

Office Insurance Policy



QBE

Contents

1	How your policy works	3
2	Helplines	5
3	Duties in the event of a claim or potential claim.....	7
4	Property - Contents.....	10
5	All Risks: Specified business equipment	18
6	Property - Buildings.....	20
7	Exclusions applicable to Property – Contents and Property - Buildings	21
8	Conditions applicable to Property – Contents and Property - Buildings	23
9	Computer breakdown.....	24
10	Coverage clauses (applicable to Property – Contents, Property – Buildings and Computer breakdown sections).....	27
11	Business interruption	34
12	Terrorism	39
13	Personal accident	41
14	Employer's liability	43
15	Public and products liability	47
16	Employers' liability and Public and products liability exclusions.....	59
17	Legal expenses.....	60
18	General exclusions	72
19	General terms and conditions	75
20	General definitions and interpretation.....	78
21	How to Complain.....	92

1 How your policy works

1.1 Legal agreement

This **policy** is between **you** and **us** as declared in the **schedule**. This document, together with its **schedule** and any attached endorsements is the **policy** which sets out this insurance. It is a legal contract so please read all of it carefully.

1.2 Words in bold

Words in bold typeface used in this **policy** document, other than in the headings, have specific meanings attached to them as set out in the General definitions and interpretation.

1.3 Policy period and premium

1.3.1 The **policy** will provide insurance as described herein for the **period of insurance** provided the premium(s) and other charges are paid to and accepted by **us** on or before the payment date shown in the **schedule**. Taxes, levies and other relevant fiscal charges are payable in addition to the premium.

1.3.2 The premium is deemed paid and accepted on receipt by **us** or the broker appointed to place this insurance with **us**.

1.3.3 If any premium (including a premium instalment) is not paid and accepted by **us** on or before its payment date shown in the **schedule** **we** can give written notice to **you** at the address shown on the **schedule**, cancelling the **policy** with effect from the seventh (7th) day after the notice has been served. Cancellation will be prevented from taking effect and the **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.

1.4 Setting your sums insured

- a) For all items of **property insured** for which a **sum insured** is stated in the **schedule** under **Property**, the **sum insured** should be set at the maximum amount for which **we** could indemnify **you** under the 'Reinstatement' clause in the 'Coverage clauses (applicable to Property – Contents, Property – Buildings and Computer breakdown sections) **section**,' were that item of **property insured** entirely destroyed. The **sum insured** needs to remain adequate throughout the **period of insurance** (unless it is stated in the **schedule** that the item is covered on the Day One (1) Basis). That means **you** should make allowance for any potential increases that may occur during the **period of insurance**.
- b) For cover under the '**Property** **sections**', it is important that **you** check that all **sums insured** and **declared values** stated in the **schedule** are correct as underinsuring your **property insured** could result in a reduced payment. If **you** are in any doubt, **you** should ask **your** broker for advice. All **sums insured** and **declared values** are subject to the provisions of the 'Underinsurance conditions' clause in the 'Other terms and conditions applicable to this section' clause of the 'Coverage clauses (applicable to Property – Contents, Property – Buildings and Computer breakdown sections) **section**,' unless expressly stated otherwise. This means that if, when making a claim, a **sum insured** or **declared value** (as applicable) is found to be inadequate, the amount **you** are able to claim under this **policy** will be reduced accordingly. The way that this works is explained in the 'Underinsurance conditions' clause in the 'Other terms and conditions applicable to this section' clause of the '**Property** **section**'.
- c) If **you** are purchasing cover under the '**Business Interruption** **section** for **gross fees** and **gross revenue**, **you** should consider whether the **sum insured** should include an uplift to allow for some element of unexpected growth of **your business** during the **period of insurance**.
- d) For cover under the '**Business Interruption** **section** **you** must ensure that the figure **you** have provided for **gross fees** and **gross revenue** is as accurate as possible and is based on the best information available to **you** at the time, which should be **your** latest budget where available. Likewise, **you** should ensure that **you** and/or any advisor acting on **your** behalf, are familiar with and understand the **Policy** definitions when calculating **your sums insured**. It is important to note that failure to provide us with accurate and/or up to date information could result in you being underinsured and lead to reduced payments under the policy. A margin of error of up to 50% is allowed against the estimated figures **you** have provided. However, if that margin of error is exceeded then the amount for which **we** will indemnify **you** for any loss will be proportionally

reduced. The way that this works is explained in the 'Underinsurance conditions' clause in the 'Other terms and conditions applicable to this section' clause of the **'Business Interruption' section**.

- e) Please note that the waiver of any underinsurance reduction within the 50% margin of error does not relieve **you** of **your** obligation to make a fair presentation under the Insurance Act 2015. This means that if the estimated figures **you** have provided were deliberately or recklessly false, the remedies in the Insurance Act 2015 will be available to **us** regardless of whether the 50% margin of error was exceeded
- f) The **limit of indemnity**, **sums insured**, and any **sub-limits of indemnity** act as a cap on the amount for which **we** will indemnify **you** under this **policy**. The way these provisions operate is set out in each **policy section** and the 'General definitions and interpretation' **section**.

1.5 Duty of fair presentation

You must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this insurance.

1.5.1 Remedies for breach of the duty of fair presentation - proposing for this insurance

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation then our remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
 - i) treat this **policy** as having been terminated from its inception; and
 - ii) retain the premium;
- b) if such breach is not deliberate or reckless and **we** would not have entered into this **policy** but for the breach, **we** may by notice to **you** treat this **policy** as having been terminated from its inception in which case **we** shall return the premium; and
- c) in all other cases if, but for the said breach, **we** would have entered into this **policy** but:
 - i) on different terms (other than terms relating to the premium), **we** may require that this policy is treated as if it had been entered into on those different terms from the outset; or
 - ii) would have charged a higher premium, **we** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged} / \text{higher premium}) \times 100$.

1.5.2 Remedies for breach of the duty of fair presentation - Variation

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation in relation to a variation of this policy, **our** remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
 - i) treat this **policy** as having been terminated from the time when the variation was concluded; and
 - ii) retain the premium;
- b) if such breach is not deliberate or reckless and **we** would not have entered into the variation but for the breach, **we** may by notice to **you** treat this **policy** as having been terminated from the time when the variation was concluded in which case **we** shall return the relevant premium; and
- c) in all other cases if, but for the said breach, **we** would have entered into the variation but:
 - i) on different terms (other than terms relating to the premium), **we** may require that the variation is treated as if it had been entered into on those different terms from the outset;
 - ii) would have increased the premium by more than **we** did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged} / \text{higher premium}) \times 100$; or
 - iii) would not have reduced the premium by as much as **we** did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged} / \text{reduced total premium}) \times 100$.

1.6 Fraudulent claims

If **you** or anyone acting on **your** behalf makes a fraudulent claim under this **policy**, **we**:

- 1.6.1 are not liable to pay the claim;
- 1.6.2 may recover any part of the claim already paid from **you**; and
- 1.6.3 may by notice to **you** treat this **policy** as having been terminated with effect from the time of the first fraudulent act, in which case **we** are not liable to **you** in respect of a relevant event occurring after that time and may retain any premium.

These remedies shall not be available against any other entity insured under this **policy** that was not implicated in the fraud.

1.7 Compliance with terms

- 1.7.1 **You** and anyone acting on **your** behalf must each comply with every applicable provision of the **policy**.
- 1.7.2 To the extent this insurance provides a benefit to any other party, **you** shall arrange for each **insured** party to comply with every applicable provision of this **policy**.
- 1.7.3 If **you** or anyone acting on **your** behalf breaches any provision of the **policy**, **we** may, without prejudice to any of **our** other rights, reject or reduce sums payable to the extent that **our** liability under the **policy** has been incurred or increased by reason of the breach.
- 1.7.4 If **we** have paid any sums to **you** or anyone acting on **your** behalf for which **we** were not liable (whether by reason of breach of any provision of the **policy** by **you** or anyone acting on **your** behalf or for any other reason) **you** shall promptly repay such sums to **us**.
- 1.7.5 To the extent we waive all or some of our rights in relation to any of your obligations, this shall not prevent us from relying on any provisions in the future and any delay in reliance or any partial reliance by us shall not prevent us from relying on any such provisions, in whole or in part, in the future.

1.8 Cancellation

This **policy** may be cancelled by either **you** or **us**

1.8.1 Our rights

The **policy** may be cancelled by **us** at any time by giving **you** twenty one (21) days written notice of cancellation by recorded delivery to **your** last known address. **We** will set out the reason for cancellation in **our** letter.

You shall be entitled to the return of a proportionate part of the premium in respect of the unexpired term of this **policy** provided that there have been:

- a) no claims made under the **policy** for which **we** have made a payment;
 - b) no claims made under the **policy** which are still under consideration
 - c) no incident likely to give rise to a claim but is yet to be reported to **us**;
- during the current **period of insurance**.

This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance** no refund for the unexpired portion of the premium will be given.

1.8.2 Your rights – including “cooling off” period

You may cancel this **policy** by giving written notice to **your** broker or to **us** quoting **your policy** number:

- a) within fourteen (14) days from the inception day of the **policy**. **You** have the right to cancel the **policy** free of charge and to receive full refund of premium under this **policy**;

b) after fourteen (14) days from the inception day of the **policy**. **We** may refund any unearned premium calculated pro-rata to the annual premium;
provided that there have been:

- i) no claims made under the **policy** for which we have made a payment;
- ii) no claims made under the **policy** which are still under consideration;
- iii) no incident likely to give rise to a claim but is yet to be reported to **us**;

during the current **period of insurance**.

If **you** cancel this **policy** after fourteen (14) days from the inception day of the **policy**, there will be an additional charge of forty pounds (£40) to cover the administrative cost of providing the insurance.

This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance**, no refund for the unexpired portion of the premium will be given.

