

Made possible

A large, abstract geometric pattern composed of numerous overlapping triangles in various shades of blue, creating a complex, crystalline structure that serves as a background for the main title.

# Property Advantage Policy Notice of Change

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Your policy wording has been reissued in order to update and clarify the cover which is provided. This document summarises the key changes from your previous policy.

The new policy wording is intended to bring extra clarity and guidance in certain areas where insureds have, in the past, sometimes misunderstood the operation of the policy and extent of the cover provided. For example, the Policy Guide section explains how you should set your sums insured. The Business Interruption section of the new policy wording clarifies how your claim will be calculated when the loss has been caused by an occurrence which has also caused widespread damage that has increased the loss.

This document does not set out all the changes from your previous policy. It also does not contain the full terms and conditions of the cover provided, which can be found in the policy documentation. It is important that you read your policy in full.

## Property Damage section

- Buildings insured by the policy do not include any part of cables, pipes or wires extending beyond the boundary of the insured premises.
- You no longer need our prior written consent to incur reinstatement costs and expenses following a loss.
- The Property Damage section of the policy provides cover for certain reinstatement costs and expenses which may be included within the relevant sum insured, or which may have their own sums insured. These reinstatement costs and expenses are Architects', surveyors', consulting engineers' and other fees; Debris removal; and Public authorities.
- The Property Damage section of the policy now includes Loss mitigation costs; Motor vehicles parked at the premises; Theft of external parts of structures at the premises; and Undamaged stock as standard extensions. Cover for the standard extensions is provided automatically, subject to the applicable sub-limit of indemnity.
- Certain items which were previously included within the reinstatement costs and expenses are now optional extensions to the policy. This applies to the cover for Energy performance and sustainable buildings, Flood resilience and Rent payable.
- No specific cover for decontamination and/or decommissioning is provided. The only cover in this regard is for Debris removal, subject to the policy exclusions.
- No specific cover for temporary protection and expediting expenses is provided.
- Reinstatement costs and expenses may be listed on the schedule with separate sums insured. In that case, the reinstatement costs and expenses will not be included within the sum(s) insured for buildings and for machinery, plant and all other contents or within the calculations for average, but will be paid in addition to the sum insured for the damaged item of property on a first loss basis.
- Cover for the cost of complying with regulations or laws issued by public authorities will not include cover for sums which you incurred, or were obliged to incur, prior to the happening of the damage.
- Property is insured on the 'Day One' basis as standard. We will endorse the policy to disapply the 'Day One' basis if you require.

### Standard extensions

- The following covers are included as standard extensions: Arson, 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 structures; Theft of external parts of structures at the premises; Undamaged stock; Undamaged tenants' improvements; and Valuables.

### Optional extensions

- The following covers are now included as optional extensions: Deterioration of stock; Leased premises difference in conditions / difference in limits (DIC/DIL); Rent payable; Third party storage locations; Goods in transit; and Money damage and assault'. Cover for these extensions will only be provided if they are marked on the schedule as "INCLUDED".

## Business Interruption section

- This section provides cover for loss caused by business interruption as a consequence of an 'incident', which includes non-damage contingencies where these are expressly covered in addition to damage.
- This section includes a 'Wide area occurrence' provision which limits the indemnity payable where the damage has been caused by an occurrence that has increased the business interruption loss over and above the loss that the damage would have caused by itself. This will typically apply to losses caused by natural perils such as flood or storm. Cover remains for the business interruption loss that the damage would have caused by itself.
- Increased cost of working cover under gross profit and gross revenue is capped at the reduction in the business interruption loss that you reasonably thought that you would avoid by such expenditure.
- Additional increased cost of working cover will not apply to items which could have been insured under the Property Damage section, or to the extent that there is underinsurance.
- Cover for Rent receivable will only provide cover for rent that the tenant was contractually entitled to cease paying as a result of the damage. Cover for rent receivable will not be available under any of the business interruption extensions.
- The Outstanding Debit Balances cover is subject to the Cyber risks exclusion, which excludes cover for the value of electronic data.
- Sums insured for estimated insurable gross profit and estimated gross revenue are on a declaration linked basis by default and are subject to the Declaration linked conditions. Under the Declaration linked conditions, average will apply where the amount that you would have earned but for the incident exceeds 150% of the declared amount.
- Trend adjustment - where your business has experienced a trend prior to the date that the insured peril occurred, this will be taken into account regardless of whether the downturn was due to the same original cause as the insured peril.

### Extensions

- The following covers are included as optional extensions: Denial of access (damage); Denial of access (non-damage); Loss of attraction; Miscellaneous storage locations; Public utilities; Research and development; Specified customers' premises; Specified suppliers' premises; Specified disease, murder or suicide, food or drink poisoning; Unspecified customers' premises; and Unspecified suppliers' premises. Cover for these extensions will only be provided if they are marked on the schedule as "INCLUDED".
- Each extension requires the insured peril to be the direct and sole cause of the loss. Loss concurrently caused by any wider effects of the cause of the damage is excluded.
- The policy contains two separate extensions for Specified and Unspecified customers and suppliers. A default maximum indemnity period of 3 months applies to the extension for Unspecified customers and suppliers. Neither the Specified nor Unspecified suppliers' extensions will provide cover for loss caused by damage at the premises of utility suppliers.
- The policy contains a Denial of access (non-damage) extension. This provides cover for loss caused by business interruption, caused by a prevention of physical access to the premises caused by:
  - action by a relevant authority in consequence of a specific danger or disturbance contained entirely within 1 mile of the premises; or
  - the premises containing or being thought to contain a harmful device.
- This extension is subject to the 'communicable disease' exclusion. This extension has a default maximum indemnity period of 3 months and is subject to a default time excess of 24 hours.
- The Denial of access (damage) extension provides cover for business interruption caused by damage to property entirely within 1 mile of the insured premises which physically prevents access to the insured premises. There is no cover for hindrance of access or use of the premises.

