Alarm System* and the means of communication used to transmit signals from such installation cannot be returned to or maintained in full working order;

and the *Insured* shall comply with any subsequent requirements stipulated by the *Insurers*;

- e no alteration or substitution of:
 - i any part of the *Intruder Alarm System*;
 - ii the structure of the *Premises* or changes to the layout of the *Premises* which would affect the effectiveness of the *Intruder Alarm System*;
 - iii the means of communication used to transmit signals from the *Intruder Alarm System*;
 - iv the procedures agreed with the *Insurers* for police or any other response to any activation of the *Intruder Alarm System*;
 - v the maintenance contract;

shall be made without the written agreement of the *Insurers*;

- f the *Insured* shall maintain a secrecy of codes and security of keys and setting/unsetting devices for the operation of the *Intruder Alarm System*. All keys and other setting/unsetting devices for the *Intruder Alarm System* must be removed from the *Premises* when they are left unattended;
- g the *Intruder Alarm System* shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with the *Insurers*;
- h the *Insured* shall appoint at least two *Keyholders* and lodge written details (which must be kept up to date) with the alarm company, and with the police if they so require.

Protections

It is a condition precedent to liability that where under the control of the *Insured*:

- a all protections in force at the *Premises* at the inception of this Insurance or subsequently as stipulated by or agreed by the *Insurers* shall be in full operation securing the *Premises* whenever the *Premises* are closed outside *Business Hours*;
- b any keys for the *Premises* and/or *Intruder Alarm Systems* and/or safes and/or strongrooms and/or any other secured area or device in which the *Property Insured* is kept are removed from the *Premises* outside *Business Hours*;
- c the *Insured* maintains the secrecy of codes for the operation of the *Intruder Alarm System* to authorised persons and no details of the same are left on the *Premises*.

9 Unoccupied Buildings

It is a condition precedent to liability that immediate notice shall be given to the *Insurers* when any *Buildings* or portion thereof become(s) *Unoccupied* or any *Unoccupied Buildings* or portion thereof becomes occupied and the *Insurers* shall have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which shall be paid by the *Insured* if required.

Unoccupied Premises Conditions

It is a condition precedent to the liability of the *Insurers* under this Policy that in respect of any *Unoccupied Premises*:

- a the mains supply services are switched off and the water system is drained whenever the *Premises* are vacated other than:
 - i the circuit(s) of the electricity supply which is/are needed to maintain any fire or *Intruder Alarm System* in operation;
 - ii mains services which are needed to maintain any sprinkler systems in full working order and in these circumstances heating must be maintained in the *Premises* at a minimum temperature of 5 (five) degrees Centigrade;
- b the *Premises* are inspected thoroughly both internally and externally at least once every 14 (fourteen) consecutive days, unless otherwise notified in writing by the *Insurers*, by the *Insured*, employees of the *Insured* or the authorised representatives of the *Insured* and:
 - i a record is maintained of such inspections;
 - ii all defects in maintenance and security are rectified immediately;
 - iii accumulations of combustible materials, such as junk mail, in and around the *Premises* are removed during inspection;
- c all windows and doors to the *Premises* are secured against illegal entry by good quality locks and other security measures, all of which are in operation, and all unnecessary doors and windows at ground and, if accessible, at first floor levels are bricked up or boarded over;
- d all letter boxes are sealed to prevent insertion of any materials or liquids;
- e the perimeter fences, walls and gates are maintained in good repair;
- f there is no refurbishment, renovation or alteration work carried out unless agreed by the *Insurers*;

throughout the *Period of Insurance* unless otherwise agreed by the *Insurers*.

10 Warranties

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole *Period of Insurance* and non-compliance with any such warranty in so far as it increases the risk of loss, *Injury* or *Damage* shall be a bar to any claim. Provided that if this Policy is renewed, a claim occurring during the renewal period shall not be barred by

reason of a warranty not having been complied with at any time before the commencement of such *Period*.

