



Property Owners Insurance Policy Wording

MANXCOVER is a trading name of Blackford & Company Insurance Brokers Limited who are registered with the Isle of Man Financial Services Authority as an insurance intermediary in respect of General Business

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Important Helplines

Claims contacts

If you wish to claim, make sure that the applicable Section of cover is shown as 'Operative' in the Schedule.

Policy Section		Claims administered by	Contact
1	Property	Lucas Claims Solutions	0345 258 7170
2	Loss of Rental Income	Lucas Claims Solutions	0345 258 7170
3	Terrorism	Lucas Claims Solutions	0345 258 7170
4	Employers' Liability	Lucas Claims Solutions	0345 258 7170
5	Property Owner's & Products Liability	Lucas Claims Solutions	0345 258 7170

Further information on what you must do if you need to claim shown in the Section 9.

Your Insurance Broker

Your Insurance Broker is the organisation through which You arranged this Policy. They should be Your first point of contact for any queries You may have on the Policy, other than claims.

Introduction to Your Property Owners Insurance

This is your Property Owner's Insurance Policy Wording. This Wording, together with the Schedule, Endorsements and the Statement of Fact form the Policy which is the legal document that sets out the insurance cover you have requested and which We have agreed to provide. Please read all the documents carefully and ensure you understand them fully. Please contact your insurance broker immediately if anything needs correcting, or if anything is not clear to You. The Policy has separate Sections for the different types of cover you have purchased. Cover only applies under Sections shown as operative in the Schedule. If you do not comply with the terms conditions and warranties in the Policy We may not pay in the event you wish to claim or may only make a reduced settlement. You should review the cover and sums insured periodically to ensure they are adequate for your requirements.

Throughout this Policy certain words have specific meanings. These words are listed in the Definitions Section, and those words always appear with a capital letter. Additional definitions are described in each Section of the Policy to which they apply. Where the same word is defined in General Definitions and in a particular Section, the definition shown under the Section will take precedence for the purposes of that Section's cover.

A new Schedule will be issued to record any amendments to the cover. Please refer to the replacement documents to see what cover is currently in force

In consideration of the payment of the Premium, The Insurer has agreed to provide the insurance described in this Policy for the Period of Insurance specified in the Schedule. The insurance provided by this Policy covers loss, damage, destruction, accident or liability that happens during the Period of Insurance in accordance with the Sections of the Policy shown in the Schedule. The Insurer will indemnify or compensate You by payment or, at their option, replace reinstate or repair lost, damaged or destroyed property, subject to the terms of the Policy.

Important – what You told Us

In arranging this Policy You must have provided us with a fair presentation of the risks to be insured. This means you must have clearly disclosed all material facts which You, Your senior management and or persons responsible for arranging the Policy knew or ought to have known. If you have not made a fair presentation, this could mean that part or all of a claim may not be paid. Please be aware that in some circumstances, if you have not made a fair presentation of the risk, we may avoid the contract and the premium may not be returned. You must also make a fair presentation to Us when the policy is to be renewed.

Unless the Insurer and You agree otherwise or you are a resident on the Isle of Man on the date this Policy started or was last renewed, this Policy shall be subject to and construed solely in accordance with the Law of England and Wales. The Insurer and You agree that all disputes arising out of or in connection with this Policy shall be subject to the exclusive jurisdiction of the Courts of England and Wales. If you are a resident on the Isle of Man on the date this Policy started or was last renewed, then Manx law will apply.



Robin Blackford
Managing Director – Blackford and Company Insurance Brokers Ltd t/as Manxcover

The Old Bank, 19 Station Road, Port Erin, IM9 6AE
Registered with the Isle of Man Financial Services Authority as an intermediary in respect of General Business.

All Sections of the Policy are underwritten by Arch Insurance (UK) Ltd.

Registered in England and Wales No 4977362.

Registered address: 5th Floor, Plantation Place South, 60 Great Tower Street, London EC3R 5AZ.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Conduct Authority register number 229887

Details can be checked on the Financial Services Register by visiting www.fca.org.uk or by contacting the Financial Conduct Authority on 0800 111 6768.

Data Protection Notice

Your Personal Data means any information We hold about You, and any information You give Us about anyone else, including, identification details, financial information, policy information, credit and anti-fraud data and information about previous and current claims. Personal data processed may include sensitive personal data (e.g. health data) and criminal convictions data. Please read this notice carefully as it contains important information about Our use of Your Personal Data. Please note that if You decline to provide information when requested or You give us false or inaccurate information this could give us the right to void the Policy with You or it could impact Your ability to claim.

Security of Your data is very important to Us. We will ensure that Your data is processed with appropriate security measures in place. We will collect and process data about You and any other persons insured under the Policy, as necessary for performance of the Policy, or at your request prior to entering into the Policy, or in order to provide You with our services in accordance with our legitimate interests. These interests include but are not limited to administering Your Policy, improving our service, preventing financial crime, general risk modelling and analysis and transferring books of business.

In some circumstances, we may need to collect and use sensitive personal data (e.g. health data) or information relating to criminal convictions and offences. Where this is required, unless another ground applies, we may need Your consent to this processing. You may withhold or withdraw Your consent, or ask us not to continue processing at any time by contacting us using the details below. However, if You do this, we may be unable to process Your enquiry or claim or continue to provide You with insurance.

We will exchange data about You with other parties in order to provide You with and administer this insurance and any claims. This may include your intermediary (if You used one), their supplier, the insurers, service suppliers, underwriting agents, credit reference agencies, anti-fraud databases, solicitors, claims administrators and their suppliers and agents, public and regulatory bodies. Depending on the circumstances, this may involve a transfer of data outside the UK and the European Economic Area ("EEA") to countries that have data protection laws not equivalent to those in the UK or the EEA. Any such transfer will be made with appropriate contractual safeguards in place and You can obtain a copy of these by contacting us using the details below. We will not use Your data or pass it to any other party for marketing products or services to You unless You have given consent.

We will not keep Your data for longer than necessary. We will delete data about You within eight years after Your cover ends, though for some types of insurance, We may be required to retain data for longer due to our legal or regulatory obligations.

You have the right to access a copy of Your Personal Data held by us (and have this transferred to a third party) or request rectification of Your Personal Data if it is inaccurate or incomplete. In certain circumstances, You also have the right to object to the processing of Your Personal Data, to request erasure of Your Personal Data or to restrict our use of Your Personal Data. If You wish to exercise Your rights about how We process Your data, please write to

The Data Protection Officer

Arch Insurance (UK) Ltd, 5th Floor, Plantation Place South, 60 Great Tower Street, London EC3R 5AZ

If You are not satisfied with the way We have managed Your Personal Data, You may complain to the Information Commissioners Office. You can contact them by:

Visiting the website www.ico.org.uk/concerns

or alternatively telephoning on 0303 123 1113

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1 – Property Damage

Buildings

Buildings described in the Schedule, and including:

- a) landlords' fixtures and fittings;
- b) internal and external fixed plain plate glass, sanitary ware and display signs;
- c) tenants' improvements for which the landlord is responsible in on or around the Buildings;
- d) furnishings and other contents of common parts of the Buildings;
- e) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture;
- f) walls, gates and fences;
- g) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the Premises, and extending to the public mains, but only to the extent of Your responsibility;
- h) yards, car parks, roads, pavements, forecourts, all constructed of solid materials; and
- i) landscaping excluding external ponds and lakes;

all being Your property or for which You are responsible and situate at the Premises.

Contents

Contents belonging to You or held by You in trust for which You are legally responsible including:

- a) tenants' improvements, alterations and decorations, including closed circuit television and security systems;
- b) Employees, directors, partners, customers and visitors personal effects of every description (other than motor vehicles) not otherwise insured, for an amount not exceeding £500 in respect of any one person;
- c) Computer and Electronic Business Equipment;
- d) contents of outbuildings;
- e) contents in the open yards;
- f) patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement; and
- g) contents temporarily at dwelling places of directors and senior staff.

but excluding:

- i) internal and external fixed glass, sanitary ware and display signs;
- ii) Stock and materials in trade;
- iii) Money and stamps (including National Insurance stamps);
- iv) documents, manuscripts and Business books, except for the cost of the materials and of clerical labour expended in reproducing such records;
- v) computer systems records, except for an amount not exceeding £1,000 in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records but not for the value to You of the information contained therein;
- vi) any expense in connection with the production of the information to be recorded in documents, manuscripts, business books or computer systems records; and
- vii) vehicles (and accessories) licensed for road use.

Damage

Damage shall mean accidental loss or destruction of or damage to the Property Insured.

Declared Value

Your assessment of the cost of reinstatement of the Property Insured at a level of costs applying at the time that such values are required by the Insurers as the basis for the calculation of the Policy premium (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:

- a) debris removal costs;
- b) professional fees; and
- c) additional cost of reinstatement to comply with European Community and Public Authority requirements.

Empty

Buildings or parts of Buildings which are unfurnished or untenanted or no longer in regular use for a period exceeding 30 consecutive days.

Section 1 – Property Damage

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of the insurance including but not limited to any Condition of Average.

Non-Standard Construction

Constructed of materials other than those detailed in the definition Standard Construction.

Standard Construction

Brick, stone or concrete built and roofed with slates, tiles, metal, concrete, asphalt or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights.

Territorial Limits

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

Cover

The Insurer agrees that if any of the Property Insured described in the Schedule suffers Damage at the Premises by any of the Perils which is not otherwise excluded, the Insurer will settle claims in accordance with the undernoted Basis of Claims Settlement.

Property Insured

Building(s) at the Premises as described on the Schedule.

Contents at the Premises as described on the Schedule.

The values shown on the Schedule represent the maximum values at risk.

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 each item or any other Limit of Liability as stated herein or in the Schedule.

The Sum Insured under each Item other than items solely applying to fees, removal of debris, private dwelling houses, churches or other buildings in course of erection is separately subject to Average.

Perils

- A)** Fire excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by explosion resulting from fire.
- B)** Lightning excluding the amount of Excess shown in the Schedule.
- C)** Aircraft or other aerial devices or articles dropped therefrom excluding the amount of Excess shown in the Schedule.
- D)** Explosion excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage caused by the bursting of any boiler or other plant which belongs to You or is under Your control and in which internal pressure is due to steam only; but this shall not exclude Damage caused by explosion of:
 - i) any boiler
 - ii) gasused for domestic purposes only.
- E)** Earthquake excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage caused by fire.

