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# Property Advantage Policy Summary

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This is a summary of the policy and does not contain the full terms and conditions of the cover, which can be found in the policy documentation. This summary is not intended to alter or amend the terms of the policy. An outline of the policy's significant features and benefits is set out below together with any significant exclusions. It is important that you read the full policy documentation.

Details of the start date and end date of the policy are contained in the policy schedule. The law and jurisdiction applicable to the policy is that of England and Wales.

The policy provides cover under the following sections:

- > Property Damage;
- > Business Interruption; and
- > Terrorism.

Not all the sections may be operative as part of your insurance. Please refer to the policy schedule for confirmation of the sections of cover that you have selected. The policy only provides cover under each of the sections where these are marked as "INCLUDED" on your policy schedule. The Property Damage and Business Interruption sections also contain a number of 'standard' and 'optional' extensions. Cover is provided automatically for 'standard' extensions, while for 'optional' extensions the policy only provides cover where these are marked as "INCLUDED" on your policy schedule.

# Your obligations

Your insurance and the premium that you pay are based on the information that you have provided to us. Please make sure that this information accurately reflects your circumstances and please do inform us immediately if anything needs to change. If you do not fairly present your circumstances to us, this may cause your policy to be invalidated, claims not to be paid, or the amount we pay for claims to be reduced.

You must:

- > notify us of claims and circumstances that may give rise to a claim as soon as practical but always within the time limitations stated in the policy;
- > notify us of any and all material changes to you, the declared business activity or the risks insured if you require them to be covered by this insurance; and
- > comply with the general conditions and any specific conditions designed to reduce the risk of loss.

## Conditions precedent

There are certain terms which are conditions precedent to our liability under the policy for certain losses. It is particularly important that you comply with these terms. If you do not do so, you will not be entitled to cover under the policy for a claim unless you can show that your breach of the term could not have increased the risk of the type of loss that has occurred. Conditions precedent are contained in the policy wording, and additional conditions precedent may also appear in the policy schedule or endorsements. It is therefore important that you check all these documents. The conditions precedent that appear in the policy wording are as follows:

- > The hot works conditions within the Other Terms and Conditions section of the policy. These set out the steps that must be taken when hot works are carried out.
- > The fire and security systems conditions within the Other Terms and Conditions section of the policy. These set out the steps that you must take to protect your insured property.
- > The unoccupied buildings conditions within the Other Terms and Conditions section of the policy. These set out the additional steps that you must take to protect your unoccupied insured property.
- > The notification requirements within the Claims Conditions and Requirements section of the policy. These set out the steps that you must take to notify us of a claim, or circumstances that might give rise to a claim, and to notify us of damage caused by riot, theft and malicious persons.

# Overall loss limit, sums insured and sub-limits of indemnity

There are certain limits on the maximum amount that you will be able to claim:

- > There may be an overall loss limit shown in the policy schedule. The overall loss limit is a cap on the total amount which you can claim under all the sections of the policy for all claims relating to a single occurrence.
- > Sums insured, where applicable, will be shown in the policy schedule. Sums insured may apply to items of property insured under the Property Damage section, and to the heads of cover under the Business Interruption section (such as cover for Estimated insurable gross profit or Rent receivable). A sum insured is the maximum amount for which we will indemnify you during the period of insurance for all claims relating to the item of property insured, head of cover or section of the policy against which the sum insured is stated.
- > Sub-limits of indemnity, where applicable, may apply to policy extensions or to damage caused by an individually named peril such as flood. The policy wording contains the default sub-limits of indemnity which will apply unless they are overridden by a sub-limit of indemnity in the policy schedule. It is therefore important that you read both the policy wording and schedule together. A sub-limit of indemnity is the maximum amount for which we will indemnify you under the policy cover against which the sub-limit of indemnity is stated.
- > Sub-limits of indemnity will apply either per occurrence, or per occurrence and in the aggregate. Where they apply per occurrence, the sub-limit of indemnity is the most we will pay for all claims relating to the same occurrence. However, if two (or more) separate occurrences give rise to two (or more) separate claims during the period of insurance, the full sub-limit will be available for each occurrence subject always to the overall cap of the sum insured. Where they apply per occurrence and in the aggregate, the sub-limit of indemnity is the most we will pay for all claims under that extension during the period of insurance.