1.9 Privacy and the Data Protection Act 1998

Any personal **data** provided to the **insurer** will be processed in compliance with all applicable laws and regulations and in accordance with the privacy notice which can be found at: <https://qbееurope.com/privacy-policy/>

Alternatively the **insured** may contact the **insurer's** Data Protection Officer to request a copy of the full privacy notice by email: dpo@uk.qbe.com or by writing to the: Data Protection Officer, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD

1.10 Claims procedure

In the event of an incident resulting in a claim or one that may result in a claim, please read the claims procedure set out in Duties in the event of a claim or potential claim.

For claims under all **sections** except Legal expenses **section** please either:

- 1.10.1 contact **your** insurance broker; or
- 1.10.2 telephone **us** on **0800 328 9640**; or
- 1.10.3 email details to SMEnewclaims@uk.qbe.com

For claims under Legal expenses **section** please contact **ARAG** on 0117 9271924 or as set out in Your duties – Legal expenses **section** clause of Duties in the event of a claim or potential claim **section** or in the Helplines **section**.

We will be able to deal with **your** claim more effectively and speedily if **you** provide **your policy** number on first contact.

2 Helplines

The legal advice service is provided by **ARAG** Law Limited and/or a **preferred law firm** on behalf of **ARAG**. **You** can contact their UK-based call centre 24 hours a day, seven days a week. However, **ARAG** may need to arrange to call **you** back depending on the enquiry. To help **ARAG** check and improve their service standards, **ARAG** may record all inbound and outbound calls, except those to the counselling service. When phoning please quote **your policy** number and the name of the insurance provider who sold **you** the **policy**.

ARAG will not accept responsibility if the helpline services are unavailable for reasons **ARAG** cannot control.

2.1.1 Legal advice service Call 0344 893 0859

ARAG provide confidential legal advice over the phone on any commercial legal problem affecting the **business**, under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway. Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal advisor. However, if this is not possible, they will arrange a call back at a time to suit **you**.

Our legal advisors provide advice on the laws of England and Wales 24 hours a day, 7 days a week, 365 days a year. Where advice is sought in an area of law beyond this jurisdiction or in respect of very specialist matters, **ARAG** will refer **you** to one of their specialist advisors. This will include European law and certain areas of law for Scotland and Northern Ireland.

Specialist advice is provided 9am - 5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, ARAG will call you back.

2.1.2 Tax advice service Call 0344 893 0859

ARAG offer confidential advice over the phone on any tax matters affecting the **business**, under the laws of the United Kingdom.

Tax advice is provided by tax advisors 9am – 5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, ARAG will call you back.

2.1.3 Counselling service Call 0344 893 9012

ARAG will provide **your** employees (including any members of their immediate family who permanently live with them) with a confidential counselling service over the telephone if they are aged 18 or over including, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **ARAG**.

The counselling service helpline is open 24 hours a day, seven days a week.

2.1.4 Employment manual

The **ARAG** Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit their website at www.arag.co.uk From the Home Page click on the Employment Manual icon. All the sections of this web-based document can be printed off for **your** own use. Contact **ARAG** at employmentmanual@arag.co.uk with **your** email address, quoting **your policy** number and they will contact **you** by email to inform **you** of future updates to the information.

2.1.5 ARAG Businesslaw

Using www.aragbusinesslaw.co.uk **you** can create ready-to-sign contracts, agreements and letters in minutes. Developed by solicitors and tailored by **you** using **ARAG's** smart document builders. You can also buy legal documents from the site, ranging from simple debt recovery letters to employment contracts.

The service also provides useful tools, articles and information on matters such as new legislation, employment issues, property law and taxation all regularly updated by legal experts to help **you** keep your **business** one step ahead.

To access **ARAG** Businesslaw, **you** will need to register at www.aragbusinesslaw.co.uk using **your policy** number **TS5/669510**.

When registering, please enter the following code which will provide **you** with access to a range of free documents: **ara472301**. If **you** experience any problems accessing the service, please email details of **your** problem to digital@arag.co.uk with **your policy** number in the subject box.

ARAG Law Limited Registered Office:

ARAG Law Limited | Unit 4a | Greenway Court | Bedwas | Caerphilly | CF83 8DW

Registered in England and Wales, number 5417859. Website: www.araglaw.co.uk

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3 Duties in the event of a claim or potential claim

3.1 Our rights

- 3.1.1 **Our** preferred intention is to investigate any potential claim and to undertake the conduct of any proceedings in connection with such claims on **your** behalf. It is one of the services offered and provided by this **policy**. However, there may be occasions, for example, in relation to potential proceedings in **North America**, when this is not appropriate.
- 3.1.2 Therefore, it is agreed that **we** have the right not to, and shall be under no obligation to, investigate any potential claims or to undertake the conduct of any proceedings in connection with such claims but will be free to leave the conduct of such proceedings wholly with **you**.
- 3.1.3 In such cases, **we** will transfer the conduct of proceedings to **you** and will clearly set out the conditions as regards the payment of costs and **your** freedom to commit **us** to any settlement by compromise or otherwise. Provided that any settlement or compromise is made within these conditions, this **policy** will provide an indemnity as otherwise stated.
- 3.1.4 Further, **we** may at any time pay the limit of indemnity (after deduction of any sums already paid) or such lesser sum for which the claim can be settled and will relinquish the conduct and control of the claim and be under no further liability except (where payable under the relevant **section**) for payment of **defence costs** incurred prior to the date of payment.

3.2 Claim notification

3.2.1 All sections

You must notify **us** in accordance with this Claim notification clause in writing or by an agreed electronic format to the claims notification addresses specified in the Claim procedure clause of How your policy works.

3.2.2 All sections except Legal expenses sections

- 3.2.3 On the happening of any event which may give rise to a claim **you** must:
- a) give notice in writing or by an agreed electronic medium to us immediately on but in any event within three (3) **business** days from:
 - i) receipt of notice of any impending inquest, fatal **accident** inquiry, prosecution or other legal proceedings that include alleged **personal injury**;
 - ii) coming into possession of actual knowledge that notice of an Industrial Tribunal hearing includes alleged **personal injury**;
 - iii) your actual knowledge of any death or personal **injury** to any person involving a stay in hospital in excess of three (3) **business** days;
 - b) as soon as practical but in any event within thirty (30) days after any other **accident**, event or the coming into possession of actual knowledge of **personal injury** or **damage**, with full particulars thereof;
which may be the subject of indemnity under this **policy**.
- 3.2.4 **You** will give notice to **us** immediately on but in any event within three (3) **business** days from, **your** actual knowledge of any **RIDDOR** incident involving any person.
- 3.2.5 **You** must give **us** notice in writing within seven (7) days of **damage** caused by riot.
- 3.2.6 In respect of **damage** caused by theft or malicious persons **you** will give immediate notice to the police authority, and take all practical steps to discover any guilty person or persons and recover the **property** lost.
- ##### 3.2.7 Legal expenses section
- 3.2.8 If **you** wish to speak to **our** legal teams about a legal problem, please phone **ARAG** on 0117 927 1924. **ARAG** will ask **you** about **your** legal issue and if necessary, call back to give legal advice.
- 3.2.9 If **your** issue cannot be dealt through legal advice and needs to be dealt with as a potential claim under this **policy**, phone **ARAG** on 0117 927 1924 and **ARAG** will give **you** a reference number. At this point **ARAG** will not be able to tell **you** whether the claim is covered or not but

ARAG will pass the information **you** have given them to their claims-handling teams and explain what to do next.

- 3.2.10 Please do not ask for help from a lawyer, accountant or anyone else before **ARAG** have agreed that **you** should do so. If **you** do, **ARAG** will not pay the costs involved even if **ARAG** accept the claim.

3.3 Your duties

3.3.1 All sections except Legal expenses section

- 3.3.2 On the happening of any event which may give rise to a claim **you** must:

- a) give all information and assistance **we** may require;
- b) not make or allow to be made on **your** behalf any admission offer promise or payment of indemnity without **our** written consent;
- c) take all practicable steps to recover **property** lost and otherwise minimise the claim;
- d) within thirty (30) days or such further time as **we** may allow in writing deliver to **us** a written claim providing at **your** own expense all details proofs and information regarding the cause and amount of **damage** as we may reasonably require together with details of any other insurances on any **property insured** by this **policy** and (if demanded) a statutory declaration of the truth of the claim and or any related matters; and
- e) as regards the Business interruption **section**, within thirty (30) days after the expiry of the **indemnity period** or within such further time as **we** may in writing allow at **your** own expense deliver to **us** a statement setting out particulars of the claim together with details of all other insurance covering any part of the **damage** or resulting loss of rent. **You** shall at **your** own expense also provide **us** with such books of account and other **business** books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may reasonably be required by **us** for the purpose of investigating or verifying such claim together with (if demanded) a statutory declaration of the truth of the claims and any related matter. No claim under the Business interruption **section** shall be payable unless the terms of these conditions have been complied with and in the event of non-compliance therewith in any respect any payment on account of the claim already made shall be repaid to **us** immediately.

- 3.3.3 In respect of any event which may give rise to a claim under the Employers' liability or Public and Products liability **sections**, **you** must:

- a) immediately forward to **us** every letter claim writ summons and process immediately upon receipt without acknowledgement;
- b) advise **us** in writing immediately **you** have knowledge of any pending prosecution inquest fatal **accident** or ministry inquiry.

3.4 Disputed defence or appeal

If any dispute arises between **you** and **us** as to whether a prosecution should be defended or an appeal made, such dispute will be referred to a King's Counsel (or solicitor with at least 20 years experience in the field of insurance law) to be mutually agreed between the parties (or in default of agreement to be nominated by the President of the Law Society) whose decision will be final. In the event of conflict between any **other insured party** separate representation will be arranged for each party.