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- F)** Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage arising from nationalisation confiscation requisition seizure or destruction by order of the government or any public authority;
 - c) Damage arising from cessation of work;
 - d) Damage arising in the course of theft or attempted theft directly caused by malicious persons not acting on behalf of or in connection with any political organisation, but we will pay for Damage caused by fire or explosion:
- G)** Storm or flood excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage solely due to change in the water table level;
 - c) Damage caused by frost subsidence ground heave or landslip;
 - d) Damage to fences and gates unless caused by falling trees or there is Damage to structural parts of the Buildings at the same time;
 - e) Damage to trees plants shrubs and turf unless there is Damage to the Buildings at the same time.
- H)** Escape of water or oil from any tank apparatus pipe or appliance excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by water discharged or leaking from an automatic sprinkler installation.
- I)** Impact by any road or rail vehicle (including any fork lift truck or other industrial vehicle) or animal excluding the amount of Excess shown in the Schedule.
- J)** Accidental escape of water from any automatic sprinkler installation excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by freezing in any building which is Empty;
 - c) Damage by heat caused by fire.
- K)** Theft or attempted theft excluding:
- a) the amount of Excess shown in the Schedule;
 - b) any loss which the Insured is able to recover from another source.
- L)** Subsidence ground heave or landslip excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - c) Damage resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;at the Premises.
 - d) Damage arising from normal settlement or bedding down of new structures;
 - e) Damage commencing prior to the granting of cover under this insurance.
- M)** Any other accident excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by any:
 - i) of the Perils;
 - ii) of the causes expressly excluded from the Perils;specified in paragraphs **A)** to **L)** (whether or not insured);
 - c) Damage to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship on the part of You or any of Your Employees;but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
 - d) Damage caused by:
 - i) corrosion rust wet or dry rot marring scratching vermin or insects;
 - ii) 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;
 - iii) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;but this shall not exclude:
 - i) such Damage which itself results from other Damage and is not otherwise excluded;
 - ii) subsequent Damage which itself results from a cause not otherwise excluded;
 - e) Damage caused by disappearance or unexplained loss;

Section 1 – Property Damage

- f) Damage to any building or structure caused by its own collapse or cracking unless resulting from a sudden identifiable and unexplained cause which occurs in its entirety at a specific moment in time and place during any one Period of Insurance and which:
 - i) does not result from:
 - (1) the construction demolition structural alteration or structural repair of any property;
 - (2) groundworks or excavation works;
at the Premises;
 - ii) is not otherwise excluded.

Basis of Claims Settlement

Unless stated otherwise in the Schedule the basis of settlement under this Section shall be:

1 Reinstatement:

The amount payable In respect of Buildings shall be the cost of reinstatement of the Damage.

For this purpose “reinstatement” means:

- a) the rebuilding or replacement of Property Insured lost or destroyed which provided Our liability is not increased may be carried out;
 - i) in any manner suitable to Your requirements
 - ii) upon another site
 - b) the repair or restoration of Property Insured damaged;
- in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Provided that:

- (1) Our liability for the repair or restoration of Property Insured damaged in part only shall not exceed the amount which would have been payable had such Property been wholly lost or destroyed.
- (2) If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property covered by any item subject to this Basis of Claims Settlement exceeds its Sum Insured at the commencement of any Damage Our liability shall not exceed that proportion of the amount of the Damage which the Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such Property at that time.
- (3) No payment beyond the amount which would have been payable in the absence of this Basis of Claims Settlement shall be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay;
 - b) until the cost of reinstatement shall have been actually incurred;
 - c) if the Property Insured at the time of the Damage shall be insured by any other insurance effected by You or on Your behalf which is not upon the same basis of reinstatement.
- (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby;
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated.

The maximum amount We will pay in respect of any one item is the Sum Insured.

Section 1 – Property Damage

Clauses & Conditions that apply to Section 1 – Property Damage

1.1 Acquisitions

The insurance for Buildings extends to include:

- a) additions and extensions to the Property Insured (but not appreciation in value) made after the commencement of each annual Period of Insurance for an amount not exceeding 10% of the Sum Insured or £250,000 whichever is the less; and
- b) any newly built or newly acquired Buildings for an amount not exceeding £500,000; anywhere in the Territorial Limits;

Provided Your interest is not protected by any more specific insurance and provided You shall inform the Insurers as soon as practicable and pay the appropriate additional premium.

1.2 Additional Sprinkler Costs

The Insurers will pay the costs incurred in upgrading an automatic sprinkler installation to the current LPC rules solely as imposed upon You by the Insurers following Damage to the Buildings provided that at the time of the Damage the installation conformed to the 28th or 29th Edition rules or to the LPC rules current at the time of installation but did not conform to subsequent amendments to those Rules.

1.3 Architects, Surveyors, Legal and Consulting Engineers Fees

The insurance for Buildings includes an amount in respect of architects, surveyors, legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the Property Insured consequent upon its Damage but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total the limits stated in the Basis of Claims Settlement.

1.4 Automatic Reinstatement after a Loss

In the event of loss the Sums Insured will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

1.5 Average

Where a Sum Insured is subject to Average if at the time of the Damage the Sum Insured is less than the actual value of the property You will be considered as Your own insurer for the difference and bear a proportionate share of the loss.

Example: If at the time of a loss the Sum Insured is only half of the amount required to fully cover all the Property, then We will only pay up to half of the claim, less any excess applicable.

Sums insured must be enough to fully cover all the Property, throughout the life of the Policy including after each renewal. Otherwise a claim payment may be reduced by the application of Average.

Please consider taking professional advice to help you set adequate sums insured, eg from a surveyor in respect of buildings insurance.

1.6 Buildings awaiting Demolition

If at the time of the Damage any Buildings are awaiting demolition the Insurer's liability shall be limited to the additional cost of removing debris, as detailed in Clause 1.32 – Removal of Debris, which are incurred by You solely as a result of Damage.

1.7 Buildings awaiting Refurbishment Redevelopment or Renovation

If at the time of the Damage any Buildings are awaiting refurbishment redevelopment or renovation the Insurer shall not be liable for any costs which would have been incurred by You in the absence of such Damage.

1.8 Change of Tenancy

You must advise the Insurers of all changes in tenancy or occupation within the Premises, as specified in Section 7 General Conditions 7.1 – Alteration in Risk.

1.9 Confirmation of Values at Risk

You must provide the Insurer at the inception of the Policy and annually thereafter with full details of the Declared Values.

1.10 Construction of Buildings

Except as otherwise stated the Buildings described in the Schedule are of Standard Construction.

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1.11 Contract Works

The insurance by each Buildings item extends to include Contract Works to the extent to which You have contracted to arrange cover provided the Insurer's maximum liability for any one loss shall not exceed £100,000. This clause shall only apply in so far as the Contract Works are not otherwise insured and excludes the amount of Excess being £250.

1.12 Contractors Interest

Where You are required to effect insurance on the Buildings in the joint names of You and the contractor under the terms of the contract condition then the interest of the contractor in the Buildings as a joint Insured is noted subject to details of any single contract where the original contract price exceeds £250,000 having been advised to the Insurers prior to work commencing and an additional premium being paid as appropriate.

1.13 Damage to Landscaped Gardens

The Insurers will pay the reasonable costs and expenses incurred in replanting trees shrubs plants and turf used in landscaped gardens and grounds, belonging to You or for which You are responsible, as a result of Damage insured by this Section, being the cost of restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established provided that the Insurer's maximum liability for any one loss shall not exceed £25,000.

1.14 Day One Basis

Applicable only to those items showing a Declared Value as stated in the Schedule.

- 1) You having stated in writing the Declared Value (shown in brackets below the Sum Insured) incorporated in each item to which this clause applies the premium has been calculated accordingly.

For the purposes of this clause Declared Value shall mean:

Your assessment of the cost of reinstatement of Buildings arrived at in accordance with paragraph 1 of the Basis of Claims Settlement Condition of this Section at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for:

- a) the additional cost of reinstatement to comply with:
 - i) European Union Legislation
 - ii) Act of Parliament
 - iii) Bye-Laws of any public authority
 - b) professional fees
 - c) debris removal costs
- 2) You must notify Us of the Declared Value at the start of each Period of Insurance. If You fail to notify Us of the Declared Value at the start of any Period of Insurance We will use the last Declared Value notified to Us for the following Period of Insurance.
 - 3) Provisions (2) and (4) of the Basis of Claims Settlement Condition are restated as follows:
 - (2) If at the time of the Damage the Declared Value is less than the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition at the start of the Period of Insurance Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition.
 - (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby;
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated except that the Sums Insured shall be limited to 115% of the Declared Value.

1.15 Delays in Rebuilding

The Insurer shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside of Your control.

1.16 Designation

For the purposes 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 in Your books.

1.17 Empty Buildings

- a) Whenever the Premises stated in the Schedule become Empty (as defined) for more than 30 consecutive days the Empty Buildings Condition below applies;
- b) You must notify the Insurers in writing immediately any Empty building or Empty portion of a building insured by this Policy becomes occupied or any occupied building becomes Empty and pay an additional premium if required.

Section 1 – Property Damage

1.18 Empty Buildings Condition

It is a condition precedent to the liability of the Insurers that whenever the Premises are Empty:

- a) You notify the Insurers immediately You become aware:
 - i) that the Building(s) are Empty; and
 - ii) of any Damage to the Empty Building(s) whether or not such loss, destruction or damage is insured;
- b) the Buildings are inspected internally and externally at least once during each week by You or on Your behalf;
- c) all trade refuse and waste materials are removed from the interior of the Premises and no accumulation of refuse and waste be allowed in the adjoining yards or spaces You own;
- d) You shall secure the Buildings and rectify any defects which render the Buildings insecure; and
- e) the gas, water and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or intruder alarm system in operation).

1.19 European Community and Public Authorities (Including Undamaged Property)

Subject to the following Special Conditions the insurance for Buildings in this Section extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of:

- a) European Community Legislation; or
 - b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-laws of any Public Authority;
- (hereafter referred to as 'Stipulations') in respect of:
- i) the lost, destroyed or damaged property thereby insured; and
 - ii) undamaged portions of that property.

Excluding:

- a) the cost incurred in complying with the Stipulations:
 - i) in respect of Damage occurring prior to the inception of this Policy;
 - ii) in respect of Damage not insured by the Policy;
 - iii) under which notice has been served on You prior to the happening of the Damage;
 - iv) for which there is an existing requirement which has to be implemented within a given period; and
 - v) in respect of property entirely undamaged by any peril insured against by this Policy;
- b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen;
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of that property by reason of compliance with the Stipulations.