- The Loss of attraction extension provides cover for business interruption caused by loss of attraction in consequence of damage to property entirely within 1 mile of your premises. This extension has a default maximum indemnity period of 3 months and is subject to a default time excess of 48 hours.
- The Public utilities extension provides terminal ends cover for failure of supply of utilities at the premises. In addition to the exclusions that applied previously, this extension is subject to the Cyber risks exclusion and does not provide cover for loss caused by internet outages; actions taken for political, religious, ideological or similar purposes; or the cutting off, withholding, restricting or rationing of utilities by authorities or the utility supplier. This extension has a default maximum indemnity period of 3 months and is subject to a default time excess of 24 hours.
- The Specified disease, murder or suicide, food or drink poisoning extension provides cover for loss caused by your inability to use the premises, caused by the premises being physically closed or sealed off on the order of a competent public authority due to the incidence of any of a list of specified diseases at your premises. This extension will not provide cover for loss caused by COVID-19 or any other notifiable diseases unless they appear on the list of specified diseases in the policy. This extension has a default maximum indemnity period of 3 months and is subject to a default time excess of 72 hours. Cover is not provided under this extension for any disease, even if listed, which is declared an epidemic or pandemic or a major health incident.

## Extensions applicable to the Property Damage and Business Interruption sections

- The following covers are included as standard extensions: New acquisitions; Public relations expenses; and Trace and access.
- The following covers are included as optional extensions: Computer breakdown; Energy performance and sustainable buildings; Flood resilience; Inadvertent errors and omissions; Machinery breakdown; and Professional support fees. Cover for these extensions will only be provided if they are marked on the schedule as "INCLUDED".
- The Inadvertent errors and omissions extension provides cover for damage to property for which you are responsible but in respect of which there was an inadvertent failure to insure.
- The policy contains an extension for Public relations expenses which are incurred to protect your reputation following insured damage.

## Terrorism section

This section is unchanged and will only provide cover if purchased.

This section indemnifies you for losses arising under the insured sections from damage to property insured and situated in the 'territory' (as that term is defined in the Terrorism section of the policy) where this is caused by an act of terrorism occurring in the 'territory.'

## General exclusions

- Asbestos exclusion - the policy does not cover damage to asbestos, or loss or interruption or interference caused by damage to asbestos unless the asbestos is physically incorporated in property insured and only that part of the asbestos which has been damaged by one of the specified perils.
- Communicable diseases exclusion - the policy does not cover loss caused by communicable disease. The only clause which provides cover for loss caused by disease is the 'Specified disease, murder or suicide, food or drink poisoning' extension and this only provides cover for the specific diseases listed in the policy.
- Cyber risks exclusion - the policy does not cover 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.
- Excluded property - the policy does not cover 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.
- Works exclusion - the policy does not cover loss or damage due to contract works being undertaken at your premises where the total value of the contract(s) is greater than £50,000 or loss or damage due to any other building or demolition works, other than routine maintenance, regardless of their value, unless you have notified us prior to the commencement of such works and paid any additional premium we may require.

# Terms and conditions applicable to the Property Damage and Business Interruption sections

## Limits and sub-limits

- The definition of occurrence includes all losses directly or indirectly arising from an original cause. This is important as the policy sums insured, overall limit of indemnity (if applicable) and sub-limits of indemnity generally apply per occurrence.
- Optional extensions will only provide cover where they are stated to be "INCLUDED" on the schedule. Where the schedule does not contain a sub-limit of indemnity for any extension, the policy contains default sub-limits of indemnity that will apply.
- Your policy may include an overall loss limit per occurrence, which will be an overall cap on the amount that you are able to claim under the policy per occurrence.

## Other terms

- In order to rely upon the non-invalidation clause, you must have taken reasonable steps to bring the requirements of the policy to the attention of any employees or third parties who are responsible for the day-to-day running of the premises/the business, and on discovery of an act, omission or alteration which increases the risk of damage or loss you must notify us within 2 working days.
- The following policy terms are now conditions precedent to our liability:
  - 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, and to notify us of damage caused by riot, theft and malicious persons.
- We will not be responsible for reinstating property insured. Under the Basis of settlement conditions, if you do not reinstate buildings following damage then we will indemnify you for either the cost to repair or replace the property less a deduction for wear and tear and depreciation, or the diminution in market value, whichever is less.
- The Reinstatement of limits clause provides that limits will only be reinstated at our option and subject to payment of additional premium.
- You are required to notify us within 21 days of damage caused by riot.

## General terms

- Where a recovery is made in subrogation proceedings, we will share any sums recovered with you, less expenses incurred by us in such proceedings, in the proportion that the combined amount of a) any applicable excess or deductible; and b) any provable and recoverable uninsured loss, bears to the whole loss amount claimed in the proceedings.
- We will be entitled to carry out a risk survey of the property insured at any time and impose any conditions we see fit in order to make the risk acceptable to us.



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