3.5 Subrogation

- 3.5.1 Except as expressly provided by any Waiver of subrogation clause, for each and every claim, **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person relating to an occurrence, loss or suit that may give rise to a claim under this insurance.
- 3.5.2 **You** or any other party insured by this **policy** will, at the request and expense of the **insurer**, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by **us** for the purpose of enforcing any rights and remedies, whether such acts and things will be or become necessary or required before or after their indemnification by **us**.

- 3.5.3 In the event of any payment under this insurance, **we** will act in concert with all other interested persons (including **you**) concerned in the exercise of any rights of recovery.
- 3.5.4 The apportioning of any amounts which may be so recovered will follow the principle that any interested persons (including **you**) who will have paid an amount over and above any payment hereunder will first be reimbursed up to the amount paid by them; **we** are then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interested persons (including **you**) to whom this coverage is in excess shall be entitled to claim the residue, if any.
- 3.5.5 Expenses necessary to the recovery of any such amounts will be apportioned between the interested parties concerned in the ratio of their respective recoveries as finally settled.

4 Property - Contents

4.1 Property insured

4.1.1 Office contents

Contents within the **premises** all belonging to **you** or for which **you** are responsible including:

- a) landlords fixtures and fittings tenants improvements and interior decorations insofar as they are not otherwise insured;
- b) plans, deeds, briefs, manuscripts, books, documents and office records limit any one item £2,500;
- c) computer discs and tapes limit any one item £2,500;
- d) personal effects limit any one person £1,000;
- e) wines, spirits, cigarettes and tobacco held for entertainment purposes up to a limit of £2,500 any one incident;
- f) works of art, rare books, sculptures, curios and collections for an amount not exceeding £5,000 any one incident;

excluding vehicles licensed for road use (and their accessories) and **property insured** described by Computer and ancillary equipment clause, Stock and trade samples clause, Refrigerated drugs and medicines clause and Refrigerated contents excusing drugs and medicines clause of this **section**.

4.1.2 Computers and ancillary equipment

Computers and ancillary equipment used for electronic processing communication and storage of **data** including:

- a) fixed discs interconnecting wiring and telecommunications systems;
- b) temperature and environmental control equipment power supply voltage regulating and other protective equipment used exclusively in connection with the **computer equipment**.

All current and back up computer records (excluding fixed discs and paper records of any description) incorporating stored programs and/or information stored being **your property** or leased hired or rented to **you** on the **premises**.

4.1.3 Stock and trade samples

Stock and trade samples within the **premises** all belonging to **you** or for which **you** are responsible.

4.1.4 Refrigerated drugs and medicines

Refrigerated drugs and medicines within the **premises** all belonging to **you** or for which **you** are responsible.

4.1.5 Refrigerated contents excluding drugs and medicines

Refrigerated contents other than that described by Refrigerated drugs and medicines clause within the **premises** all belonging to **you** or for which **you** are responsible pertaining to the **business** and contained within the buildings at the **premises** excluding any **property** otherwise **insured money**, merchandise, gold and silver articles, plate jewellery and furs.

4.2 Coverage

4.2.1 Insuring clause

We will indemnify **you** against **accidental damage** to the **property insured** provided that:

- a) **damage** occurs during the **period of insurance**;
- b) the **property insured** is located at the **premises** within the **territorial limits**;
- c) **our** liability under this **section** will not exceed the **sum insured** or any applicable sub-limit.

4.2.2 Exhibitions

We will indemnify **you** for **damage** (except arising out of subsidence, ground heave or landslip) to contents up to an amount of £10,000 whilst at any exhibition within the European Union.

4.2.3 Landscaped gardens

The cost of restoring any **damage** (except arising out of subsidence, ground heave or landslip) done to landscaped gardens for which **you** are responsible by the emergency services in attending the **premises** up to a maximum of £10,000 in any one **period of insurance**.

4.2.4 Lock replacement

In the event of the keys of the **premises** being stolen from the **premises** or from the private residence of any director partner or **employee** authorised to hold such keys **we** will pay to **you** an amount not exceeding £5,000 in any one **period of insurance** for the replacement of equivalent locks at the **premises**.

Unless **you** or an **employee** lives on the **premises**, keys to any safe or strongroom must not be left at the **premises** when closed for **business**.

4.2.5 Loss of metered water

The unit cost of metered water at the current rate per cubic metre consumed as a direct result of **damage** (except arising out of subsidence, ground heave or landslip) up to an amount of £10,000 in respect of any one claim.

4.2.6 Rent

We will indemnify **your** tenant in respect of his legal liability to pay rent for the period not exceeding two (2) years during which the **premises** is untenable up to a maximum of twenty five (25%) percent of the **sum insured** by this **section**.

4.2.7 Signs

We will indemnify **you** against **damage** to signs up to a maximum amount of £2,000 in any one **period of insurance**.

4.2.8 Temporary removal of documents and contents

Office contents insurance of the **property insured** extends to cover **damage** (except arising out of subsidence, ground heave or landslip) whilst temporarily removed from the **premises** but remaining within the **United Kingdom** up to a maximum of fifteen (15%) percent of the **sum insured** by Office contents.

4.2.9 Theft damage to buildings

We will indemnify **you** for an amount up to £25,000 any one event and in the aggregate during the **period of insurance** in respect of **damage** to buildings by thieves where **you** are responsible for the cost of **damage** to buildings that are not **insured** by this **policy**.

4.2.10 Third party storage locations

We will indemnify **you** for **damage** to **property insured** or stock whilst at third party storage locations within the **territorial limits** subject to the aggregate maximums of £5,000 at any one location and £20,000 in any one **period of insurance**.

4.3 Contents – cover extensions

These cover extensions do not apply or operate unless **your schedule** states that such extensions(s) is 'included'

4.3.1 Deterioration of stock

In the event of refrigerated contents while contained within refrigerating units suffering deterioration or putrefaction due to or arising from **change of temperature** or contamination caused by **accidental** leakage of refrigerant or refrigerant fumes from the unit then **we** will pay to **you** the value of the refrigerated contents at the time of its deterioration, putrefaction or contamination providing that:

- the refrigerated contents are **your property** or held in trust for which **you** are responsible;
- the deterioration, putrefaction or contamination occurs during the **period of insurance**;
- in respect of each occurrence of deterioration, putrefaction or contamination **our** liability under this clause will not exceed the sum specified against Frozen and refrigerated contents in the **schedule**.

We shall not be liable for the amount of the excess stated in the **schedule**.

4.3.2 Fidelity guarantee

- a) **We** will indemnify **you** for loss of **your money** or goods or **money** or goods for which **you** are legally responsible caused by any act of theft committed during the **period of insurance** by an **employee** normally resident within the **United Kingdom** and discovered not later than six (6) months after the termination of:
- i) this insurance;
 - ii) the insurance in respect of an **employee** specified by name or position;
 - iii) the employment of any **employee**;
- whichever occurs first.
- b) **We** will indemnify **you** for auditors fees incurred with our written consent solely to substantiate the amount of the claim.
- c) **We** will indemnify **you** for the reasonable cost of re-writing or amending the software programmes or systems where such re-writing or amending is necessary to correct the programmes or amend the security codes following the fraudulent use of computer hardware or software programmes or **computer systems** the subject of a claim for which liability is admitted under the **policy**.
- d) If this insurance immediately supersedes a fidelity insurance effected by **you** (the 'superseded Insurance') **we** will indemnify **you** in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the superseded insurance if the loss is not recoverable thereunder solely because the period allowed for discovery has expired provided that:
- i) such insurance had been continuously in force from the time of the loss until inception of this insurance;
 - ii) the loss would have been **insured** by this insurance had it been in force at the time of the loss;
 - iii) **our** liability shall not exceed whichever is the lesser of the:
 - I) amount recoverable under the insurance in force at the time of the loss
 - II) **limit of indemnity** under this insurance.
- e) **Our** total liability in respect of any one claim continuing through both the term of the superseded insurance and the continuation of this insurance shall not exceed **the limit of indemnity** applicable under this insurance.
- f) **Our** liability under this extension will not exceed the **limit of indemnity** of £5,000.
- g) **We** shall not be liable under this clause for:
- i) loss of interest or consequential loss of any kind;
 - ii) the first £250 in respect of each and every claim;
 - iii) further acts of theft by an **employee** immediately following **your** discovery of any act of theft by such an **employee**.
- h) It is further agreed that:
- i) any **money** of the **employee** in **your** hands upon discovery of any loss and any **money** which but for the **employee's** theft would have been due from **you** to the **employee** shall be deducted from the amount of the loss before a claim is made under this insurance;
 - ii) any further **monies** which are recovered less any costs incurred in recovery shall accrue:
 - I) in the event that **your** claim has exceeded the **limit of indemnity** firstly to **your** benefit to reduce or extinguish the amount of **your** loss (but not the excess);
 - II) to **our** benefit to the extent of the claim paid or payable;
 - III) to **your** benefit where the excess had been deducted from the claim.

4.3.3 Glass breakage

You will be indemnified against paying for or making good the breakage or scratching of **glass** (as defined in this **policy** and not otherwise **insured**) in the **premises** and **your** private dwelling portion of the **premises** and in addition the cost of:

- a) temporary boarding-up following breakage;
- b) repair of **damage** to window frames as a result of such breakage or the cost of removal or replacement of fixtures and fittings in the course of replacement of **glass** up to a maximum amount of £2,500 for any one loss;
- c) lettering or other ornamental work and alarm foil on **glass** up to a maximum amount of £2,500 for any one loss.