In the Event of a Claim

11 Notification of any incident which may give rise to a claim:

Action by the Insured in respect of Sections 1 to 3 inclusive

It is a condition precedent to liability that if any incident occurs which may give rise to a claim under the Policy the *Insured* shall:

- a give immediate notice to:
 - i the Police Authority in respect of any theft, attempted theft, riot, malicious damage, accidental loss or act of *Terrorism* (if and to the extent that *Terrorism* is insured by this Policy);
 - ii the *Insurers* via the dedicated 24 (twenty-four) hour **QBE Claims Line** on **0845 266 5252**; and
- b within:
 - i 7 (seven) days in the case of *Damage* caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
 - ii 30 (thirty) days of the expiry of the *Indemnity Period* in respect of a claim under Section 2 of this Policy;
 - iii 30 (thirty) days of the occurrence of any other event;

supply at its own expense full details of the claim in writing together with any supporting information, receipts and proofs which the *Insurers* may reasonably require and no claim shall be paid until the *Insured* has complied with this paragraph.

Action by the Insured in respect of Sections 4 and 5

It is a condition precedent to liability that if any incident occurs which may give rise to a claim under the Policy the *Insured* shall:

- a give immediate notice to the *Insurers* via the dedicated 24 (twenty-four) hour **QBE Claims Line** on **0845 266 5252**; and
- b as soon as reasonably practicable following notification of the incident supply at its own expense full details of the incident in writing at the address given below and shall give all such additional information as the *Insurers* may require. Every letter of claim, writ, summons or process and all documents relating thereto and any other written notification of claim shall be forwarded unanswered to the *Insurers* immediately they are received.

The *Insured* shall at all times in addition to its obligations set out above afford such information to and co-operation with the *Insurers* or their appointed agents to allow the *Insurers* to be able to comply with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Lord Chief Justice.

The *Insurers* shall be entitled (either before or after any payment under this Policy) to take over at their own expense the absolute control and conduct of any negotiation, proceeding or settlement of any claim in the name of and on behalf of the *Insured*. The *Insured* shall not admit liability or make any offer or promise of payment without the prior written consent of the *Insurers*.

The *Insured* shall keep adequate business records and shall give such information and assistance as the *Insurers* may reasonably require to substantiate a claim or deal with a third party claim.

Claims correspondence notification address:

QBE Insurance (Europe) Limited

QBE Claims Team,
PO Box 321
Cardiff CF11 1SN

Telephone: 0845 266 5252

Fax: 0845 601 7522

Email: pcmclaims@uk.qbe.com

12 Claims Co-operation

The *Insured* will provide all help and assistance and co-operation required by the *Insurers* in connection with any claim.

13 Action to Minimise Loss

It is a condition that if any incident occurs which may give rise to a claim under the Policy the *Insured* shall take action to minimise the loss or damage, to avoid interruption or interference with the *Business* and to prevent further damage or injury.

14 Arbitration (applicable to Sections 1 to 3 only)

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions being in force at that time. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the *Insurers*.

15 Contribution (applicable to Sections 1 to 3 only)

If at the time of any claim(s) covered by this Policy there shall be any other insurance covering the same risk or part thereof the *Insurers* shall not be liable for more than their rateable proportion thereof.

If any such other insurance be subject to any condition of Average, this Policy, if not already subject to any such condition of Average, shall be subject to Average in like manner.

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy, either in whole or in part, or from contributing rateably, the liability of the *Insurers* shall be limited to that proportion of the *Damage* which the *Sum Insured* under this Policy bears to the value of the property.

16 Fraud

If any claim made under this Policy by the *Insured* or anyone acting on behalf of the *Insured* is fraudulent or intentionally exaggerated or if any false declaration or statement shall be made in support thereof, all benefit under this Policy shall be forfeited.