# Property Damage section

## The cover provided

The Property Damage section provides cover where insured property is accidentally damaged by causes which are not excluded. The property insured is set out in the policy schedule.

If your insured property is damaged or destroyed, the amount that we will pay to you will depend upon the type of property that has been affected. For buildings or 'machinery, plant and all other contents', provided that you reinstate the property insured then we will pay the cost of reinstatement to a condition equivalent to when it was new. The amount that we will pay where property insured is reinstated includes certain costs and expenses that you will usually have to incur in order to rebuild the property, namely professional fees, debris removal, and the additional costs required to comply with legal or regulatory requirements such as Building Regulations. Cover for these costs and expenses usually forms part of the sum insured for the item which has been damaged. However, if you have requested this, separate sums insured may be shown on the policy schedule for these costs and expenses, in which case the cover provided for these costs and expenses is in addition to the sum insured for the item that has been damaged.

If you decide not to reinstate the property insured, we will pay you either the reduction in market value of the property, or the amount that it would cost to repair or replace the property insured to the condition it was in prior to the damage (which will include an allowance for wear and tear), whichever is less.

Full details of how the amount that we will pay is calculated are set out in the policy wording. This includes the amount that we will pay where other types of property are lost or damaged.

## Extensions

The Property Damage section contains a number of standard and optional extensions which are subject to specific sub-limits of indemnity which limit the amount payable in respect of each item.

The standard extensions which are automatically provided are as follows:

- > Arson and theft and criminal acts reward costs
- > Contract works
- > Continuing plant hire charges
- > Exhibitions and trade fairs
- > Fire extinguishment expenses and emergency services damage
- > Lock replacement
- > Loss mitigation costs
- > Metered water or gas

- > Motor vehicles parked at the premises
- > Temporary removal
- > Theft damage to uninsured buildings
- > Theft of external parts of structures at the premises
- > Undamaged stock
- > Undamaged tenants' improvements
- > Valuables

There are also a number of optional extensions which will only provide cover if specified on the policy schedule as being "INCLUDED":

- > Deterioration of stock
- > Leased premises difference in conditions / difference in limits (DIC/DIL)
- > Rent payable
- > Third party storage locations
- > Goods in transit
- > Money damage and assault

The policy contains standard extensions which apply to both the Property Damage and Business Interruption sections of the policy and which are automatically provided. These are subject to specific sub-limits of indemnity:

- > New acquisitions
- > Public relations expenses
- > Trace and access

The policy also contains further optional extensions which apply to both the Property Damage and Business Interruption sections of the policy if specified as being "INCLUDED":

- > Computer breakdown
- > Energy performance and sustainable buildings
- > Flood resilience
- > Inadvertent errors and omissions
- > Machinery breakdown
- > Professional support fees

## Declared values and underinsurance

The basis on which buildings and other property are insured will be specified in the policy schedule.

You will need to provide us with either a declared value or sum insured for buildings that you insure, depending on whether the property is insured on the 'Day One' basis. The policy offers cover on the 'Day One' basis as standard but can be endorsed to disapply the 'Day One' basis if required.

For property insured on the 'Day One' basis, the declared value for buildings should be the cost of reinstatement of the buildings at the time of the start of the period of insurance. For property not insured on the 'Day One' basis, the sum insured should be adequate to cover the cost of reinstatement of the property insured at any time during the period of insurance. In both cases the sum insured should include an allowance for costs and expenses that would have to be incurred in order to reinstate the building (such as

architect's fees, the cost of debris removal and the cost of any upgrades required to comply with Building Regulations) unless these costs and expenses are subject to separate sums insured shown on the policy schedule.