Special Conditions

- 1) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Insurers may agree (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Insurers under this clause not being increased.
- 2) If the liability of the Insurers under (any item of) this Section apart from this clause shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Insurers under this clause (in respect of any such item) shall be reduced in like proportion.
- 3) The total amount payable under (any item of) this Section in respect of this clause shall not exceed:
 - a) £250,000 in respect of the lost, destroyed or damaged property;
 - b) £250,000 in respect of undamaged portions of property (other than foundations).
- 4) All the terms and conditions of the Policy except insofar as they are varied by this condition shall apply as if they had been incorporated herein.

1.20 Extinguishment and Alarm Resetting

The Insurers will pay the reasonable costs and expenses incurred by You in refilling fire extinguishing appliances replacing used sprinkler heads and resetting fire or intruder alarms as a result of Damage as insured by this Section.

1.21 Fire Extinguishing Appliances

You shall take all reasonable measures to ensure that:

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

Section 1 – Property Damage

1.22 Further Investigation Expenses

Where a Building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Building which is not immediately apparent the Insurer will pay the reasonable costs incurred by You with the Insurer's prior consent in establishing whether or not such Damage has occurred.

The Insurer will also pay the reasonable costs incurred by You in establishing whether or not other Buildings in the vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered Damage for which the Insurer is liable.

1.23 Glass Breakage

The Insurers will, at their option, pay for or make good to You any breakage or malicious scratching of internal or external plain plate fixed glass being Your property for which You are responsible at the Premises occurring during the Period of Insurance and being in sound condition at the inception of this Policy.

The Insurers will in addition pay for the cost of:

- a) breakage of fixed sanitary ware;
- b) boarding up and repair to associated framework reasonably incurred as a result of an insured breakage. You may without the Insurers prior consent instruct builders or glaziers to board up where necessary;
- c) repair or replacement of lettering alarm foil or other ornamentation work on glass provided that the Insurers maximum liability for any one loss shall not exceed £500;
- d) repair or replacement of fixed mirrors provided that the Insurers maximum liability for any one loss shall not exceed £500; and
- e) removal or replacement of fixtures and fittings which may be necessary in connection with the replacement of the glass provided that the Insurers maximum liability for any one loss shall not exceed £500.

Excluding any breakage whilst buildings are Empty and or more specifically insured by You or on Your behalf.

1.24 Inadvertent Omission to Insure

The insurance extends to include any Building within the Territorial Limits which You own or which You are responsible to insure which You have inadvertently failed to insure under this Policy or any other policy with the Insurer.

Provided that:

- a) immediately on becoming aware of any Building not insured You shall arrange insurance with the Insurer with effect from inception of this Policy or the date upon which the insurance should have been arranged whichever is the later and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 1.1 – Acquisitions.
- c) the Insurer's maximum liability for any one claim will not exceed £500,000.
- d) You shall carry out at not less than annual intervals a check of all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force for such properties.
- e) this clause shall only be effective if the Insurer is the sole provider of Buildings insurance in respect of Your properties owned in connection with the Business as defined in the Schedule and where You have an obligation to arrange such insurance.

1.25 Lessee Failure to Insure

The insurance extends to include any Building within the Territorial Limits which You own but for which the lessee is responsible by virtue of lease requirements and which the lessee has inadvertently failed to insure:

- A. against all the Perils insured by this Policy; or
- B. for a sufficient amount to provide for reinstatement of the Buildings as provided for by this Policy.

Provided that:

- a) immediately on becoming aware of:
 - i) any Building not insured for all the Perils insured by this Policy You shall arrange insurance for the uninsured Perils;
 - ii) any Building not insured for a sufficient amount to provide for reinstatement of the Buildings You shall arrange insurance for the amount of reinstatement; and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 1.1 – Acquisitions or Clause 1.24 – Inadvertent Omission to Insure and in respect of Buildings under A above shall apply only for the Perils not insured by the lessee's policy.
- c) the Insurer's maximum liability for any one claim will not exceed £500,000 but in no case shall the liability of the Insurer exceed the difference between the amount payable under any insurance effected by the lessee or any other insurance on the premises and the total cost of reinstatement provided by this Policy.
- d) there shall be in force at the time of the Damage a valid and enforceable lease requiring the property to be insured against some or all of the Perils insured hereby and the lessee to make good any uninsured Damage.

Section 1 – Property Damage

- e) You have procedures in place to ensure that the lessee effects and maintains adequate insurance and wherever possible Your interest is noted and protected by a non-invalidation clause and lapse/cancellation notification undertaking.
- f) the insurance under this clause shall be subject to all the terms conditions and exclusions of the Policy with the exception of Clause 1.37 – Subrogation Waiver which is restated as follows:
In the event of a claim arising under this Section the Insurers agree to waive any rights remedies or relief to which they might have become entitled by subrogation against:
 - a) any Company standing in relation of parent to subsidiary (or subsidiary to parent) to You; and
 - b) any Company which is a subsidiary of a parent company of which You are a subsidiary;in each case within the meaning of the Companies Act or the Companies (NI) Order, as appropriate, current at the time of Damage;
- g) the Insurer shall not be liable:
 - i) for the amount of any Excess or deductible under any more specific insurance;
 - ii) where the lessee's policy fails due to breach of any condition or warranty contained within the lessee's policy as a result of the action of the landlord;
 - iii) where any loss destruction or damage has been declined by any Insurer or made the subject of requirements which have not been completed;
 - iv) due to the failure of the lessee to make or pursue a legitimate insurance claim.

1.26 Loss of Market Value

If You elect not to rebuild or repair the Buildings (and the Insurer does not exercise its option to reinstate allowed by Clause 1.30 – Reinstatement by the Insurer) the Insurers will pay You 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 rebuilt or repaired.

1.27 Loss of Metered Utilities

The Insurers will pay the cost of additional metered electricity gas oil or water charges being those incurred by You following accidental discharge from a metered system as a result of Damage as insured by this Section except those in respect of any loss which has not been discovered and remedial action taken within 30 days of occurrence of the Damage provided that the Insurer's maximum liability for any one loss shall not exceed £25,000.

1.28 Malicious damage by tenants and/or illegal cultivation of drugs

Unless otherwise excluded, the Insurers will pay for Damage under Peril F where caused by tenants of the Buildings insured by this Section. The Insurers will also pay the clean-up costs and remedial works from the use of the property for the manufacture, cultivation, harvesting or processing by any other method of drugs classed as controlled substances under the UK Misuse of Drugs Act (1971). The cover provided by this clause will not apply unless You (or a person appointed by you) comply with all of the following requirements:

- (a). Carry out internal and external inspections of the buildings at least every 6 months
- (b). Maintain a log of the inspections and retain that log for at least 24 months
- (c). Obtain satisfactory credit references from a licensed Credit Referencing Agency prior to granting the tenancy
- (d). Record details of Your tenant's bank account and verify those details by receiving rental payments from that account
- (e). Obtain and record a written formal identification of any prospective tenant
- (f). Do not permit any sub-letting of your property.

If You do not comply with all the above conditions we will not pay claims for malicious damage by tenants or illegal cultivation of drugs.

1.29 Non Invalidation

Any act, omission or alteration, unknown to You or beyond Your control, which increases the risk of Damage, will not invalidate this insurance if, immediately You become aware, You give notice to the Insurers and pay an additional premium if required.

1.30 Other Interests

The interests of freeholders lessees underlessees assignees and/or mortgagees of Buildings insured by this Section of the Policy are noted in the insurance provided subject to their names being disclosed by You to the Insurers in the event of any claim arising.

1.31 Reinstatement by the Insurer

If any Property Insured is to be reinstated or replaced by the Insurer You shall at Your own expense provide all such plans, documents, books and information as may be reasonably required. The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and the maximum amount payable in respect of any one of the items insured is its Sum Insured.

Section 1 – Property Damage

1.32 Reinstatement to Match

Where the Property Insured has suffered Damage You may replace repair or restore the property with equivalent property which employs current technology, and replacement repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new.

This Section further extends to include the replacement or modification of undamaged property in so far as it is necessary to adapt it to operate in conjunction with that property which has been replaced repaired or restored provided that the Insurer's maximum liability is not increased beyond that amount that would otherwise have been payable for the replacement repair or restoration of the property destroyed in its original form.

When the Property Insured is damaged or destroyed in part only, We will not pay more than the amount representing the cost which We would pay for the reinstatement if such property had been wholly destroyed.

1.33 Removal of Debris

The insurance for Buildings includes an amount in respect of costs and expenses necessarily incurred by You with the Insurers consent in:

- a) removing debris;
- b) dismantling and/or demolishing; and
- c) shoring up or propping;

of the portions of the Property Insured as a result of Damage insured against by this Policy.

Excluding any costs or expenses:

- a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site; and
- b) arising from pollution or contamination of property not insured by this Section.

The liability of the Insurers in respect of any item shall in no case exceed the limits stated in the Basis of Claims Settlement.

1.34 Rent of Residential Property

In the event that Premises occupied totally or partially for residential purposes suffer Damage insured by this Policy and no Sum Insured on Rent for the residential portions has been allocated then this Policy extends to include such loss of Rent Receivable and other costs as specified under Section 2 – Loss of Rental Income.

For the purposes of this clause:

- a) the Indemnity Period shall be a maximum period of three years from the date of the Damage for which the Insurers shall be liable to pay any loss; and
- b) any Condition of Average is deleted.

This clause will also indemnify You in respect of Premises or parts of Premises occupied for residential purposes for any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee.

The Insurer's maximum liability under this clause shall not exceed 20% of the Sum Insured applicable to the residential Building or residential portion of the Building concerned.

1.35 Repairs and Alterations

Tradesmen may be employed to effect repairs or minor structural alterations in all or any of the Buildings insured without prejudice to this insurance.

1.36 Sale of Property Insured

If at the time of Damage You have contracted to sell Your interest in any Building insured by this Policy and the purchase has not been, but is later, completed, the purchaser, on completion of the purchase (if and so far as the property is not otherwise insured against such Damage by him or on his behalf), shall be entitled to the benefit under this Section so far as it relates to such Damage without prejudice to the rights and liabilities of You or the Insurers until completion.

1.37 Seventy Two Hour Clause

In respect of Peril G – Storm or Flood only, Damage occurring continuously or intermittently during any period of 72 hours shall be deemed to constitute one loss at each separate Premises for the purpose of the application of any Excess.