17 Insurers' Rights following a Claim

On the happening of any event in respect of which a claim is or may be made under this Policy, the *Insurers* (and every person authorised by them) shall have the right, without thereby incurring any liability or diminishing their right to rely on any condition of this Insurance, to enter the *Premises* where the event has occurred, and to take and keep possession of any of the *Property Insured* (or require it to be delivered to them), and to deal with any salvage in a reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition have been complied with. No property may be abandoned to the *Insurers*, whether taken possession of by them or not.

This Condition shall be evidence of permission from the *Insured* to the *Insurers* so to do. If the *Insured* or anyone acting on behalf of the *Insured* shall not comply with the requirements of the *Insurers* or shall hinder or shall obstruct the *Insurers* in doing any of the above mentioned acts then all benefit under this Policy shall be forfeited. The *Insured* shall not in any case be entitled to abandon any property to the *Insurers* whether taken possession of by the *Insurers* or not.

Applicable to Sections 1 to 3 only: The *Insurers* may at any time pay the amount of the limit of liability to which the claim applies and shall be under no further liability in respect thereof.

18 Reinstatement of Damage

If the *Insurers* elect or become bound to reinstate or replace any property, the *Insured* shall at its own expense provide all such plans, documents, books and information as the *Insurers* may reasonably require. The *Insurers* shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner, and shall not in any case be bound to expend in respect of any one of the Items insured more than its *Sum Insured*.

19 Subrogation

Any claimant under this Policy shall, at the request and expense of the *Insurers*, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the *Insured*, whether such steps are or become necessary before or after any payment is made by the *Insurers*.

20 Subrogation Waiver

Notwithstanding General Condition 19, in the event of a claim arising under this Policy the *Insurers* agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a any Company standing in the relation of parent to subsidiary (or subsidiary to parent) of the *Insured*; or
- b any Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary;

in each case within the meaning of the Companies Act(s).

Specific Obligations:

21 Cancellation

- a If the *Premium* for this Insurance is paid by periodic instalments, whether by direct debit or otherwise, in the event of default in the payment of any instalment, for whatever reason, this Insurance shall cease 7 (seven) days' from the date of non-payment, subject to the Consumer Credit Act 1974, if applicable and any amending and/or subsequent legislation.
- b Otherwise, this Insurance may be cancelled by the *Insurers* sending 14 (fourteen) days' notice by recorded delivery letter to the last known address of the *Insured* stating the reason for cancellation. Where this Condition is exercised, the *Insured* shall become entitled to a return of *Premium* in respect of the unexpired portion of the *Period of Insurance*, after any adjustment of the *Premium* paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the *Period of Insurance*.

22 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 and any amending and/or subsequent legislation to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

23 Declarations/Adjustments of Premium

If any part of the *Premium* is based on estimates provided by the *Insured*, the *Insured* shall keep an accurate record containing all relevant information and shall at any time allow the *Insurers* to inspect such record. The *Insured* shall within 60 (sixty) days after the expiry of each *Period of Insurance* furnish the relevant information, including but not limited to wage roll and turnover, as the *Insurers* may require. The *Premium* shall then be adjusted and the difference paid by or allowed to the *Insured*, subject to any Minimum *Premium* required within 30 (thirty) days of receipt of the *Insurers'* adjusted *Premium* calculations. The *Insurers* reserve the right to request the *Insured* to supply an auditor's certificate attesting to the accuracy of any information furnished to the *Insurers*.

24 Choice of Law

Unless otherwise agreed by the *Insurers* and the *Insured*, this Policy shall be subject to and construed solely in accordance with the Law of England.

25 Insurable Interest

The insurable interest in the insurance by this Policy shall not be

transferred without the written consent of the *Insurers*.

26 Jurisdiction

The *Insurers* and the *Insured* agree that all disputes arising out of or in connection with this Policy, including but not limited to any disputes relating to the formation, validity and interpretation and application of the terms, conditions, limits and exclusions of this Policy, shall be subject to the exclusive jurisdiction of the Courts of England and Wales. The premium for this Insurance has been calculated accordingly, and no consideration has been paid in respect of any sums payable as a consequence of the jurisdiction of any other court.