4.3.4 Goods in transit

You will be indemnified against **damage** to merchandise and goods and tools incidental to **your business** or **your property** or held in trust and for which **you** are responsible while being carried by any vehicle(s) owned hired or leased by **you** anywhere in the **United Kingdom**. The cover applies from the time the merchandise and goods are lifted by **your employees** until they are placed in position by them at their destination (excluding their installation) including loading and unloading provided that:

- a) **our** liability in respect of any one vehicle trailer or semi-trailer or any one loss or series of losses arising out of one event shall not exceed £5,000;
- b) the insurance by this clause excludes and does not cover:
 - i) the deterioration of goods conveyed in frozen, chilled or insulated condition due to faulty stowage or incorrect setting or operation of the equipment or variations in temperature unless directly due to fire or **accident** to the conveying vehicle or to theft or attempted theft;
 - ii) **damage** due to natural deterioration;
 - iii) any consequential or indirect **damage** due to delay;
 - iv) **damage** to bills of exchange, promissory notes, **money** securities for **money** stamps, precious stones, jewellery, bullion or loss or death of or **injury** to living creatures.
- c) it is a condition precedent to **our** liability under this clause that:
 - i) as regards overnight garaging and in event of **damage** caused by or arising from theft and the vehicle, trailer or semi-trailer is left unattended between the hours of 21.00 and 06.00 such vehicle, trailer or semi-trailer must be securely locked at all points of access and garaged in enclosed **premises** which are securely locked or have a watchman in constant attendance; and
 - ii) as regards other times of each day and in event of **damage** caused by or arising from theft or pilferage or any attempt thereat involving any vehicle, trailer or semi-trailer which is left unattended or which is laid up temporarily stored in any garage or similar **premises** unless such vehicle or trailer or semi-trailer has all points of access securely locked.

4.3.5 Money

You will be indemnified against loss from any cause of **negotiable money** held in connection with the **business**:

- a) whilst in transit within the **United Kingdom** or in a bank night safe up to the amount stated in the **schedule** in respect of any one loss;
- b) whilst at the private residence of any principal or your authorised **employee** up to the amount stated in the **schedule** in respect of any one loss;
- c) from the **premises** during **business hours** up to the amount stated in the **schedule** in respect of any one loss;
- d) when the **premises** are closed to **business** and the **negotiable money** is not contained in a locked safe, **our** liability is limited to the amount stated in the **schedule** in respect of any one loss;
- e) when the **premises** are closed to **business** and the **negotiable money** is contained in a locked safe, **our** liability is limited the amount stated in the **schedule** in respect of any one loss.

It is a condition precedent to **our** liability under this clause that:

- a) all keys and/or combination codes to safes are not left on the **premises** unless the **premises** are still attended by **you** or **your** authorised **employee** in which case such keys

and/or combination codes shall be deposited in a secure place not in the vicinity of any safe;

- b) whenever **money** in transit exceeds £3,000 at any one time:
 - i) the **negotiable money** will be accompanied by not less than two (2) responsible adult persons; and
 - ii) no more than £3,000 will be carried by any one (1) person.

We will indemnify **you** against loss from any cause of **non-negotiable money** held in connection with the **business** up to the amount stated in the **schedule** in respect of any one loss.

The insurance by this clause excludes and does not cover loss:

- a) arising from fraud or dishonesty of the **your employees** unless such loss be discovered within fourteen (14) clear working days of the occurrence;
- b) due to clerical or accounting errors;
- c) from **unattended vehicles**;
- d) of **money** which is the **property** of the Post Office.

4.3.6 Personal Accident (Assault)

- a) If **you** or any of **your employees** between the ages of sixteen (16) and seventy (70) years shall suffer **bodily injury** caused solely or directly as a result of robbery or any attempt thereat in the course of the **business**, **we** will pay compensation on the basis of the following table:

i) Death	£20,000
ii) Total loss or permanent and total loss of use of one or more limbs occurring within two (2) years of sustaining the bodily injury	£20,000
iii) Total and irrecoverable loss of all sight in one or more eyes occurring within two (2) years of sustaining the bodily injury	£20,000
iv) For any period up to a maximum of two (2) years of total disablement from engaging in usual occupation	£100 per week
- b) Provided that:
 - i) compensation will not be payable under more than one of the items in the compensation table for the same **bodily injury**; and
 - ii) no liability will attach to **us** for **bodily injury** arising from or influenced by any existing physical defect or infirmity or the medical condition of any person entitled to compensation hereunder or resulting from pregnancy or childbirth.
 - iii) this extension shall not apply where the **business** includes a Post Office.
- c) The insurance by this clause is extended to pay for **damage** to cash carrying devices or clothing and personal effects belonging to **you** or any of **your employees** up to a limit of £1,000 in respect of any one person.

4.4 Contents - other terms and conditions

4.4.1 Basis of claim settlement

- a) Claims for the total loss or destruction of contents (except stock, goods in trust, **employees'** effects and pedal cycles) will be settled on the basis of replacement of property similar to but no better or more extensive than the contents when new;
- b) Claims for partial loss, destruction or **damage** to contents (except stock, goods in trust, **employees'** effects and pedal cycles) will be settled on the basis of restoration to a condition no better or more extensive than the condition of the contents when new;
- c) Claims for computer systems records documents manuscripts **business** books and data carrying materials will be settled on the basis of the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the **Insured** of the information contained in them.

- d) Claims for stock and all other **property** will be settled on the basis of its value at the time of loss or destruction with adjustment for wear and tear.
- e) All claims will be settled without deduction in respect of any increases in the **declared value** at risk between the cover date and the time of the **damage** provided that:
 - i) the **declared value** at the inception of this insurance is not less than the cost of reinstatement at inception;
 - ii) **you** provided **us** annually at renewal a revised **declared value**;
 - iii) **you** comply with Confirmation of values at risk clause in the General Conditions **section** otherwise **our** liability for any loss is limited to the proportion of the loss that the **declared value** at inception bears to the cost of reinstatement at inception.
- f) On **electronic data** the cost to repair, replace or restore the medium containing such **electronic data** to the condition that existed immediately prior to the **damage**, including the cost of reproducing any **electronic data** contained thereon, providing such medium is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, incurred by the **insured** in recreating, gathering and assembling such **electronic data**. If the medium is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. On **electronic data** the cost of the blank media, plus the costs of copying the **electronic data** from back-ups, but not including research or engineering, or the costs of recreating, gathering or assembling such **electronic data**. We will not insure any amount pertaining to the value of such **electronic data** to you or any other party, even if such **electronic data** cannot be regenerated, gathered or assembled.

4.4.2 Basis of settlement conditions

- a) If **you** elect and **we** agree not to repair or reinstate any **property insured**, then **our** liability shall be limited to the actual value of the **damaged property insured**, however settlement on this basis shall be at **our** sole discretion.
- b) If **we** elect or becomes bound to reinstate or replace any **property insured**, **you** will, at **your** own expense, produce and give to **us** all such plans, documents, books and information as **we** may require.
- c) **We** will not be bound to reinstate exactly or completely but only as circumstances permit, and in a reasonably sufficient manner, and will not in any case be bound to expend in respect of any item of the **property insured** more than the **sum insured** or sub-limit thereon.
- d) If at the time of any **damage** to any **property insured**, such **property** is covered by any other insurance effected by **you** or on **your** behalf but is not on the identical basis of reinstatement to the terms of this clause, then this **policy** excludes payment of any amount in excess of the amount that would have been payable if this condition had not been incorporated.
- e) The work of reinstatement must be commenced and carried out with reasonable despatch, otherwise no payment will be made beyond the amount which would have been payable under this **section** if this condition had not been incorporated.
- f) The buildings may be reinstated in any manner suitable to **your** requirements and upon another site if **you** so require provided that **our** liability is not increased;
- g) **We** will have no liability to pay any amount beyond the amount that would have been payable under this **section** if this condition had not been incorporated until such time as the cost of reinstatement has actually been incurred.

4.4.3 Index linking

We will adjust the **sum insured** in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted **sum insured**.

4.4.4 Limit of liability

Subject to the Reinstatement of sum insured clause, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for the contents of the **premises** adjusted in accordance with Index linking clause of Property – Contents **section**.

4.4.5 Subsidence or ground heave or landslip

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

- a) **you** shall notify **us** immediately when **you** become aware of any demolition groundworks

- excavation or construction being carried out on any adjoining site;
- b) **we** shall then have the right to vary the terms or cancel the cover by this clause.

4.4.6 Intruder alarm

Where shown as **insured** in the **schedule** under endorsements applicable to these **premises** the following intruder alarm condition applies.

It is a condition precedent to liability for **damage** following entry or attempted entry to or exit from the **premises** by forcible and violent means that:

- a) the **premises** are protected by an **intruder alarm system** designed installed and maintained to British Standard BS4737 or EN50131 including where stipulated by the insurer or the local Police Authority Code of Practice DD243;
- b) the intruder alarm installation and maintenance company must be both:
 - i) a member of an alarm inspectorate which is accredited by UKAS to EN 45011 or EN 45012; and
 - ii) accredited and operate a quality management system in accordance with EN ISO 9000;
- c) The **intruder alarm system** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance as per the requirements of BS4737 or EN 50131 with the installing company or such other company as agreed with the **insurer**.

Where remote alarm signalling is required the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979:2000 and operated by a company accredited and operating to a quality management system in accordance with EN ISO 9000;

- d) No alteration to or substitution of:
 - i) any part of the **intruder alarm system**;
 - ii) the maintenance contract;
 - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**;
 - iv) the procedures agreed with the **insurer** for Police or any other response to any activation of the **intruder alarm system** be made without the written agreement of the **insurer**;
- e) The **alarmed premises** shall not be left unattended without the agreement of the insurer:
 - i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals (including both alarm transmission systems for dual signalling systems) in full operation;
 - ii) if the Police have withdrawn their response to alarm activations;
- f) The **insured** shall maintain secrecy of codes for the operation of the **intruder alarm system** and detail of such codes and all keys to the **intruder alarm system** shall be removed from the **premises** when the **premises** are left unattended;
- g) The **insured** shall appoint at least two **key holders** and lodge written details (which must be kept up to date) with the alarm company and either the Police or the alarm receiving centre;

- h) In the event of notification of any activation of the **intruder alarm system** or interruption of means of communication including one or both alarm transmission systems in respect of dual signalling systems during any period the **intruder alarm system** is set a **key holder** shall attend the **premises** as soon as reasonably possible;
- i) In the event of the **insured** receiving any notification:
 - i) the Police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed;
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
 - iii) that the **intruder alarm system** cannot be returned to or maintained in full working order the **insured** shall advise the **insurer** as soon as possible and comply with any subsequent requirements stipulated by the **insurer**.