Section 1 – Property Damage

1.38 Subrogation Waiver

In the event of a claim arising under this Section the Insurers agree to waive any rights remedies or relief to which they might have become entitled by subrogation against:

- a) any Company standing in relation of parent to subsidiary (or subsidiary to parent) to You; and
- b) any Company which is a subsidiary of a parent company of which You are a subsidiary;

in each case within the meaning of the Companies Act or the Companies (NI) Order, as appropriate, current at the time of Damage;

- c) a tenant or lessee in respect of Damage to the part of the Buildings in the demise of that tenant or lessee or to common parts of the Buildings unless Damage arises out of a criminal fraudulent or malicious act.

1.39 Subsidence Ground Heave and Landslip

Special Conditions for Peril L - Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

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

1.40 Temporary Removal

This insurance extends to include any landlord's fixtures and fittings or other property within the definition of Buildings whilst temporarily at other premises within the Territorial Limits for cleaning renovation or repair or other similar purposes and whilst in transit between the Buildings and such temporary locations by road rail or inland waterway but only to the extent that the property is not otherwise insured.

1.41 Theft Cover Extension

Any cover provided under this Section in respect of theft is extended to include theft of keys being: the reasonable costs necessarily incurred in replacing external door locks at the Property Insured following the loss of keys by:

- a) theft from the Premises or registered office or from the home of; or
- b) theft following hold-up whilst such keys are in the personal custody of;

You or any principal director, partner or Employee authorised to hold such keys.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed:

- a) £1,000 in respect of any one Premises; and
- b) £25,000 in aggregate.

1.42 Trace and Access

The Insurers will pay the reasonable costs necessarily incurred by You in locating the source and subsequent making good of Damage, provided such Damage is insured by this Section, resulting from:

- a) the escape of water or oil from any tank apparatus or pipe; and
- b) accidental damage to cables underground pipes and drains serving the Premises.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed:

- a) £25,000 in respect of any one occurrence; and
- b) £25,000 in aggregate.

1.43 Unauthorised Use of Utilities

The Insurers will pay the cost of metered electricity gas or water for which You are legally responsible arising from its unauthorised use by persons taking possession or occupying the Premises without Your authority provided that You shall take all practical steps to terminate such unauthorised use as soon as it is discovered and that the Insurer's maximum liability for any one loss shall not exceed £25,000.

Section 1 – Property Damage

1.44 Value Added Tax

The insurance by each item on Buildings extends to include Value Added Tax paid by You which is not subsequently recoverable;

Provided that:

- a)
 - i) Your liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such item relates following Damage;
 - ii) the Insurers have paid or have agreed to pay for such Damage;
 - iii) if any payment made by the Insurers in respect of the reinstatement or repair of such Damage is less than the actual cost of reinstatement or repair any payment under this clause resulting from that Damage shall be reduced in like proportion.
- b) Your liability for such tax does not arise from the replacement Buildings having greater floor area than or being better or more extensive than the destroyed or damaged Buildings.
- c) where an option to reinstate on another site is exercised the Insurer's liability under this clause shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site.
- d) the Insurer's liability under this clause shall not include amounts payable by You as penalties or interest for non-payment or late payment of tax.
- e) terms to the contrary elsewhere in this Policy are over-riden as follows in respect of those items to which this clause applies:
 - i) for the purpose of any condition of Average rebuilding costs will be exclusive of Value Added Tax;
 - ii) the liability of the Insurers may exceed the Sum Insured by an individual item on Buildings or in the whole the total Sum Insured where such excess is solely in respect of Value Added Tax.

Section 2 – Loss of Rental Income

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 2 – Loss of Rental Income

Territorial Limits

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

Damage

Loss or destruction of or damage to property used by You at the Premises for the purpose of the Business.

Indemnity Period

The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof.

Maximum Indemnity Period

The Period as stated in the Schedule.

Rent Receivable

The money paid or payable to You by tenants for accommodation and services provided in the course of the Business at the Premises.

Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Damage.

Standard Rent Receivable

The Rent Receivable during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

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

Cover

We will indemnify You in respect of any interruption or interference with the Business occurring during the Period of Insurance at the Premises and caused by any of the following Perils unless otherwise excluded.

Provided that at the time of the happening of the Damage there is an insurance in force covering Your interest in the Buildings where the Damage occurred and that:

- a) payment shall have been made or liability admitted therefore; or
- b) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount;

except that this clause shall not apply in respect of any item on Rent Receivable where another party (not being the Insured) is responsible for insuring the Buildings by virtue of lease or other contractual arrangements.

The liability of the Insurers under this Section shall not exceed:

- a) 200% of the Rent Receivable shown in the Schedule; and
- b) 100% of the Sum Insured shown in the Schedule for each other item or extension;

unless otherwise agreed by Us.

Section 2 – Loss of Rental Income

Perils

- A) Fire excluding Damage by explosion resulting from fire.
- B) Lightning.
- C) Aircraft or other aerial devices or articles dropped therefrom.
- D) Explosion excluding Damage caused by the bursting of any vessel machine or apparatus belonging to You or under Your control and in which internal pressure is due to steam only; but this shall not exclude Damage caused by explosion of:
 - a) any boiler used for domestic purposes only or of any other boiler or economiser on the Premises;
 - b) gas used for domestic purposes only.
- E) Earthquake excluding Damage caused by fire.
- F) Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
 - a) Damage arising from nationalisation confiscation requisition seizure or destruction by order of the government or any public authority;
 - b) Damage arising from cessation of work;
 - c) Damage arising in the course of theft or attempted theft directly caused by malicious persons not acting on behalf of or in connection with any political organisation, but we will pay for Damage caused by fire or explosion
- G) Storm or flood excluding:
 - a) Damage solely due to change in the water table level;
 - b) Damage caused by frost subsidence ground heave or landslip;
 - c) Damage to fences and gates unless caused by falling trees or there is Damage to structural parts of the Buildings at the same time;
 - d) Damage to trees plants shrubs and turf unless there is Damage to the Buildings at the same time.
- H) Escape of water or oil from any tank apparatus pipe or appliance excluding Damage by water discharged or leaking from an automatic sprinkler installation.
- I) Impact by any road or rail vehicle (including any fork lift truck or other industrial vehicle) or animal.
- J) Accidental escape of water from any automatic sprinkler installation excluding Damage:
 - a) by freezing in any building which is Empty;
 - b) by heat caused by fire.
- K) Theft or attempted theft excluding any loss which the Insured is able to recover from another source.
- L) Subsidence ground heave or landslip excluding:
 - a) Damage arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) Damage resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;at the Premises.
 - c) Damage arising from normal settlement or bedding down of new structures;
 - d) Damage commencing prior to the granting of cover under this insurance.
- M) Any other accident excluding:
 - a) Damage by any:
 - i) of the Perils;
 - ii) of the causes expressly excluded from the Perils; specified in paragraphs **A)** to **L)** (whether or not insured);
 - b) Damage to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship on the part of You or any of Your Employees;but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
 - c) Damage caused by:
 - i) corrosion rust wet or dry rot marring scratching vermin insects;

Section 2 – Loss of Rental Income

- ii) 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;
 - iii) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;
- but this shall not exclude:
- i) such Damage which itself results from other Damage and is not otherwise excluded;
 - ii) subsequent Damage which itself results from a cause not otherwise excluded;
- d) Damage caused by disappearance or unexplained loss;
 - e) Damage to any building or structure caused by its own collapse or cracking unless resulting from a sudden identifiable and unexplained cause which occurs in its entirety at a specific moment in time and place during any one Period of Insurance and which:
 - i) does not result from:
 - (1) the construction demolition structural alteration or structural repair of any property;
 - (2) groundworks or excavation works; at the Premises;
 - ii) is not otherwise excluded.

Basis of Claims Settlement

Unless stated otherwise in the Schedule the basis of settlement under this Section shall be:

The insurance on Rent Receivable is limited to:

- a) loss of Rent Receivable; and
- b) increase in cost of working;

and the amount payable as indemnity shall be:

- a) in respect of loss of Rent Receivable:
 - the amount by which the Rent Receivable during the Indemnity Period shall fall short of the Standard Rent Receivable in consequence of the Damage; and
- b) in respect of increase in cost of working:
 - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

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

Provided that:

if the Sum Insured by the item on Rent Receivable be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Clauses & Conditions that apply to Section 2 – Loss of Rental Income

2.1 Acquisitions

The Insurers will pay for loss of Rent Receivable for any newly acquired or newly erected Buildings or alterations additions or extensions to Buildings covered under Section 1 – Property Damage that is not otherwise insured; Provided that:

- a) the most the Insurers will pay at any one situation is £100,000 in respect of any newly acquired or newly erected Buildings or 10% of the Sum Insured under this Section up to a maximum of £100,000 in respect of alterations additions or extensions to Buildings during any one Period of Insurance;
- b) You must inform the Insurers as soon as practicable of any acquisitions as detailed above and take out insurance cover from the date the Insurers liability commenced.

2.2 Advance Rent Receivable

If Rent Receivable is insured in respect of new property developments You must show that but for the Damage Rent Receivable would have been earned and You will be required to support a claim for Loss of Rent Receivable by submitting reasonable evidence of the amount of such Rent Receivable and the date from which it would have been earned. The Insurer will have regard:

- a) to actual negotiations with prospective tenants both before and after the Damage;
- b) for demand for similar accommodation in the locality;
- c) the general level of rents applying.

If required the advice of a professional valuer acceptable to both You and the Insurer will be sought and the professional fees charged will be included in the indemnity provided under this clause.

Section 2 – Loss of Rental Income

2.3 Alternative Premises

If in consequence of the Damage You shall use other premises to provide accommodation to tenants the Rent Receivable from those premises during the Indemnity Period shall be taken into account in assessing the loss of Rent.

2.4 Automatic Reinstatement after a Loss

In the event of loss the Sums Insured will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

2.5 Buildings Awaiting Sale

If at the time of Damage You shall have contracted to sell Your interest in the Premises or shall have accepted an offer in writing to purchase Your interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage, then provided You shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage You may opt for the amount payable by the Insurers to be as follows:

- a) during the period prior to the date upon which but for the Damage the Premises would have been sold: the loss of Rent Receivable being:
the actual amount of the reduction in Rent Receivable solely in consequence of the Damage;
- b) during the period commencing with the date upon which but for the Damage the Premises would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier: the loss in respect of interest being:
 - i) the actual interest incurred on capital borrowed (solely to offset in whole or in part the loss of use of the sale proceeds) for the purpose of financing the Business;
 - ii) the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) above
less any amount receivable in respect of Rent Receivable.

This clause also covers with the consent of the Insurers the additional expenditure being the expenditure necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage solely to avoid or minimise the loss payable under a) and b) above.

2.6 Confirmation of Values at Risk

You must provide the Insurer at the inception of the Policy and annually thereafter with full details of the Rent Receivable.