If your property is insured on the 'Day One' basis, the sum insured for the relevant item will be based on the declared value with an uplift to account for inflation or other increases in costs during the period of insurance. If your property is not insured on the 'Day One' basis, the sum insured will be the figure you provide to us.

If your property is insured on the 'Day One' basis and you make a claim, we will assess whether the declared value was accurate at the start of the period of insurance. If the declared value is less than the full cost of reinstatement if the property had been completely destroyed, then we will only pay a proportion of your claim. This will be the proportion which the declared value bears to the full cost of reinstatement.

If your property is not insured on the 'Day One' basis and you make a claim, then we will assess whether the sum insured is sufficient, at the time of the damage, to cover the full cost of reinstatement if the property had been completely destroyed. If the sum insured is not sufficient then we will only pay a proportion of your claim. This will be the proportion which the sum insured bears to the full cost of reinstatement.

It is therefore very important that you check that the declared value or sum insured for each item of property insured is accurate.

# Business Interruption section

## The cover provided

The Business Interruption section provides cover for losses due to business interruption caused by insured damage to property. Cover is available under the policy for:

- > Estimated insurable gross profit or estimated gross revenue;
- > Additional increased cost of working;
- > Increased cost of working (standalone);
- > Rent receivable; and
- > Outstanding debit balances.

The way in which the amount that we will pay to you is calculated will depend upon which of these covers you have purchased. It is important that you select the correct type of cover for your business. Your broker will be able to advise you of the difference between these types of cover and help you decide which is appropriate for your business.

Cover is subject to a 'maximum indemnity period' which is set out in the policy schedule. This is the maximum period for which business interruption losses are covered and you should check with your broker that it will be long enough to cover the time it would take to rebuild your property, if it were completely destroyed, and to get back to normal trading. Cover is also subject to the 'Wide area occurrence' provision. This will typically apply where you suffer damage as a result of a natural peril such as storm or flood that also affects the wider area around your premises. In such circumstances we will not pay for any increase in your business interruption loss that the wider effects of the peril cause over and above the loss that the damage would have caused by itself. By way of example, if your customers are reluctant to visit your premises due to damage to the surrounding area even after you have completed repairs to your premises, we will not pay for the additional loss this causes you.

Further, cover is also subject to the "trend adjustment" provision. This will apply where your business has experienced a trend prior to or after the date that the insured peril occurred. The trend will be taken into account regardless of whether the downturn was due to the same original cause as the insured peril.

Cover for Professional accountants' fees is also provided as standard, with a sum insured that will be stated in the policy schedule.

## Extensions

The Business Interruption section contains a number of optional extensions to cover which are subject to specific sub-limits of indemnity which limit the amount payable in respect of each item.

The Research and development extension requires damage to property at your premises.

The following extensions provide cover where you suffer loss as a consequence of damage to property at third-party sites:

- > Denial of access (damage);
- > Loss of attraction;
- > Miscellaneous storage locations;
- > Specified customers' premises;
- > Specified suppliers' premises;
- > Unspecified customers' premises; and
- > Unspecified suppliers' premises;

The following extensions do not require damage in order to provide cover:

- > Denial of access (non-damage);
- > Public utilities; and
- > Specified disease, murder, suicide, food or drink poisoning.

As set out above, the policy also contains further optional extensions which apply to both the Property Damage and Business Interruption sections of the policy.

## Premium and underinsurance

Prior to inception of the policy, if you are purchasing cover for estimated insurable gross profit or estimated gross revenue we will ask you to provide estimated figures of the values to be insured. It is important that these figures are based on the best and most current information you have such as the latest budget forecasts. No later than six months after expiry of the policy term, we will ask you to provide a declaration, certified by your usual professional accountants, of the insurable gross profit or gross revenue that you earned during the financial year most nearly concurrent with the period of insurance.

If the amount that you actually earned is less than the amount that you initially declared, we will refund you a proportionate amount of the premium that you paid. If the amount that you actually earned is more than the amount that you initially declared, we will charge you a proportionate additional premium.