For the purpose of this clause the following definitions apply:

Intruder alarm system

Intruder alarm means the component parts including the means of communication used to transmit signals to the alarm receiving centre.

Alarmed premises

Alarmed premises means the premises or those portions of the premises protected by the intruder alarm system.

Key holder

Key holder means the insured or any person or key holding company authorised by the insured who is available at all times to accept notification of faults or alarm signals to the intruder alarm system attend and allow access to the premises.

Premises

For the purpose of this clause only premises means the buildings occupied by or under the control of the insured (unless otherwise stated in the schedule).

5 All Risks: Specified business equipment

5.1 Specified business equipment coverage

5.1.1 We shall indemnify **you** against **damage** to the **property insured** by any accident or misfortune occurring anywhere within the **territorial limit** specified against each item excluding:

- a) the first £250 of each claim;
- b) **damage** by theft or any attempted thereat not involving entry to or exit from the **premises** by forcible and violent means;
- c) any **property** otherwise **insured**;
- d) **damage** arising from wear and tear or from any process of cleaning, dyeing, restoring, adjusting or repairing;
- e) **damage** arising from or attributable to the action of light or atmosphere, moth, parasites, vermin, corrosion, dampness, marring, scratching, bruising or deterioration;
- f) **damage** (other than by fire) to any machine or apparatus arising from mechanical or electrical breakdown or derangement or arising from adjustment maintenance or repair;
- g) erasure or distortion of information on **computer systems** or their records;
- h) **damage** to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves **data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the **property** is **yours** or not or where such **damage** is caused by programming or operators error, **virus or similar mechanism or hacking**;
- i) loss by official confiscation or detention;
- j) **damage** to **money**, documents, securities, motor vehicles, caravans, boats, cycles, household goods, sports equipment, contact or corneal lenses;
- k) **damage** by theft from an **unattended vehicle** unless such vehicle has been securely locked at all points of access and any **property** insured is secured in a locked boot or locked in a glove box within the vehicle

5.2 Reinstatement

Claims will be settled on the basis of the cost of repair or current replacement value without deduction for wear and tear provided that all necessary repairs or replacements are carried out without delay.

5.3 Condition of average

If at the time of any **damage** the value of the **property insured** under any item is greater than its sum insured, **you** shall be considered as being **your own insurer** for the difference and shall bear a rateable share of the loss accordingly.

5.4 Index linking

We will adjust the **sum insured** in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted **sum insured**.

5.5 Automatic reinstatement of sum insured

In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:

- a) pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;
- b) if the loss results from theft give effect to any additional protective devices which **we** may require for the further security of the **property insured**.

5.6 Limit of liability

Subject to the provision of Reinstatement of sum insured clause, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the

schedule for All Risks: Specified business equipment adjusted in accordance with Index linking clause of this **section**.

6 Property - Buildings

6.1 Property insured

6.1.1 Buildings

The fixed permanent structure at the **premises** including outbuildings, landlords fixtures and fittings therein and thereon walls, gates and fences, yards, car parks and pavements 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.

6.1.2 Tenants improvements

The tenants' improvements, alterations and decorations at the **premises**.

6.2 Coverage

6.2.1 Insuring clause

We will indemnify **you** against **accidental damage** to the **property insured** provided that:

- a) **damage** occurs during the **period of insurance**;
- b) the **property insured** is located at the **premises** within the **territorial limits**;
- c) **our** liability under this **section** will not exceed the **sum insured** or any applicable sub-limit.

6.3 Buildings - other terms and conditions

6.3.1 Damage to cables and underground pipes

We will pay the cost of repairing **accidental damage** for which **you** are responsible to cables and underground pipes and drains (and their inspection covers) on the **premises** or connecting them to the public mains provided such **damage** is not caused by rust, corrosion or other wear and tear.

6.3.2 Index linking

We will adjust the **sum insured** in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted **sum insured**.

6.3.3 Limit of liability

Subject to the Reinstatement of sum insured clause of Coverage clauses (applicable to Property – Contents, property – Buildings and Computer breakdown) **section**, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for Buildings of the **premises** adjusted in accordance with Index linking clause of Property – Buildings **section**.

6.3.4 Trace and access

We will pay the reasonable costs necessarily incurred by **you** in locating the source and subsequent making good **damage** resulting from:

- a) the escape of water from any tank apparatus or pipe;
- b) **accidental damage** to cables, underground pipes and drains serving the **premises**. provided that **our** liability in respect of any one **premises** shall not exceed £25,000 in any one **period of insurance**.

7 Exclusions applicable to Property – Contents and Property - Buildings

The insurance by this **section** excludes and does not cover:

- 7.1.1 the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average;
- 7.1.2 **storm or flood damage:**
 - a) caused by frost, subsidence, ground heave or landslip;
 - b) attributable solely to change in water table level;
 - c) to moveable **property** in the open;
- 7.1.3 **damage** to the any building or contents of any building which is **empty** caused by escape of water from any tank apparatus or pipe;
- 7.1.4 **damage** arising from cessation of work;
- 7.1.5 **damage** (other than fire or explosion) by theft to any building or contents of any building which is **empty** directly caused by malicious persons not acting on behalf of or in connection with any political organisation;
- 7.1.6 theft or any attempted theft:
 - a) when the **premises** are closed for business unless involving forcible and violent entry to or exit from the building;
 - b) of, or any **damage** committed by thieves to the contents, of any building which is **empty**;
 - c) by any of your **employee(s)** whether acting alone or in collusion with others;
- 7.1.7 **damage** caused by or resulting from:
 - a) wear tear the action of light or atmosphere, moths, vermin, insects;
 - b) any process of cleaning, dyeing, restoring, adjusting or repairing;
 - c) corrosion, dampness, dryness, wet or dry rot marring, scratching, bruising or deterioration;
- 7.1.8 **damage** to any machine or apparatus arising from mechanical electrical or electronic breakdown or derangement or from adjustment maintenance or repair;
- 7.1.9 **damage** specifically excluded in this **policy**;
- 7.1.10 normal maintenance or repair;
- 7.1.11 erasure or distortion of information on computer systems or other records;
- 7.1.12 **damage** to any computer or other equipment or component or system or item which processes stores transmits or retrieves **data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether **your property** or not or where such **damage** is caused by programming or operator error, **virus or similar mechanism or hacking**;
- 7.1.13 any disappearance or shortage revealed only at the time of stock taking or the making of any inventory or due to error or omission;
- 7.1.14 **damage** by confiscation or detention by Customs or other officials or authorities;
- 7.1.15 **damage** following dishonesty or fraudulent action by **your employees** or any person lawfully in the building;
- 7.1.16 **damage** caused by or resulting from subsidence, ground heave or landslip.
- 7.1.17 **Damage** caused by subsidence or ground heave of any part of the site on which the **premises** stands or landslip:
 - a) to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby;
 - b) where **damage** caused by or consisting of:
 - i) the normal settlement of bedding down of new structures;

- ii) the settlement or movement of made-up ground;
 - iii) coastal or river erosion;
 - iv) defective design or workmanship or the use of defective materials;
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
- c) where **damage** originated prior to the inception of this cover;
- d) where **damage** results from:
 - i) demolition construction structural alteration or repair of any **property** or;
 - ii) groundworks or excavation at the **premises**.

8 Conditions applicable to Property – Contents and Property - Buildings

8.1.1 Minimum standards of security

- 8.1.2 It is a condition precedent to **our** liability for **damage** by theft or any attempt thereat that the following minimum level of security (or alternative security precautions as agreed in writing by **us** whether following a survey or otherwise) is installed at the **premises** and put into effect whenever the **premises** are left unattended:
- a) the final exit door of the **premises** are to be fitted with a mortise deadlock which has 5 or more levers and/or conforms to BS3621. A matching boxed striking plate must also be added;
 - b) all other external doors and all internal doors giving access to any part of the building not occupied by **you** for the purpose of the **business** are to be fitted with either:
 - i) a mortise deadlock which has 5 or more levers or conforms to BS3621 with a matched boxed striking plate as specified above; or
 - ii) two key operated security bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom;
 - c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks;
 - d) all opening external basement ground floor and other accessible (accessible being a window that can easily be reached such as a window adjacent to a flat roof or fire escape balconies canopies or down pipes) windows, fanlights, roof lights and skylights are to be fitted with key operated window locks. This requirement does not apply to windows protected by solid steel bars weldmesh or expanded metal grilles securely fixed to the brickwork surrounding the window;
 - e) any door or window officially designated a fire exit by a fire authority is excluded from the above requirements. These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times) any additional devices must be approved by the local Fire Prevention Officer.

9 Computer breakdown

9.1 Computer breakdown coverage

9.1.1 We shall indemnify **you** against **accidental damage** to **property insured** caused by the undernoted perils:

- a) breakdown or failure of any part of the **computer equipment** or computer records whilst in ordinary use arising from either mechanical or electrical defect causing a stoppage of normal functions;
- b) failure or fluctuation of the supply of electricity to the **computer equipment**;
- c) erasure destruction corruption or distortion of software contained or **data** stored on fixed disks or computer records;

provided that **our** liability does not exceed the **sum insured** stated in the **schedule**.