2.7 Cost of Re-letting

The Insurers will pay costs and expenses that You necessarily and reasonably incur with the consent of the Insurers during the Indemnity Period in re-letting the Premises (including legal fees in connection with the re-letting) solely in consequence of the Damage.

2.8 Failure of Supply

This Section includes loss resulting from interruption of or interference with the Business as insured as a result of the accidental failure of supply of:

- a) electricity at the terminal ends of the service provider's feeders at the Premises;
- b) gas at the service provider's meters at the Premises;
- c) water at the service provider's main stop cock serving the Premises (other than by drought);
- d) telecommunications services (excluding the provision of extranets or access to or presence on the internet or access to applications and related services over the internet) at the incoming line terminals or receivers at the Premises but excluding satellites;

not occasioned by the deliberate act of any service provider nor by the exercise by any such provider of its power to withhold or restrict supply or provision of telecommunication services.

Special Conditions applicable to this clause:

- 1) the Maximum Indemnity Period shall not exceed 3 months in respect of telecommunications services;
- 2) the Indemnity Period shall commence 24 hours after the commencement of the failure of supply including telecommunications services and not as stated in the Definitions.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

Section 2 – Loss of Rental Income

2.9 Inadvertent Omission to Insure

The insurance extends to include any Rent Receivable of any Building within the Territorial Limits which You own or which You are responsible to insure which You have inadvertently failed to insure under this Policy or any other policy with the Insurer.

Provided that:

- a) immediately on becoming aware of any Rent Receivable not insured You shall arrange insurance with the Insurer with effect from inception of this Policy or the date upon which the insurance should have been arranged whichever is the later and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 2.1 – Acquisitions.
- c) the Insurer's maximum liability for any one claim will not exceed £250,000.
- d) You shall carry out at not less than annual intervals a check of all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force for such properties.
- e) this clause shall only be effective if the Insurer is the sole provider of Rent Receivable insurance in respect of Your properties owned in connection with the Business as defined in the Schedule and where You have an obligation to arrange such insurance.

2.10 Infectious Diseases

Unless excluded by the Epidemic/Pandemic exclusion shown under General Exclusions, the Insurers shall indemnify You in respect of interruption of or interference with the Business during the Indemnity Period following:

- a) any:
 - i) occurrence of a Specified Illness (as defined below) at the Premises or attributable to food or drink supplied from the Premises;
 - ii) discovery of an organism at the Premises likely to result in the occurrence of a Specified Illness;
 - iii) occurrence of a Specified Illness within a radius of 25 miles of the Premises;
- b) the discovery of vermin or pests at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority; or
- d) any occurrence of murder or suicide at the Premises.

Special Conditions applicable to this clause:

- 1) Specified Illness shall mean illness sustained by any person resulting from:
 - i) food or drink poisoning; or
 - ii) Acute Encephalitis Acute Poliomyelitis Anthrax Chickenpox Cholera Diphtheria Dysentery Legionellosis Legionnaires Disease Leprosy Leptospirosis Malaria Measles Meningococcal Infection Mumps Ophthalmia Neonatorum Paratyphoid Fever Plague Rabies Rubella Scarlet Fever Smallpox Tetanus Tuberculosis Typhoid Fever Viral Hepatitis Whooping Cough or Yellow Fever an outbreak of which the competent local authority has stipulated shall be notified to them.
- 2) For the purposes of this clause:

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident beginning:

 - i) in the case of a) and d) above with the date of the occurrence or discovery; or
 - ii) in the case of b) and c) above the date from which the restrictions on the Premises applied;

and ending not later than the Maximum Indemnity Period thereafter shown below.

Premises shall mean only those locations stated in the Premises definition. In the event that the Section includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this clause.
- 3) The Insurers shall not be liable under this clause for any costs incurred in the cleaning repair replacement recall or checking of property.
- 4) The Insurers shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.

Maximum Indemnity Period shall mean 3 months.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.11 Loss of Investment Income on Late Payment of Rent

If as a result of Damage the Insurers are making a payment in respect of Rent Receivable and the payment by the Insurers to You is made later than the date upon which You would normally expect to receive such Rent from the lessee the Insurers will pay a further sum representing the interest which You would have earned by placing the money in Your normal deposit account on the earlier date.

Section 2 – Loss of Rental Income

2.12 Malicious damage by tenants and/or illegal cultivation of drugs

Unless otherwise excluded, the Insurers will pay for interruption of or interference with the Business as insured arising under Peril F where caused by tenants of the Buildings insured by this Section. The Insurers will also pay for interruption of or interference with the Business as insured due to the clean-up and remedial works from the use of the property for the manufacture, cultivation, harvesting or processing by any other method of drugs classed as controlled substances under the UK Misuse of Drugs Act (1971). The cover provided by this clause will not apply unless You (or a person appointed by you) comply with all of the following requirements:

- (a). Carry out internal and external inspections of the buildings at least every 6 months
- (b). Maintain a log of the inspections and retain that log for at least 24 months
- (c). Obtain satisfactory credit references from a licensed Credit Referencing Agency prior to granting the tenancy
- (d). Record details of Your tenant's bank account and verify those details by receiving rental payments from that account
- (e). Obtain and record a written formal identification of any prospective tenant
- (f). Do not permit any sub-letting of your property.

If You do not comply with all the above conditions we will not pay claims arising from malicious damage by tenants or illegal cultivation of drugs.

2.13 Managing Agents Premises

The insurance by each item on Rent Receivable is extended to include loss as insured by this Section resulting solely from Damage to buildings or other property at any location within the Territorial Limits owned or occupied by Your managing agents for the purposes of their business in consequence of which the Rent Receivable by the Insured is reduced.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.14 New Business

For the purpose of any claim arising from Damage occurring before the completion of the first years trading of the Business at the Premises such loss will be ascertained by applying the Rent Receivable earned during the period between the commencement of the Business and the date of the Damage to the amount by which the Rent Receivable during the period of interruption or interference will have fallen short of the proportional equivalent for that period of the Rent Receivable realised during the period between the commencement of the Business and the date of the Damage.

2.15 Payments on Account

Payments on Account may be made during the Indemnity Period if required on the date which but for the Damage the Rent would have been due from the lessee.

2.16 Prevention of Access

Subject to the terms and conditions of this Section, loss as insured by this Section resulting from interruption of or interference with the Business in consequence of loss, destruction of or damage to property in the vicinity of the Premises, where such loss, destruction or damage shall prevent or hinder the use of or access to the Premises, whether or not Your Premises or Your property in the Premises is damaged, shall be deemed to be Damage, but excluding loss resulting from loss or destruction of or damage to property of any supply undertaking from which You obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.17 Professional Accountants and Legal Fees

The Insurers will pay the reasonable charges payable by You to:

- a) Your professional accountants for producing information required by the Insurers, under Obligation 9.1e) of Section 9 – Claims Procedure, and for reporting that such information is in accordance with Your accounts;
- b) Your lawyers for determining Your contractual rights under any rent cessor clause or insurance break clause contained in the lease;

but not for any other purposes in the preparation of any claim.

Provided that the sum of the amount payable under this clause and the amount otherwise payable under the Policy shall in no case exceed the Sum Insured.

2.18 Rent Free Period

If at the date of the Damage any Premises insured by this Policy are subject to a rent free period under the terms of the lease then the Indemnity Period stated in the Schedule shall be adjusted by adding the unexpired

Section 2 – Loss of Rental Income

portion of the rent free period to the number of years shown in the Schedule provided that the Insurer's maximum liability does not exceed the Sum Insured or any Limit of Liability stated in the Policy whichever is the lower.

2.19 Subrogation Waiver

In the event of a claim arising under this Section the Insurers agree to waive any rights remedies or relief to which they might have become entitled by subrogation against:

- a) any Company standing in relation of parent to subsidiary (or subsidiary to parent) to You; and
- b) any Company which is a subsidiary of a parent company of which You are a subsidiary;

in each case within the meaning of the Companies Act or the Companies (NI) Order, as appropriate, current at the time of Damage;

- c) a tenant or lessee in respect of Damage to the part of the Buildings in the demise of that tenant or lessee or to common parts of the Buildings unless Damage arises out of a criminal fraudulent or malicious act.

2.20 Subsidence Ground Heave and Landslip

Special Conditions for Peril L - Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

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

2.21 Value Added Tax

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

Section 3 – Terrorism

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 3 – Terrorism

Business Interruption

Business Interruption shall mean loss resulting from interruption of or interference with the Business carried on by You at the Premises in consequence of loss or destruction of or damage which is insured under Section 1 - Property Damage of this Policy to property used by You at the Premises for the purpose of the Business.

Damage

Damage shall mean direct physical loss or destruction of or damage to the Property Insured.

Great Britain

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

Nuclear Installation

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

- a) the production or use of atomic energy; or
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or

the storage processing or disposal of nuclear fuel or of bulk quantities or other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

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

Sabotage

Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Terrorism

Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Section 3 – Terrorism

Cover

In consideration of the payment of the Premium in respect of the Period of Insurance, the cover provided under the Sections shown under the Terrorism Section of the Schedule of this Policy is extended to include Damage to the Property Insured and Business Interruption where covered in Great Britain occasioned by or happening through or in consequence of Terrorism or Sabotage.

Provided that

- a) the Insurers liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance shall not exceed the Limits of Liability as otherwise specified under this Policy;
- b) the insurance by this Section is subject to the Exclusions stated below.

Exclusions

What is not covered (see also General Exclusions):

1) War and Allied Risks

This Section does not cover Damage or Business Interruption occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war is declared or not) civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.

2) Electronic Risks

This Section does not cover loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

3) Nuclear Installation or Nuclear Reactor

This Section does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Damage or Business Interruption in respect of any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor.

4) Nuclear Risks and Radiological Contamination

This Section does not cover any loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused

5) Chemical and Biological Emission

This Section does not cover loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind

6) Excluded Property

This Section does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Damage or Business Interruption in respect of:

- a) any property which is specifically excluded elsewhere in this Policy; or
- b) any property which is insured by or would but for the existence of this Policy be insured by any form of transit, aviation or marine policy.

Section 3 – Terrorism

7) Threat or hoax

This Section does not cover any losses whatsoever or any expenditure resulting or arising therefrom or any Business Interruption directly or indirectly caused by or contributed to by threat or hoax of Terrorism or Sabotage.

8) Business Interruption

No claim shall be payable for Business Interruption except in respect of property insured under Section 1 – Property Damage of this Policy which has suffered Damage and unless and until a claim has been paid, or liability admitted, in respect of that Damage and which gave rise to the Business Interruption at that location.