27 Long Term Undertaking

The discount as stated in the *Schedule* is allowed off the premiums for this Policy as a whole or specific Sections of this Policy as noted in the *Schedule*, in consideration of the *Insured* having given an undertaking expiring on the date as stated in the *Schedule*, to offer annually to the *Insurers* the insurance under this Policy on the limits, terms, conditions and exclusions in force at the expiry of each *Period of Insurance* and to pay the premium annually in advance, it being understood that:

- a the *Insurers* shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking;
- b where appropriate the *Sum Insured* may be reduced at any time to correspond with any reduction in value or in the *Business*.

The above-mentioned undertaking applies to any Policy (or Policies) which may be issued by the *Insurers* in substitution for this Policy and the same discount shall be allowed off the premiums for any substituted Policy (or Policies) issued by the *Insurers* as aforesaid.

Payment of the premium due at the expiry date as stated in the *Schedule* shall be deemed to be acceptance by the *Insured* of the terms of this Condition.

28 Several Liability

The subscribing *Insurers'* obligations hereunder are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing *Insurers* are not responsible for the subscription of any co-subscribing Insurer(s) or underwriter(s) who for any reason does not satisfy all or any part of their obligations.

General Exclusions

The following General Exclusions shall apply to all Sections of this Policy unless as stated otherwise. The *Insurers* shall not be liable for:

1 Consequential Loss (applicable to all Sections other than 4, 5 and 6)

Consequential loss of any kind or description except:

- a as may be insured by Sections 2 or 3 of this Policy; or
- b loss of *Rent* when such loss is included in the cover under Sections 2 or 3 of this Policy.

2 Electronic Date Recognition (not applicable to Section 4)

Damage or consequential loss or legal liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the *Insured* or not:

- a correctly to recognise any date as its true calendar date;
- b to capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;
- c to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date;

but this shall not exclude subsequent *Damage* to the *Insured's* property or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from a *Defined Peril*.

For the purposes of this Exclusion the words *Defined Peril* shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal and theft.

3 Electronic Data (applicable to all Sections other than 4, 5 and 6)

any loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic Data* from any cause whatsoever (including but not limited to *Virus or Similar Mechanism or Hacking or Denial of Service Attack*) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, unless any such loss or damage results from a *Defined Peril* or is consequent upon theft, or any attempt thereat, or is caused by any other accidental means and is not otherwise excluded.

4 Law and Jurisdiction

judgements, awards, settlements or orders of courts outside the *Territorial Limits* as defined, or to orders seeking to

enforce such judgements, awards, settlements or orders, or to any liability arising under the law of any place outside the *Territorial Limits*.

5 Marine (applicable to Sections 1 to 3 only)

loss or destruction of or damage to property which at the time of the happening of the loss, destruction or damage is insured by, or would but for the existence of this Policy be insured by, any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Insurance not been effected.

6 More Specific Insurance (applicable to Sections 1 to 3 only)

loss or destruction of or damage to any property more specifically insured by or on behalf of the *Insured*.

7 Mould and Fungus (applicable to all Sections other than 4, 5 and 6)

loss or destruction of or damage to any property or any loss, cost or expense or legal liability directly or indirectly arising out of or resulting therefrom or any consequential loss in any manner related to *Fungal Pathogens*, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

8 Northern Ireland (applicable to Sections 1 to 3 only)

loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- a civil commotion;
- b any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any *Unlawful Association*.

In any action, suit or other proceedings where the *Insurers* allege that by reason of this Exclusion any loss, destruction or damage or loss resulting from such loss, destruction or damage is not covered by this Insurance (or is covered only up to a Limit of Liability as stated in the *Schedule*) the burden of proving such loss, destruction or damage or loss resulting from such loss, destruction or damage is covered (or is covered beyond that Limit of Liability) shall be upon the *Insured*.