9.2 Computer breakdown - cover extensions

The insurance under this **section** is further extended to indemnify **you** against:

9.2.1 Increased cost of working

increased cost of working being the additional expenditure necessarily and reasonably incurred by **you** for the sole purpose to:

- a) prevent or minimise the interruption of or interference with the work normally carried out by or on the **computer equipment**;
- b) recompile or restore **data** or software or replace third party proprietary software in direct consequence of **damage to property insured**;

provided that **our** liability does not extend beyond twelve (12) months and does not exceed £25,000 for each of a) and b) above in any one **period of insurance**.

9.2.2 Incompatibility of computer records

the costs of:

- a) modification of the **computer equipment**; or
- b) replacement of computer records together with reinstatement of programs and/or information thereon whichever is the lesser amount to achieve compatibility in the event that the loss of **computer equipment** has resulted in **undamaged** computer records being incompatible with the replacement **computer equipment**;

provided that **our** liability does not exceed £10,000 in any one **period of insurance**.

9.2.3 Additional rental

the additional rental arising out of the replacement of a lease/hire agreement in respect of the **property insured** by a new contract for a similar **property** consequent upon **damage insured** by this **section**, provided that **our** liability shall not exceed £10,000 in any one **period of insurance**.

9.2.4 Loss of income

loss as a result of interruption of or interference with the **business** following **damage**, as defined by Computer breakdown coverage clause above to the **computer equipment** or computer records against loss of **gross revenue** in accordance with the terms and definitions stated in Business interruption **section**, by paying for the **indemnity period** not exceeding twelve (12) months the amount by which the **gross revenue** during this **indemnity period** shall fall short of the **gross revenue** during the equivalent period immediately before the **damage** provided that **our** liability does not exceed £25,000 in any one **period of insurance**.

9.3 Computer breakdown - exclusions

The insurance by this **section** excludes and does not cover:

9.3.1 **damage to the property insured**:

- a) occasioned by its own breakdown unless there is in force an approved maintenance agreement providing a minimum service of on call remedial and or corrective maintenance at inclusive costs;
- b) for which any manufacturer supplier agent or maintenance undertaking is responsible under the terms of a guarantee or maintenance agreement;
- c) for which **you** are relieved of responsibility under any rental hire or lease agreement;
- d) for which cover is provided under Property – Contents **section**;
- e) caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions but this exclusion shall not apply to subsequent **damage** which itself results from a cause not otherwise excluded;
- f) caused by a deliberate act of a supply undertaking in withholding the supply of electricity or telecommunication services unless for the sole purpose of safeguarding life;
- g) caused by the inability of the supply undertaking to maintain the supply system due to industrial action by its **employees**;
- h) caused by the use of telecommunications equipment which is not approved by the telecommunications authority;
- i) caused by it undergoing any process of production, packaging, treatment, testing, commissioning, servicing or repair;
- j) caused by the use of unproven software which has not been finalised or which has not passed all the testing procedures or which has not been successfully proven;
- k) caused by programming errors or design defects in software.

9.3.2 the first £250 of each and every loss.

9.3.3 **damage** to **computer equipment** or other equipment or component system or item which processes stores transmits or retrieves **data** or any part thereof whether tangible or intangible (including without limitation computer records any information or programs or software) directly or indirectly caused by occasioned by or arising from programming or operator error, **virus or similar mechanism** or **hacking**.

9.3.4 in respect of coverage extensions any loss cost or expense incurred in consequence directly or indirectly of programming or operator error, **virus or similar mechanism** or **hacking**.

9.4 Computer breakdown - other terms and conditions

9.4.1 Basis of settlement

- a) If the **computer equipment** covered by this **section** is **damaged**, our liability shall be:
 - i) on **electronic data** the cost of the blank media, plus the costs of copying the **electronic data** from back-ups, but not including research or engineering, or the costs of recreating, gathering or assembling such **electronic data**. **We** will not insure any amount pertaining to the value of such **electronic data** to **you** or any other party, even if such **electronic data** cannot be regenerated, gathered or assembled; and
 - ii) on **computer equipment** the cost of repairing or replacing, however if the **computer equipment** is obsolete after **damage** and beyond economic repair, **we** agree to the replacement with **computer equipment** that fulfils the same function and has the same cost as that damaged **computer equipment** when new.
- b) If **computer equipment** is covered by any other insurance effected by **you** or on **your** behalf but is not on the identical basis of **reinstatement** to the terms of this clause, then this **policy** excludes and does not cover payment of any amount in excess of the amount that would have been payable in the absence of this clause.
- c) The work of **reinstatement** must be commenced and carried out with reasonable despatch, otherwise no payment will be made beyond the amount which would have been payable under this **section** in the absence of this clause
- d) Until such time as the cost of **reinstatement** has actually been incurred **We** will have no liability to pay any amount beyond the amount that would have been payable under this **section** in the absence of this clause.

9.4.2 Index linking

We will adjust the **sum insured** in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted **sum insured**.

9.5 Limit of liability

Subject to Reinstatement of sum insured clause of Coverage clauses (applicable to Property – Contents, property – Buildings and Computer breakdown) **section** the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for the contents of the **premises** adjusted in accordance with Index linking clause of Computer breakdown **section**.

10 Coverage clauses (applicable to Property – Contents, Property – Buildings and Computer breakdown sections)

10.1 Accidental discharge of gas flooding systems

We will indemnify **you** for the cost of recharging gas cylinders installed solely for the protection of the **property insured** following **accidental** discharge, up to a maximum of £10,000 any one event.

We shall not be liable for discharge arising:

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

10.2 Acquisitions

You must inform **us** as soon as practicable of any additional **premises you** acquire.

10.3 Amount excluded aggregation clause

Where a claim is to be dealt with under Property - Contents, Property – Buildings and Computer breakdown **sections** and under the terms of the **policy** you are responsible for the first £250 of **damage** under each **section**, **you** will only be responsible for the first £250 of the claim in aggregate.

10.4 Architects, surveyors, legal and consulting engineers fees

We shall indemnify **you** for such fees as are 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 its **sum insured**.

10.5 Automatic reinstatement of sum insured

In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:

- a) pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;
- b) if the loss results from theft give effect to any additional protective devices which **we** may require for the further security of the **property insured**.

10.6 Capital additions

10.6.1 The insurance by **sections** Property – Contents, Property – Buildings and Computer breakdown is extended to cover:

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any **property** for which a building contractor is responsible) and contents insofar as the same are not otherwise **insured**; and
- b) alterations additions and improvements to buildings and contents but not in respect of any appreciation in value anywhere in the **United Kingdom** provided that:
 - i) at any one situation this cover shall not exceed ten (10%) percent of the **sum insured** or £500,000 whichever is the lesser;
 - ii) **you** undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability;
 - iii) the provisions of this clause shall be fully maintained notwithstanding any specific insurance effected under clause 10.6.1 b) ii) above.

10.7 Change of tenancy

You must advise **us** of all changes in tenancy or occupation within the **premises**.

10.8 Contract price

In respect only of goods sold but not delivered for which the **insured** is responsible subject to a sale contract which following **damage** is cancelled by reason of its conditions wholly or to the extent of the **damage** our liability shall be based on the contract price.

For the purpose of this insurance the value of all goods to which this clause could apply in the event of **damage** shall also be ascertained on this basis.

10.9 Day one (1) basis – non adjustable

- a) For each item of **property insured** that has a **declared value** shown in the **schedule**, the insurer agrees to calculate the premium upon the **declared value** provided that, at inception of this **policy** and the commencement of each subsequent **period of insurance**, **you** notify **us** of the **declared value** of each such item (in the absence of such a notification, the last amount declared by you will be taken as the **declared value** for the application of the Index linking clause for the ensuing period of insurance).
- b) Where by reason of any provision of the Basis of Settlement conditions no payment is to be made beyond the amount that would have been payable if these conditions had not been incorporated, the **sum(s) insured** will be deemed to be the total of the **declared value(s)**.

10.10 Designation

For the purpose of determining where necessary the heading under which any **property** is **insured**, it is agreed to accept the designation under which such **property** has been entered in **your** books.

10.11 Empty buildings

10.11.1 Whenever the **premises** stated in the **schedule** are **empty** the following special terms and conditions will apply:

- a) **you** must notify **us** in writing immediately **you** become aware:
 - i) that the building(s) are **empty**;
 - ii) of any **damage** to the **empty** building(s) whether such **damage** is **insured** or not;
- 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 owned by **you**;
- d) **you** shall secure the buildings and rectify any defects which render the buildings insecure;
- 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);
- f) **you** must pay additional premium if required by **us**.

10.12 European Community and Public Authorities (including undamaged property)

10.12.1 Subject to Special conditions clause of Coverages clauses (applicable to Property – Contents, property – Buildings and Computer breakdown) **section**, the insurance by 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 'the stipulations') in respect of:
 - i) the **damaged property** thereby **insured**;
 - ii) **undamaged** portions thereof.

but excluding:

- a) the cost incurred in complying with the stipulations:
 - iii) in respect of **damage** occurring prior to the granting of this clause;
 - iv) in respect of **damage** not **insured** by the **section**;
 - v) under which notice has been served upon **you** prior to the happening of the **damage**;
 - vi) for which there is an existing requirement which has to be implemented within a given period;
 - vii) in respect of **property** entirely **undamaged**.
- b) the additional cost that would have been required to make good the **property damaged** to a condition equal to its condition when new had the necessity to comply with any of 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 thereof by reason of compliance with the stipulations.