9) Strikes, Riot, Civil Commotion

This Section does not cover loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion

Clauses & Conditions that apply to Section 3 – Terrorism

- 3.1 In any action or other proceedings where the Insurer alleges that any Damage or Business Interruption is not covered by this Section the burden of proving that such Damage or Business Interruption is covered shall be upon You.
- 3.2 Occurrence shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Insured at the Premises insured by this Section during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an act of Terrorism or an act of Sabotage prior to expiration and within the said 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the start of cover under this Policy.

Section 4 – Employers’ Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 4 – Employers’ Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- b) Elsewhere in the world, other than Offshore, in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a) above.

Cover

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages, together with costs and expenses shown below, in respect of Injury sustained within the Territorial Limits during the Period of Insurance by any Employee arising out of his employment by You in the course of the Business.

Limit of Indemnity

The liability of the Insurers under this Section for damages, costs and expenses payable in respect of any one claim or series of claims against You arising out of one event shall not exceed the amount stated in the Schedule.

Costs and expenses shall be deemed to mean:

- a) costs and expenses of claimants for which You are legally liable;
- b) other costs and expenses incurred with the Insurers written consent in respect of any claim which may be the subject of indemnity under this Section;
- c) solicitors fees incurred with the Insurers written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury;
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- d) legal costs and expenses incurred with the Insurer’s written consent by You and, at Your request, any director or Employee, and costs awarded against You or the director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health safety or welfare of Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) proceedings consequent upon a deliberate act by or omission by You, any director or Employee;
 - (2) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices; or
 - (3) costs and expenses insured by any other policy.
- e) legal costs and expenses incurred with the Insurer’s written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;
 - (2) any fines or penalties of any kind;

Section 4 – Employers’ Liability

- (3) any remedial or publicity orders or any steps required to be taken by such orders;
- (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased’s legal personal representatives but only in respect of liability incurred by such deceased person;
 - b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You;
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;
- Provided that:
- a) each person shall as though he were You observe fulfil and be subject to the terms of this Section insofar as they can apply; and
 - b) the Insurers shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
- b) any Employee £100

Right of Recovery

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but You shall repay to the Insurers all sums paid by the Insurers which the Insurers would not have been liable to pay but for the provisions of such law.

Unsatisfied Court Judgements

In the event of Injury to an Employee, sustained during the Period of Insurance and arising out of his employment by You in the course of the Business, which results in a judgement for damages being obtained by such Employee, or his personal representatives, and which remains unsatisfied in whole or in part six months after the date of such judgement, the Insurers will, at Your request, pay to the Employee or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained:
 - i) in a court of law within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
 - ii) against a company, partnership or individual other than You, conducting a business at or from premises within the territories described in i) above;
- b) there is no appeal outstanding;
- c) the judgement relates to Injury which would otherwise be within the terms of the Policy; and
- d) if any payment is made under the terms of this clause the Employee or the personal representative of the Employee shall assign the judgement to the Insurers.

Section 4 – Employers' Liability

Exclusions

What is not covered (see also General Exclusions):

- 1) So far as concerns the liability of any principal or liability assumed by You under agreement, and which would not have attached in the absence of such agreement, this Section shall not apply to any 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; or
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 2) Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- 3) Any liability arising out of work undertaken or operations located Offshore.
- 4) More than £5,000,000 including Claimant's Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) arising out of one event which falls within the definition of Terrorism under this Policy.
- 5) More than £5,000,000 including Claimant's Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal or distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust or property or materials containing any of the foregoing.

Section 5 – Property Owners’ Public and Products Liability

Sub-Section 5(a) – Property Owners’ Public Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Sub-Section 5(a) – Property Owners’ Public Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- b) manual and non-manual work carried out during temporary visits anywhere in the world other than the United States of America or Canada in the course of the Business by any person normally resident within the territories described in a) above.
- c) non-manual work carried out during temporary visits to the United States of America or Canada by any person normally resident within the territories described in a) above.

Cover

Indemnity

The Insurer will indemnify You against all sums that You shall become legally liable to pay as damages in respect of accidental:

- a) Injury to any person;
- b) loss of or damage to material property;
- c) obstruction, trespass, nuisance or interference with any right of way, air, light or water or other easement; or
- d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy;

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business.

Limit of Indemnity

The liability of the Insurers for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the amount stated in the Schedule for any one event.

Section 5 – Property Owners’ Public and Products Liability

Contingent Motor Liability

Notwithstanding Exclusion 2) under ‘**What is not covered.**’ the Insurers will indemnify You in the terms of this Section against legal liability in respect of Injury, loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by You.

The Indemnity will not apply to legal liability:

- a) in respect of loss of or damage to any such vehicle or to goods carried in or on the vehicle;
- b) in respect of Injury, loss of or damage arising while such vehicle is being:
 - i) driven by You;
 - ii) driven with the general consent of You or of Your representative by any person who to the knowledge of You or Your representative does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding such a licence;
 - iii) used elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; or
 - iv) engaged in racing, pace making reliability trials or speed testing;
- c) in respect of which You are entitled to indemnity under any other insurance.

Defective Premises Act

The Insurer will indemnify You in respect of Injury or loss or damage to Property which You may incur as owner by virtue of the Defective Premises Act 1972 in connection with any premises which have been disposed of by You and which prior to disposal were occupied by You in connection with the Business.

The Indemnity will not apply to legal liability:

- a) for which You are entitled to indemnity under any other policy of insurance;
- b) for Injury, loss or damage happening prior to such disposal; or
- c) for the cost of repairing, replacing or reinstating any defect giving rise to such claim or for the rectification of faulty workmanship.

Libel and Slander

The Insurers will indemnify You in respect of legal liability to pay damages and claimants costs and expenses in respect of claims made against You during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by You during the Period of Insurance in the course of the Business.

Provided always that:

- a) the indemnity granted by this clause will apply solely to the Insured’s in-house and trade publications;
- b) the liability of the Insurers under this clause will not exceed £250,000 in any one Period of Insurance.

Overseas Personal Liability

The Insurers will indemnify You and, if You so request, any of Your directors, partners or Employees or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in connection with the Business.

The Indemnity will not apply to legal liability:

- a) arising out of the ownership or occupation of land or buildings; or
- b) in respect of which any person referred to is entitled to indemnity under any other insurance.

Rented Premises

Exclusion 5) b) under ‘**What is not covered.**’ shall not apply to premises leased, let, rented, hired or lent to You.

The Indemnity will not apply to legal liability in respect of:

- a) loss or damage arising under agreement unless liability would have attached to You in the absence of such agreement;
- b) loss of or damage to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by You or on Your behalf; and
- c) the first £500 of each and every occurrence of loss or damage caused otherwise than by fire or explosion.

Section 5 – Property Owners’ Public and Products Liability

Exclusions

What is not covered (see also General Exclusions):

Legal liability:

- 1) arising out of:
 - a) work in or on aircraft;
 - b) work in or on airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access; or
 - c) the ownership possession or use by You or on Your behalf of any aircraft watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon);
- 2) arising out of the ownership, possession or use by You or on Your behalf of any mechanically propelled vehicle or attached trailer in circumstances where compulsory insurance or security is required or where insurance is provided by another policy provided always that:
this exclusion shall not apply in respect of liability arising during the act of loading or unloading any such mechanically propelled vehicle or attached trailer unless insurance is provided by another policy;
- 3) in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which have ceased to be in Your custody or control other than food or drink provided as a service at Your Premises to Employees or visitors;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You;
- 6) arising out of professional advice, design or specification provided by You or on behalf of You for a fee;
- 7) for the costs of remedying any defect or alleged defect in land or premises sold or disposed of by You or for any reduction in the value of such land or premises;
- 8) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to liquidated damages, fines or penalties;
- 9) arising out of work undertaken or operations located Offshore;
- 10) for loss of or damage to that part of any property upon which You are or have been working where the loss or damage is the direct result of such work;
- 11) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law;
- 12) for the first £250 of each and every occurrence in respect of loss or damage to property.

Section 5 – Property Owners’ Public and Products Liability

Sub-Section 5(b) – Products Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Section 7 and General Exclusions in Section 8 also apply to this Section.

Definitions for Sub-Section 5(b) – Products Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

Anywhere in the world in respect of Products Supplied in or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Cover

Indemnity

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental:

- a) injury to any person; and
- b) loss of or damage to material property;

occurring within the Territorial Limits during the Period of Insurance and caused by any Products Supplied.

Limit of Indemnity

The liability of the Insurers for all damages payable as a result of all occurrences during any one Period of Insurance shall not exceed the amount stated in the Schedule for any one Period of Insurance.

Section 5 – Property Owners’ Public and Products Liability

Exclusions

What is not covered (see also *General Exclusions*):

Legal liability:

- 1) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which are in Your custody or control;
- 2) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are for use in or on any aircraft or aerospace device;
- 3) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are directly or indirectly exported to the United States of America or Canada;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You.
- 6)
 - a) in respect of the cost or value of any Products Supplied or replacement, repair, removal, rectification or reinstatement of Products Supplied where legal liability arises from a defect in or the unsuitability of such Products Supplied;
 - b) for any costs incurred in recalling or modifying any Products Supplied;
- 7) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to:
 - a) liquidated damages fines or penalties; or
 - b) legal liability which attaches by virtue of an express warranty indemnity or guarantee given or entered into by You in connection with any Products Supplied and which would not have attached in the absence of such warranty indemnity or guarantee.
- 8) arising out of professional advice, design or specification provided by You or on behalf of You for a fee;
- 9) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law.

Section 5 – Property Owners’ Public and Products Liability

Applicable to Section 5 – Property Owners’ Public and Products Liability

Cover

Costs

The Insurers will in addition:

- a) pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Section;
- b) pay solicitors fees incurred with its written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury; and
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- c) indemnify You and, at Your request, any director or Employee in respect of legal costs and expenses incurred with the Insurers written consent, and costs awarded against You and Your director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health, safety or welfare of persons other than Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices;
 - (2) proceedings which result from any deliberate act by or omission by You, any director or Employee;
 - (3) costs and expenses insured by any other policy.
- d) indemnify You in respect of legal costs and expenses incurred with the Insurer’s written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings for any offence brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;
 - (2) any fines or penalties of any kind;
 - (3) any remedial or publicity orders or any steps required to be taken by such orders;
 - (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased’s legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You.
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;

Provided that:

- a) each such person shall, as though he were You, observe, fulfil and be subject to the terms of this Section insofar as they can apply;
- b) the Insurers shall retain the sole conduct and control of all claims;
- c) where the Insurer is required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity.