**If you need to make a claim, then if the amount that you actually earned is over 50% more than the amount that you initially declared, the amount that we will pay to you will be limited to the proportion which the estimated figures bear to the actual amount earned.**

If you are purchasing cover for loss of rent receivable, we will ask you to provide a sum insured which should be the total rent receivable during the period of insurance. If you need to make a claim, then if the sum insured is less than the rent receivable during the preceding period, the amount that we will pay to you will be limited to the proportion which the sum insured bears to the rent receivable during the preceding period.

It is therefore very important that you check that the estimated figures that you provide for estimated insurable gross profit or estimated gross revenue are as accurate as possible and based on your latest budget where available. It is also very important that you check that the sum insured for rent receivable is accurate.

# Terrorism section

The Property Damage and Business Interruption sections exclude losses caused by terrorism. The Terrorism section provides cover for certain losses due to terrorism in the United Kingdom (excluding Northern Ireland, the Isle of Man, the Channel Islands and territorial seas adjacent to England, Wales and Scotland as defined by the Territorial Sea Act 1987) which would be covered under the other sections of the policy if those losses were not excluded. This does not include certain cyber-related terrorism losses or losses caused by war.

# Significant exclusions

You should refer to the policy for a full list of the applicable exclusions. In particular, the policy excludes damage, or loss or interruption or interference caused by:

- > Asbestos, save where it is physically incorporated in property insured and to the extent that it is damaged by a specified peril.
- > Communicable disease, save where this is specifically insured under the 'Specified disease, murder or suicide, food or drink or poisoning' extension.
- > Cyber loss, including loss of electronic data, except where loss is caused by fire or explosion which is caused by a non-malicious cyber event, or where the 'Computer breakdown' or 'Machinery breakdown' extensions apply following a non-malicious cyber event.
- > Deliberate acts.
- > Damage to moveable property in the open, unless caused by a specified peril or covered by the Machinery breakdown extension and designed and capable of being left in the open.
- > Pollution or contamination, unless caused by or resulting from a defined peril.
- > Damage to unoccupied buildings, unless caused by a specified peril.
- > Contract works at your premises with a total contract value exceeding £50,000 or any other building or demolition work (other than routine maintenance) regardless of value, unless you have notified us prior to the commencement of such works and paid any additional premium we may require.

The policy also excludes interruption or interference caused by failure of supply of utilities, save where this is specifically insured under the Public utilities extension.

# Making a claim, excess, deductible

If you need to make a claim under the policy, please use the details provided in the policy schedule. You must comply with the requirements set out in the Claims Conditions and Requirements section of the policy.

When you make a claim, a policy excess or deductible will apply as set out in the policy schedule. The amount will vary according to the type of loss, and may be a financial amount or a certain period of time or both.

An excess is the first amount of any loss which is payable by you, which does not form part of the sum insured. For example, if your sum insured is £5,000 with an excess of £500, then if you suffer a loss of £2,000 we will pay you £1,500. However, if the loss totals £6,000 then we will pay £5,000 (up to the sum insured).

A deductible is the amount of any loss which is payable by you, which does form part of the sum insured and is deducted from it. For example, if your sum insured is £5,000 with a deductible of £500, then the maximum we will pay is £4,500.

## Cancellation

We may cancel the policy at any time by giving 30 days' notice to you, or by giving 7 days' notice if you do not pay any premium which is due. If you make a fraudulent claim then we may terminate the policy.

# Making a complaint

If you are unhappy with the service provided for any reason or have cause for complaint you may contact the person who arranged the policy for you, or you can contact QBE using the details provided in the policy schedule.

In each case, you should quote the policy or claim reference. A summary of our complaints handling procedure is available on request and will also be provided to you when acknowledging a complaint.

If you feel that your complaint has not been satisfactorily resolved, you may be eligible to contact the Financial Ombudsman Service to review the complaint. Details of how to contact the Financial Ombudsman Service are provided in the policy schedule.

## Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the FSCS if we are unable to meet our obligations under the policy. Further information is available from [www.fscs.org.uk](http://www.fscs.org.uk), or you can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.



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