10.12.2 Special conditions

- a) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve (12) months after the **damage** or within such further time as **we** may allow during the said twelve (12) months and may be carried out upon another site (if the stipulations so necessitate) subject to **our** liability under this clause not being thereby increased;
- b) If **our** liability under the **section** apart from this clause shall be reduced by the application of any of the terms and conditions of the **policy** then **our** liability under the **section** shall be reduced in like proportion.
- c) The total amount recoverable under any item of the **section** in respect of this clause shall not exceed:
 - i) in respect of the **damaged property**:
 - I) fifteen (15%) percent of its **sum insured**;
 - II) where the **sum insured** by the item applied to **property** at more than one **premises**, fifteen (15%) percent of the total amount for which **we** would have been liable had the **property insured** at the **premises** where the **damage** has occurred been wholly destroyed;
 - ii) in respect of **undamaged** portions of **property** (other than foundations) fifteen (15%) percent of the total amount for which **we** would have been liable had the **property insured** by the items at the **premises** where the **damage** has occurred been wholly destroyed.
- d) The total amount recoverable under any item of the **policy** shall not exceed its **sum insured**.
- e) All the terms and conditions of the **policy** except insofar as they are varied hereby shall apply as if they had been incorporated herein.

10.13 Fire break doors and shutters

It is a condition precedent to **our** liability that all fire break doors and shutters be kept closed except during working hours and be maintained in efficient working order.

10.14 Fire extinguishing appliances

It is a condition precedent to **our** liability that all fire extinguishing appliances will be maintained in efficient working order during the currency of the insurance.

10.15 Fire extinguishment expenses and emergency services damage

- a) extinguishment expenses **you** incur in order to minimise **damage**;
- b) expenses incurred in recharging or repairing **damage** to any gas or sprinkler fire extinguishment system;
- c) **damage** to lawns, gardens, playing surfaces and landscaped areas, car parks, private roads and pathways at the **premises** caused by emergency service vehicles while attending an incident involving **damage** for which **we** has accepted a claim under this **section**;
- d) fire brigade charges;
- e) costs and expenses **you** reasonably incur to upgrade or improve any gas or sprinkler fire extinguishment rendered necessary to comply with any regulations introduced after the installation of the original system following an incident involving **damage** for which **we** have accepted a claim under this **section**.

Our liability for costs and expenses relating to:

- i) a), b) c) and d) above and **damage** will not exceed £20,000; and
- ii) e) above will not exceed £50,000,

during any one **period of insurance**.

10.16 Machinery dismantling and re-erection costs

The costs of dismantling, re-erecting and resetting machinery that has not sustained **damage**, but where such dismantling is necessary in order to gain access to and repair or reinstate **damaged property insured**, provided that:

- a) such machinery is deemed to be **undamaged** and in working order prior to such dismantling, re-erecting and resetting;
- b) **we** shall not provide indemnity for any **damage** to the machinery caused during such dismantling, re-erection and resetting.

10.17 Mortgagees

The act or neglect of any mortgagor or occupier of any building hereby **insured** whereby the risk of **damage** is increased without the authority or knowledge of any mortgagees shall not prejudice the interest of the latter party (or parties) in this insurance provided they shall notify **us** immediately on becoming aware of such increased risk and pay additional premium if required.

10.18 Non-invalidity

This insurance shall not be invalidated by any act or omission or by an alteration whereby the risk of **damage** is increased unknown to or beyond **your** control provided that immediately **you** become aware thereof shall give **us** notice and pay an additional premium if required.

10.19 Reinstatement

10.19.1 In the event of the **property insured** under the Property - Contents **section** (Office contents clause and Computers and ancillary equipment clause only), the Property – Buildings **section** and the Computer breakdown **section** being **damaged** the basis upon which the amount payable hereunder is to be calculated shall be the reinstatement of the **property damaged**.

10.19.2 For this purpose 'reinstatement' means

- a) the rebuilding or replacement of **property** 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 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.

10.19.3 Special conditions

- a) **Our** liability for the repair or restoration of **property damaged** in part only shall not exceed the amount which would have been payable had such **property** been wholly destroyed;
- b) No payment beyond the amount which would have been payable in the absence of this clause shall be made:
 - i) unless reinstatement commences and proceeds without unreasonable delay;
 - ii) until the cost of reinstatement shall have been actually incurred;
 - iii) if the **property insured** at the time of its **damage** shall be **insured** by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- c) All the terms and conditions of the **policy** shall apply:
 - i) in respect of any claim payable under the provisions of this clause except insofar as they are varied hereby;
 - ii) where claims are payable as if this clause had not been incorporated.

10.20 Removal of debris

10.20.1 **Costs and expenses** necessarily incurred by **you** with **our** consent in:

- a) removing debris;
 - i) dismantling and/or demolishing;
 - ii) shoring up or propping of the portion or portions of the **property insured** as a result of **damage** hereby **insured** against.

We shall not pay for any costs or expenses:

- a) incurred in removing debris except from the site of such **property damaged** and the area immediately adjacent to the site;
- iii) arising from pollution or contamination of **property** not **insured** by Property – Contents, Property – Buildings, and Computer breakdown **sections**.

10.20.2 **Our** liability under this clause and Property – Contents, Property – Buildings, and Computer breakdown **sections** in respect of any item shall in no case exceed the **sum insured** thereby.

10.21 Repairs and alterations

You may employ workmen to carry out alterations, repair, decoration, plant installation, general maintenance and the like at the **premises** as required.

10.22 Sale of property insured

If at the time of **damage** to any building **insured** under this **section**, **you** have contracted to sell **your** interest in such building and the purchase has not been but is thereafter completed, the purchaser will be entitled (on completion of the purchase, and then only so far as the **property** is not otherwise **insured** by or on behalf of the purchaser against such **damage**) to the benefit of this **section** insofar as it relates to such **damage**, without prejudice to either parties' rights and liabilities under this **section** up to the date of completion.

10.23 Seventy two hours

All claims arising out of and directly occasioned by a single event or a single original cause shall be considered to be a single loss for the purposes of this **section**. However, the duration and extent of any single occurrence shall be limited to:

- a) seventy-two (72) consecutive hours as regards earthquake, **flood**, or **storm**;

- b) seventy-two (72) consecutive hours and within the limits of one (1) borough, city, town or village as regards riot, civil commotion, malicious **damage** and vandalism.

You may choose when any of the periods commence and if the event or common cause is of greater duration than the above periods, **you** may decide to divide that event or common cause into two (2) or more occurrences provided that no two (2) periods overlap.

Should any such seventy two (72) consecutive hour period extend beyond the expiry or cancellation date, **we** shall be liable as if such period had fallen entirely within the **period of insurance** of the **policy**.

10.24 Temporary removal

- 10.24.1 The **property insured** is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom all in the **United Kingdom**;
- 10.24.2 **Our** liability under this clause in respect of each item of the **section** for any **damage** occurring elsewhere than at the **premises** shall not exceed ten (10%) percent of the **sum insured** by the item;
- 10.24.3 This clause does not apply to **property** insofar as it is otherwise **insured** nor as regards losses occurring elsewhere than at the **premises** from which the **property** is temporarily removed to motor vehicles and motor chassis licensed for normal road use;
- 10.24.4 All the terms and conditions of the **policy** except insofar as they are varied hereby shall apply as if they had been incorporated herein.

10.25 Underinsurance

Each item of **property insured** covered is, to the extent specified in the **schedule** as being covered on a **sum insured** basis, subject to the following conditions of average:

- a) Eighty five percent (85%) average

We recognise that calculating the **sum insured** for **your property** can be difficult. **We** therefore allow **you** some margin of error in **your** calculations. However, it is important to make sure **your** calculations are as accurate as possible. If, at the point at which damage to **your insured property** commences, the **sum insured** for an item of **insured property** is less than 85% of the cost of **reinstating** that damaged item of **insured property** on a total loss basis, then **you** are underinsured. **You** will then be considered as being **your own insurer** for the difference between the **sum insured**, and the cost of **reinstating** the item of **insured property** on a total loss basis. **You** will therefore have to bear a rateable proportion of the loss caused by the **damage**.

For example, an item of **property insured** subject to an eighty-five percent (85%) average has a **reinstatement** cost after total destruction of £1,000,000. The **sum insured** is £750,000. As the **sum insured** is less than £850,000 (i.e., 85% of £1,000,000), the **property insured** is underinsured by 25%. In this example, we would only pay 75% of the valid claim. However, if the **sum insured** in this example was instead £860,000, the **sum insured** would be greater than 85% of the total **reinstatement** cost. In this further example, we would pay 100% of the valid claim.

10.26 VAT – United Kingdom only

In respect of **property insured** in the **United Kingdom**, this **policy** is extended to include the cost of VAT paid by **you** (including self-supply value added tax where appropriate) which is not subsequently recoverable following **damage** to the **property insured** provided that:

- i) **your** liability for such tax arose solely as a result of the reinstatement and/or repair of the **property insured** following **damage**;
- ii) **we** have paid and/or has agreed to pay for such **damage**;
- iii) if any payment made by **us** in respect of the reinstatement and/or repair of such **damage** shall be less than the actual cost of the reinstatement and/or repair, any payment under this clause resulting from the **damage** shall be reduced in like proportion;
- iv) **your** liability for such tax does not arise from the replacement **premises** having greater floor area than and/or being better and/or more extensive than the **damaged premises**;
- v) where an option to reinstate on another site is exercised, **our** liability shall not exceed the amount of tax that would have been payable had the **premises** been rebuilt on its

original site;

- vi) **our** liability shall not include amounts payable by **you** as penalties and/or interest for non-payment and/or late payment of tax; and
- vii) terms to the contrary elsewhere in this **policy** are over-ridden as follows in respect of those items to which this clause applies:
 - I) for the purposes of the Basis of settlement clause and the Rent clause, reinstatement costs and rent shall be exclusive of VAT; and
 - II) **our** liability may exceed the **sum insured** by an individual item on buildings or rent or in the whole the total **sum insured** where such excess is solely in respect of VAT.