9 Radioactive Contamination, War, Sonic Boom and Confiscation (applicable to Sections 1 to 3 only)

loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from:

- a ionising radiations 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 explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or

matter;

- d** war, invasion, acts of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power whether war be declared or not;
- e** pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds;
- f** confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

10 Pollution or Contamination (applicable to Sections 1 to 3 only)

loss or destruction of or damage or any consequential loss resulting from *Pollution or Contamination* but this shall not exclude *Damage* or any *Consequential Loss* caused by:

- a** *Pollution or Contamination* which itself results from a *Defined Peril*;
- b** a *Defined Peril* which itself results from *Pollution or Contamination*;

unless resulting from an Excepted Cause or otherwise excluded.

11 Terrorism

- a** loss, damage, injury, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of *Terrorism* regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- b** loss, damage, injury, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of *Terrorism*;
- c** any loss whatsoever or any expenditure resulting from or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:
 - i** the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - ii** ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
 - iii** chemical and/or biological and/or radiological irritants, contaminants or pollutants;
- d** loss, damage, injury, cost or expense directly or indirectly arising out of:
 - i** any business interruption losses resulting from denial of access due to any Act of *Terrorism*;
 - ii** loss, damage, cost or expenses directly or indirectly arising out of any service interruption due to any Act of *Terrorism*.

If the *Insurers* allege that by reason of this Exclusion any loss, damage, injury, cost or expense is not covered by this Insurance, the burden of proving the contrary shall be upon

the *Insured*.

In the event any portion of this Exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

Further Information

Data Protection Act 1998

We may store *Your* information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). We will only disclose *Your* personal details to third parties, if it is necessary for the performance of *Your* contract with *Us*.

In order to assess the terms of the insurance contract or administer claims that arise, We may need to collect data that the Data Protection Act defines as sensitive, such as medical history or criminal convictions. By proceeding with this contract *You* will signify *Your* consent to such information being processed by *Us* or *Our* agents.

We will keep *Your* information secure at all times. In certain circumstances, for example for systems administration purposes, We may have to transfer *Your* information to another country, which may be a country outside the European Economic Area (EEA). By proceeding with *Your* insurance application, We will assume *You* are agreeable for *Us* to transfer *Your* information to a country outside the EEA.

Should *You* wish to receive a copy of the information We hold on *You*, please contact:

Data Protection Officer, QBE Insurance (Europe) PLC,
Plantation Place,
30 Fenchurch Street,
London, EC3M 3BD

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). *You* may be entitled to compensation from the scheme if We cannot meet *Our* obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Financial Services Compensation Scheme
7th Floor Lloyds Chambers
Portsoken Street
London E1 8BN

Telephone: 020 7892 7300
Facsimile: 020 7892 7301
E-mail: enquiries@fscs.org.uk

Complaints Procedure

We are dedicated to providing *You* with a high quality service and We want to ensure that We maintain this at all times. If *You* feel We have not offered *You* a first class service please write and tell *Us* and We will do *Our* best to resolve the problem.

In the first instance please contact *Your* broker or agent from whom *You* bought *Your* policy of insurance.

In the unlikely event *You* remain dissatisfied, please contact:

Customer Relations
QBE Insurance (Europe) PLC,
Plantation Place,
30 Fenchurch Street,
London, EC3M 3BD

Telephone: + 44 (0) 20 7105 4000
Facsimile: + 44 (0) 20 7105 4032
E-mail: CustomerRelations@uk.qbe.com

In the event *You* wish to pursue matters further *You* may be able to refer the matter to The Financial Ombudsman Service. The Financial Ombudsman Service can normally deal with complaints from private individuals and small organisations; further information is available from:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Helpline: 0845 080 1800
Switchboard: 020 7964 1000
Website: www.financial-ombudsman.org.uk