Section 5 – Property Owners’ Public and Products Liability

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
- b) any Employee £100

Consumer Protection Act 1987 – Legal Defence Costs

The Insurer will pay all amounts You or, at Your request, any of Your directors or Employees become legally liable to pay in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or any regulations made under the Act committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with their consent in an appeal against conviction arising from the proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
- b) this extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
- c) You and Your directors or Employees shall give the Insurer immediate notice of any summons or other proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
- b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
- c) in respect of legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your director or Employee;
- d) in respect of fines or penalties;
- e) for the cost of any investigation or inquiry other than a solicitor’s investigation restricted to criminal proceedings as above defined; and
- f) unless the Insurers have the sole conduct and control of all claims.

Cross Liabilities

This Section shall apply separately to each person named in the Schedule as if a separate policy had been issued to each provided that if the Insurer is required to indemnify more than one party in respect of any occurrence the total liability of the Insurer shall not exceed the Limit of Indemnity.

Data Protection Act Extension

The Insurer will indemnify You in respect of liability arising under the applicable UK or Isle of Man Data Protection laws to pay compensation for damages or distress, provided that:

- a) the process of registration with the appropriate authority under the laws has been commenced or completed by You and the application has not been refused or withdrawn;
- b) no liability arises as a result of the provision by You of the services of a Data Processor.

The total liability of the Insurers including all costs and expenses shall not exceed £250,000 during any one Period of Insurance.

For the purposes of this extension the phrases or words Data Processor and Data shall carry the same meaning as defined under the applicable UK or Isle of Man Data Protection Act laws.

The Indemnity will not apply to legal liability:

- a) in respect of the recording or provision of Data for reward or for determining the financial status of any person; or
- b) which arises as a result of Your deliberate act or omission and which could reasonably have been expected by You having regard to the nature and circumstances of such act or omission.

Discharge of Liability

The Insurers may pay the Limit of Indemnity or any lesser amount for which any claim or claims against You can be settled and the Insurers shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

Section 5 – Property Owners’ Public and Products Liability

Food Safety Act Legal Defence Costs

The Insurer will pay legal costs and expenses You or, at Your request, any of Your directors or Employees incur in the defence of any criminal proceedings brought for a breach of the Food Safety Act 1990, or any regulations under the Act, committed or alleged to have been committed during the Period of Insurance. The Insurer will also pay legal costs and expenses incurred with their consent in an appeal against conviction arising from such proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
- b) this extension only applies to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
- c) You or Your directors or Employees give the Insurers immediate notice of any summons or other process served upon You or Your directors or Employees and of any event that may give rise to proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
- b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
- c) for legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your directors or Employees;
- d) in respect of fines or penalties;
- e) for the cost of any investigation or inquiry other than a solicitor’s investigation restricted to criminal proceedings as above defined.

Legionellosis Liability

The Pollution or Contamination Exclusion shall not apply to any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like; Provided that:

- a) the Insurers will only indemnify You:
 - i) in respect of claims arising from Pollution or Contamination which arise out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like first made in writing to You during the Period of Insurance; or
 - ii) if the first notification of a circumstance which has caused or is alleged to have caused Injury or damage and can be reasonably expected to give rise to a claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air-conditioning plants cooling towers and the like is notified to the Insurers during the Period of Insurance or within thirty days after the expiry of the same Period of Insurance;
- b) the liability of the Insurers under this extension for all compensation (including interest thereon) and claimants costs and expenses payable shall not exceed £1,000,000 and for all claims arising from Pollution or Contamination shall not exceed the Limit of Indemnity as stated in the Schedule;
- c) this extension shall not apply to any claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like if before the Period of Insurance You had become aware of circumstances which have given or may give rise to such Pollution or Contamination.

USA and Canada

Insofar as this Section applies to legal liability arising in the United States of America or Canada or if an action for damages is commenced therein or in any subsequent action in connection therewith is brought elsewhere in the world the liability of the Insurers in respect of all damages payable together with the costs and expenses of claimants and any other costs and expenses incurred with the Insurers written consent shall not exceed the Limit of Indemnity and shall exclude punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages or by way of fines or penalties.

Section 5 – Property Owners’ Public and Products Liability

Exclusions

What is not covered (see also General Exclusions):

Pollution or Contamination

Legal liability in respect of Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

The liability of the Insurers for all damages payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the amount shown in the Schedule as the Limit of Indemnity for any one event.

For the purpose of this exclusion and limitation 'Pollution or Contamination' shall be deemed to mean:

- a) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere;
and
- b) all loss or damage or Injury directly or indirectly caused by such Pollution or Contamination.

Asbestos

This insurance does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Section 6 – General Definitions

These Definitions apply to all Sections of the Policy unless stated otherwise. Other Definitions are contained within the Sections of the Policy where they apply.

We/ Insurer/ Our/ Us

Arch Insurance (UK) Limited

Business

The Business stated in the Schedule, including in respect of Sections 4 and 5:

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services;
- b) private work undertaken with Your prior consent by Employees for any of Your directors or senior officials;
- c) the ownership maintenance and repair of Your Premises.

Consequential Loss

Any further loss of any kind that may arise due to, or as a result of, loss or destruction of or any damage to any property whatsoever.

Employee

- a) any person under a contract of service or apprenticeship with You;
 - b) any person who is hired to or borrowed by You;
 - c) any person engaged in connection with a work experience or training scheme;
 - d) any labour master or person supplied by him;
 - e) any person engaged by labour only sub-contractors;
 - f) any self-employed person working on a labour only basis under Your control or supervision; or
 - g) any voluntary helper;
- while working for You in connection with the Business.

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible.

Hacking

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Insured/ Policyholder/ You/ Your

The person(s) or company named in the Schedule.

Period of Insurance

The period shown in the Schedule and any subsequent period for which We accept Your premium for renewal of this Policy.

Policy

The Policy, Schedule and any endorsements attached or issued and Statement of Fact.

Premises

The Premises as stated in the Schedule.

Proposal

The signed Proposal or Statement of Fact and any additional information supplied to the Insurer by You or on Your behalf.

Sabotage

Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Terrorism

Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Section 7 – General Conditions

These General Conditions apply to all Sections of the Policy unless stated otherwise. Other Conditions are contained within the Sections of the Policy where they apply.

7.1 Alteration in Risk

This Policy shall be avoided if after the commencement of this insurance there is any alteration in risk:

- a) by removal;
- b) by change of occupation or use of the property insured;
- c) whereby the risk of loss or damage or accident or liability is increased;
- d) whereby the Business is wound up or carried on by a liquidator or receiver or permanently discontinued; or
- e) whereby Your interest ceases except by will or operation of law;

unless such alteration is notified to and accepted by the Insurer in writing.

7.2 Arbitration

If any difference shall arise as to the amounts to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions. An award made by the arbitrator shall be a condition precedent to any right of legal action against the Insurer.

7.3 Cancellation

The Insurer shall not be bound to accept any renewal of this Policy and may at any time give You thirty days notice to cancel this Policy sent in writing to your last known address where the Insurer has valid reasons for doing so. Valid reasons may include but are not limited to non-payment of premium in full or in part, Your non-co-operation with the terms of the Policy, where We reasonably suspect fraud, where You or someone acting on your behalf uses threatening, abusive or intimidating language or behavior to Us or to someone whom we appoint to provide a service in connection with the Policy. This termination shall be without prejudice to any rights or claims of the Insurer or You prior to the expiry of such notice.

You can cancel this insurance at any time by writing to Your broker and returning Your certificate of Employers' Liability insurance (if one has been issued to You). We will return part of the premium proportionate to the unexpired Period of Insurance, provided that no claims have been paid or are outstanding for the current Period of Insurance and there has been no breach of any Policy conditions. If there has been a claim, paid or outstanding, or breach of any Policy condition, we will not refund any premium.

7.4 Claims – The Insurers Rights

The Insurer:

- a) on the happening of any loss, destruction or damage in respect of which a claim is made, may, without incurring any liability or diminishing any of the Insurers rights under this Policy, enter, take or keep possession of, the Premises where such loss destruction or damage has occurred and take possession of, or require to be delivered to the Insurer, any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
No claim under Section 1 shall be payable unless the terms of this condition have been complied with.
No property may be abandoned to the Insurer whether taken possession of by the Insurer or not.
- b) shall have full discretion in the conduct of any proceedings and in the settlement of any claim.

7.5 Conditions Precedent to Liability

Every condition stated as a condition precedent that applies to this Policy (whether a Policy or Section Condition) shall apply from the time the condition attaches and continue to be in force during the whole currency of this Policy. Failure to comply with any such condition shall be a bar to any claim.

7.6 Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Right of Third Parties) Act 1999 by any person who is not a party to this contract.

7.7 Fraud

If any claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any loss destruction or damage is occasioned by Your willful act or with Your connivance all benefit under this Policy shall be forfeited.

7.8 Identification

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.

Section 7 – General Conditions

7.9 Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the Insurers.

7.10 Interpretation

In this Policy;

- a) reference to any statute or statutory provision and orders or regulation 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 includes 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.

7.11 Misrepresentation and Misdescription

In arranging this Policy You must have provided us with a fair presentation of the risks to be insured. This means you must have clearly disclosed all material facts which You, Your senior management and or persons responsible for arranging the Policy knew or ought to have known. If you have not made a fair presentation, this could mean that part or all of a claim may not be paid. Please be aware that in some circumstances, if you have not made a fair presentation of the risk, we may avoid the contract and the premium may not be returned. You must also make a fair presentation to Us when the policy is to be renewed.

7.12 Observance of Terms

It is a condition precedent to any liability on the part of the Insurer under this Policy that the terms hereof so far as they relate to anything to be done or complied with shall be duly and faithfully observed except in so far as it is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to Employees.

7.13 Other Insurances and Average

Applicable to Section 1 – Property Damage and Section 2 – Loss of Rental Income

If at the time of any Damage there is any other insurance effected by You or on Your behalf covering any of the Property damaged the liability of the Insurer under this Policy shall be limited to its rateable proportion of such Damage.

If any other insurance shall be subject to any Average (under-insurance) condition this Section if not already subject to any condition of Average shall be subject to Average in like manner.

If any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part or from contributing rateably the liability of the Insurer hereunder shall be limited to that proportion of the Damage as the Sum Insured by this Section bears to the value of the Property.

Applicable to Section 4 – Employers' Liability and Section 5 – Property Owners' Public and Products Liability

The Insurer will not indemnify You in respect of liability which is insured by or would but for the existence of the Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected.

7.14 Reasonable Precautions

You shall:

- a) take all reasonable precautions to prevent occurrences which may give rise to loss destruction or damage;
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority;
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require.

Section 7 – General Conditions

7.15 Subjectivity

- a) If the Policy is issued with subjectivity it will clearly state in the Schedule if the cover provided by the Policy is subject to You:
- i) providing the Insurer with any additional information requested by the required date;
 - ii) completing any actions agreed between You and the Insurer by the required dates; or
 - iii) allowing the Insurer to complete any actions agreed between You and the Insurer.
- b) If required by the Insurer You must allow access to the Premises and the Business to carry out surveys within 60 days of the inception or renewal date, unless agreed otherwise in writing.

If cover under this Policy is subject to You completing risk improvements and complying with the risk improvements for the currency of the Policy then the risk improvements identified must be completed within the individual timescales specified and complied with for the currency of the Policy.

Following the above actions the Insurers reserve the right to:

- a) modify the premium;
- b) change the terms and conditions of the Policy;
- c) require You to make alterations to the Premises insured by required dates;
- d) cancel the Policy in accordance with General Condition 7.3;
- e) leave the Policy terms, conditions and premium unaltered.

You will be advised of the Insurers decision and any required actions and dates. The effective date of any changes will apply unless and until the Insurers agree otherwise in writing.

If You disagree with the Insurers decision You must make Your comments in writing and the Insurers will attempt to negotiate a resolution with You. If this is unsuccessful You have the right to cancel the Policy and, subject to no claims, a proportionate part of the premium will be refunded to You.

7.16 Subrogation

Any claimant under this Policy shall, at the request and at the expense of the Insurer, take and permit to be taken all necessary steps for enforcing rights against any other party in Your name before or after any payment is made by the Insurer. The Insurer shall be entitled to take over and conduct in Your name the defence or settlement of any claim or to prosecute in Your name, at its own expense and for its own benefit, any claim for indemnity or damages or otherwise.

Section 8 – General Exclusions

These Exclusions apply to all Sections of the Policy unless stated otherwise. Other Exclusions are contained within the Sections of the Policy where they apply.

8.1 *Applicable to Section 1 – Property Damage and Section 2 – Loss of Rental Income*

Sonic Bangs

The insurance by this Policy does not cover Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

8.2 *Applicable to all Sections other than Section 4 – Employers' Liability*

a) War & Similar Risks

The insurance by this Policy does not cover:

Damage or Business Interruption or legal liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation, or nationalisation, or requisition, or destruction of or damage to property by or under the order of any government or public or local authority.

b) Nuclear Risks & Radioactive Contamination Risks

This insurance does not cover;

- a) loss destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any Consequential Loss; or
 - b) any legal liability of whatsoever nature;
- directly or indirectly caused by or contributed to by or arising from:
- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
 - e) any chemical, biological, bio-chemical, or electromagnetic weapon.

c) Date Recognition

The insurance by this Policy does not apply to:

Any claim directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000:

- 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; or
- c) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into the computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date;

but this shall not exclude subsequent Damage in respect of Section 1 (Property Damage) or subsequent interruption with the Business in respect of Section 2 (Loss of Rental Income) not otherwise excluded which itself results from fire, lightning, explosion, theft, aircraft or other aerial devices or articles dropped from aircraft or other aerial devices, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal, provided such Peril is insured by the Section.

Section 8 – General Exclusions

8.3 *Applicable to all Sections other than Section 3 – Terrorism and Section 4 – Employers’ Liability* **Terrorism**

- a) This insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism or Sabotage regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) This insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any threat or hoax of Terrorism or Sabotage regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- c) This insurance also excludes loss, damage, cost or expense of whatsoever nature in Northern Ireland directly or indirectly resulting from or in connection with civil commotion.
- d) This insurance also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to a) or b) above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon You.

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

8.4 *Applicable to all Sections other than Section 4 – Employers’ Liability and Section 5 – Property Owners’ Public and Products Liability* **Contamination and Pollution Clause**

- a) The insurance by this Policy does not cover any loss or damage due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health.
- b) This exclusion does not apply if such loss or damage arises out of one or more of the following Perils:
Fire, Lightning, Explosion, Impact of Aircraft
Vehicle Impact, Sonic Boom
Accidental Escape of Water from any tank apparatus or pipe
Riot, Civil Commotion, Malicious Damage
Storm, Hail
Flood, Inundation
Earthquake
Landslide, Subsidence
Pressure of Snow, Avalanche
Volcanic Eruption
- c) If a Peril not excluded from this Policy arises directly from pollution and/or contamination any loss or damage arising directly from that Peril shall be covered.
- d) All other terms and conditions of this Policy shall be unaltered and especially the exclusions shall not be superseded by this clause.

8.5 *Applicable to all Sections other than Section 3 - Terrorism* **Electronic Data**

1) Electronic Data Exclusion

- a) The insurance by this Policy does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus or Hacking) 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.

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.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “trojan horses”, “worms” and “time or logic bombs”.

- b) However, in the event that a Peril listed below results from any matters described in paragraph a) above, this insurance, subject to all its terms, conditions and exclusions, will cover physical damage occurring

Section 8 – General Exclusions

during the Policy Period of Insurance to the Property Insured by this Policy directly caused by such listed Peril.

Listed Perils:

Fire
Explosion

2) Electronic Data Processing Media Valuation

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this insurance does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

8.6 *Applicable to all Sections*

Sanction Limitation and Exclusion Clause

We shall not provide any benefit under this Policy to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any prohibition or restriction imposed under United Nations resolutions or the trade or economic sanction, law or regulations of the European Union, United Kingdom or United States of America.

8.7 *Applicable to all Sections other than Section 4 – Employers' Liability, Section 5 – Property Owners' Public and Products Liability and Section 3 - Terrorism*

Epidemic/Pandemic Disease Exclusion

Definitions applicable to this exclusion:

Infectious Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism (including human beings) where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

Epidemic

The sudden, unexpected, large-scale manifestation of an initially locally contained, Infectious Disease which spreads with great virulence.

Pandemic

A worldwide Epidemic of an Infectious Disease as declared by the World Health Organisation.

1. Notwithstanding any other provision of this Policy to the contrary, this Policy does not provide indemnity for any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with an Epidemic or Pandemic Infectious Disease or the fear or threat (whether actual or perceived) of an Epidemic or Pandemic Infectious Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to
 - 2.1 any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1.a for an Epidemic or Pandemic Infectious Disease, or
 - 2.1.b any property insured hereunder that is affected by such an Epidemic or Pandemic Infectious Disease;
 - 2.2 any loss due to interruption to or interference with the Business as defined in the Policy as a result of or in any way connected to the occurrence of an Epidemic or Pandemic Infectious Disease, including but not limited to interruption or inference resulting from any action by, advice of or restriction imposed by any government or any local or public authority.

Section 8 – General Exclusions

3. This Exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

Section 9 – Claims Procedure

To make a claim under this Policy please telephone the appropriate number listed on the Important Helplines Section of this Policy.

Your claims will be dealt with by:

Lucas Claims Solutions – Telephone 0345 258 7170

9.1 Your Obligations

On learning of any circumstances likely to give rise to a claim or on receiving verbal or written notice of any claim You must:

- a) tell the Insurer as soon as reasonably possible and give the Insurer all the assistance they may reasonably require;
- b) tell the Police as soon as reasonably possible if the Damage is due to any actual or suspected criminal act;
- c) send to the Insurer immediately any intimation of a claim from a third party, writ, summons or other legal proceedings issued against You;
- d) supply, at Your own expense, full details of the claim in writing within the following periods:
 - i) 7 days for Damage by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, theft or political disturbances or vandals or malicious people;
 - ii) 30 days after the expiry of the Indemnity Period under Section 2 Loss of Rental Income; and
 - iii) 30 days after any other Damage, interruption or Injury;
- e) provide all the help and assistance and co-operation required by the Insurer in connection with any claim to include supplying, as soon as reasonably practicable, any supporting evidence and information that they require;
- f) take action following circumstances likely to give rise to a claim to:
 - i) minimize the Damage;
 - ii) prevent further Injury or Damage; and
 - iii) avoid interruption with the Business.

9.2 Negotiations

You must not admit, deny, negotiate or settle any claim without the Insurer's written consent.

The Insurer will not pay any claim if their position is prejudiced for any reason as a result of Your failure to comply with 9.1 or 9.2 above.

9.3 The Insurers rights

- a) The Insurer has the right to take over the defence or settlement of a claim against You by another person.
- b) The Insurer has the right to the salvage of any Property Insured.
- c) The Insurer has the right to enter the building where the Damage has happened, and to take and keep any of the Property Insured, and to deal with salvage in a reasonable manner.

9.4 Fraud

If any:

- a) claim made under this Policy by You or anyone acting on Your behalf is fraudulent or intentionally exaggerated in any way;
- b) false declaration or statement is made;
- c) fraudulent device is used to support the claim;
- d) loss, Injury, destruction or Damage is caused by Your willful act or with Your connivance;

then:

- i) all benefit under this Policy shall be forfeited;
- ii) the Insurer shall have no obligation to indemnify in respect of any other claim made under this Policy whether such claim is made before or after the fraudulent claim;
- iii) the Insurer shall have the right to recover any monies paid to You under this Policy during the Period of Insurance whether or not such payment was made before or after the fraudulent claim.

Section 10 – Enquiries and Complaints Procedure

If You have any questions about the cover or a complaint about the way your policy was sold, please contact the Insurance Broker who arranged this Policy for You.

If you wish to complain about the wording or a claim, please contact

The Complaints Officer
Arch Insurance (UK) Ltd
5th Floor
Plantation Place South
60 Great Tower Street
London
EC3R 5AZ
Phone 0207 621 4500
Fax 0207 621 4501

When making contact, please quote Your Policy number so that Your concerns may be dealt with speedily

If Your complaint remains unresolved You may also have the right to refer Your complaint to:

The Financial Ombudsman Service

Exchange Tower
London
E14 9SR
Phone 08000 234 567
complaint.info@financial-ombudsman.org.uk

Further information is available from them and on www.financial-ombudsman.org.uk

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However, the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.

Financial Conduct Authority (FCA)

The Financial Services register can be checked by visiting their website on www.fca.org.uk/register or by calling 0800 111 6768

Financial Services Compensation Scheme (FSCS)

Arch Insurance (UK) Limited are covered by the FSCS. This means that You may be entitled to compensation from the scheme in the unlikely event you're your Insurer cannot meet its obligations. Further details can be obtained from FSCS, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU Tel: 0207 741 4100 Fax: 0207 741 4101 or www.fscs.org.uk