10.27 Waiver of subrogation

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

- a) any company standing in the relation of parent to subsidiary (or subsidiary to parent) to **you** as defined in the Companies Act 2006 or Companies (N.I.) Order 2006, as appropriate, current at the time of the loss; and
- b) any company that is a subsidiary of a parent company of which **you** are a subsidiary, in each case within the meaning of the Companies Act 2006 or Companies (N.I.) Order 2006, as appropriate, current at the time of the loss.

11 Business interruption

11.1 Business interruption coverage

11.1.1 Business interruption coverage

We shall indemnify **you** in accordance with the terms of this **section** for each item shown as “**insured**” in the **schedule**, for loss caused by the interruption of or interference with the **business** resulting directly from **accidental damage** to **property** used by **you** at the **premises** within the **territorial limits**, provided that:

- a) at the time the **damage** occurs there is in force either:
 - i) cover under the Property **section** of this **policy**, or
 - ii) an insurance **policy** covering **your** interest in the **property** at the **premises** against such **damage** and such **property** is of a type and kind not excluded by this **section**;
- b) at the time the **damage** occurs **you** have claimed under the **policy** referred to in above and the relevant **insurer** has paid such claim in full or admitted liability for such claim or would have done so but for the operation of a proviso in such insurance **policy** excluding liability for losses below a specified amount; and
- c) **our** liability under this **section** shall not exceed the lower of:
 - i) the **sum(s) insured** shown in the **schedule**; or
 - ii) any applicable sub-limit stated in any extension clause.

11.1.2 Gross fees/estimated gross fees

Our liability under this **section** in respect of **gross fees/estimated gross fees** will be:

- a) in respect of the reduction in **gross fees**: the amount by which the **gross fees** during the **indemnity period** will, in consequence of the **damage**, fall short of the standard **gross fees**;
- b) in respect of **increased cost of working**: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross fees** 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 thereby avoided;
- c) minus, regardless of whether the calculation is based on, the reduction in **gross fees** or the **increased cost of working** any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross fees** as may cease or be reduced in consequence of the **damage**;

except that, in either case, if the **sum insured** in respect of **gross fees** is less than the annual **gross fees** (or a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months), **you** are underinsured and **our** liability may be proportionately reduced.

11.1.3 Gross revenue/estimated gross revenue

Our liability under this **section** in respect of **gross revenue/estimated gross revenue** will be:

- a) in respect of the reduction in **gross revenue**: the amount by which the **gross revenue** during the **indemnity period** will, in consequence of the **damage**, fall short of the standard **gross revenue**;
- b) in respect of **increased cost of working**: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross revenue** 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 thereby avoided;
- c) minus, regardless of whether the calculation is based on, the reduction in **gross revenue** or the **increased cost of working** any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross revenue** as may cease or be reduced in consequence of the **damage**;

except that, in either case, if the **sum insured** in respect of **gross revenue** is less than the annual **gross revenue** (or a proportionately increased multiple thereof where the maximum

indemnity period exceeds twelve months), **you** are underinsured and **our** liability may be proportionately reduced.

11.1.4 Increased cost of working

The additional expenditure **you** necessarily and reasonably incur for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **damage** but not exceeding the amount of reduction reasonably anticipated at the time the expenditure was incurred.

11.1.5 Alternative trading clause

If during the **indemnity period** professional services shall be rendered elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf the **money** paid or payable in respect of such services shall be brought into account in arriving at the reduction of **gross revenue** during the **indemnity period**.

11.1.6 Automatic reinstatement of sum insured

In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:

- a) pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;
- b) if the loss results from theft give effect to any additional protective devices which **we** may require for the further security of the **property insured**.

11.1.7 Contract sites and transit

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, to documents belonging to or held in trust by **you** whilst temporarily at **premises** not occupied by **you** or whilst in transit by road, rail or inland waterway anywhere within the **United Kingdom** provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £100,000 whichever is the lesser.

11.1.8 Denial of access

We shall indemnify **you** in respect of interruption of or interference with the **business** as covered by this **section** caused by **damage** by any cause not excluded by this **policy** to **property** in the vicinity of the **premises** which shall prevent or hinder the use of the **premises** or access thereto whether the **premises** or **your property** therein shall be **damaged** or not (but excluding **damage** to **property** of any supply undertaking from which **you** obtain electricity, gas or water or telecommunications services which prevents or hinders the supply of such services).

Our liability under this clause shall not exceed 10% (ten) percent of the **sum insured** by this **section** or £100,000 whichever is the lesser, and is subject to time excess of 24 hours and the maximum **indemnity period** of 3 months.

11.1.9 Notifiable disease, murder or suicide, food or drink poisoning

We will indemnify **you** for loss caused by the interruption of or interference with the **business** resulting solely and directly from your inability to use the **premises** in consequence of any of the following events:

- a) an occurrence of a **notifiable disease**:
 - i) at the **premises**; or
 - ii) attributable to food or drink supplied from the **premises**;
 - b) the discovery of any organism at the premises likely to result in the occurrence of a **notifiable disease**;
 - c) the discovery of vermin or pests at the **premises**;
 - d) an accident causing defects in the drains or other sanitary arrangements at the **premises**; and
 - e) an occurrence of murder or suicide at the **premises**;
- provided that:
- i) **we** will only be liable for loss arising at those **premises** which are directly subject to the event in (a) to (e) above;

- ii) **we** will only be liable for loss where the event causes closure of the **premises** on the order of a Local or Government Authority;
- iii) **we** will not be liable for any costs incurred in cleaning, repair, replacement, recall or checking of **property** except as stated above;
- iv) the indemnity provided by this clause shall only apply for the period beginning with the occurrence of the loss and ending not later than three (3) months thereafter; and
- v) **our** liability will not exceed the sub limit of £10,000 any one occurrence and £50,000 in the aggregate anyone **period of insurance**

This extension shall not cover loss resulting from forty-eight (48) hours of each and every such interruption or interference at the **premises**.

11.1.10 Professional accountants charges

We shall indemnify **you** in respect of reasonable charges payable by **you** to **your** professional accountants for producing any particulars or details contained in **your business** books or such other proofs information or evidence as **we** may require under Your duties – all sections except Legal expenses clause of Duties in the event of a claim or potential claim **section** and reporting that such particulars or details are in accordance with **your business** books or documents.

11.1.11 Suppliers

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage** at any **premises** of any of **your** direct suppliers within the **United Kingdom**, provided that **our** liability under this clause shall not exceed fifteen (15%) percent of the **sum insured** by this **section** or £250,000 whichever is the greater.

11.1.12 Supply utilities

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage** or giving rise to **damage** to **property** at any:

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

from which **you** obtains electricity, gas, water or telecommunication services within the **United Kingdom** provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £100,000 whichever is the lesser.

11.1.13 Unspecified customers

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, where **property** is stored at the **premises** of any of the **insured's** direct **customers'** but excluding:

- a) **customers** specified by a more specific clause by this policy;
- b) the **premises** from which the **insured** obtains electricity, gas, water or telecommunication services;
- c) **premises** outside the **United Kingdom** or Eire;

provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £100,000 whichever is the lesser.

11.1.14 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.

11.1.15 Research and development

We will indemnify **you** in respect of the additional expenditure incurred as a result of **damage** to **property** at the **premises** that interrupts the current research and development programme of the **business** except that:

- a) cover will be limited to the additional expenditure necessary to reinstate research and development projects to the stage that they were at immediately prior to the **damage**;
- b) **our** liability under this clause will not exceed £25,000 for any one claim.

11.1.16 Lottery winners increased costs

We will indemnify **you** in respect of the additional costs specified in:

- i) recruitment;
- ii) overtime costs;
- iii) employment of temporary staff for amounts in excess of permanent full time rates of payment

where an **employee** or group of **employees** resign from his/her or their post(s) within the **business** as a direct consequence of their securing a win in either the UK National Lottery Prize Draws (including Scratch Cards), UK National Football Pools, Euro Millions Lottery, Irish National Lottery or the UK Premium Bond Prize Draws.

Provided that:

- i) the **employee** or group of **employees** resign within fourteen (14) days from the date of the successful lottery win, and;
- ii) the maximum **we** will pay in respect of any one **period of insurance** will not exceed GBP 100,000;
- iii) no indemnity shall be paid beyond the three (3) months of the date of the successful lottery win.

11.2 Book debts

In the event of any of **your** books of account or other **business** books or records at the **premises** being **damaged** so as to render it impossible for **you** to obtain from **customers** all the sums due to them and outstanding at the date of the **damage** and for which payment shall have been made or liability admitted by an **insurer** under any insurance covering **your** interest in the **property damaged** then:

11.2.1 **we** shall indemnify **you** in respect of loss of **book debts** by paying:

- a) the difference solely due to the **damage** between the amount of the **book debts** at the date of the **damage** and the total amount received in payment of them during the twelve (12) months after the **damage**;
- b) any reasonable expenditure incurred in avoiding or diminishing the loss of **book debts** but not more than the loss avoided

provided that **our** maximum amount payable under this clause shall not exceed **sum insured** specified in the **schedule**.

11.2.2 The indemnity provided under this clause shall be void if the **business** be wound up or carried on by a liquidator or receiver or permanently discontinued without **our** consent.

11.2.3 No claim shall be payable unless **you**:

- a) take all action which may be reasonably practicable to minimise or check any interruption or interference with the **business** or to avoid or diminish the loss;
- b) at **your** own expense deliver to **us** in writing a statement setting forth particulars of **your** claim.

11.3 Business interruption - exclusions

The insurance by this **section** excludes and does not insure:

- a) loss arising from deliberate erasure loss distortion or corruption of information on **computer systems** or other records programs or software;
- b) loss directly or indirectly caused by or arising from any programming or operator error **virus or similar mechanism** or **hacking** including where this results from the actions of malicious persons other than thieves;
- c) mislaying or misfiling of records and tapes;
- d) the deliberate act of the supply undertaking in restricting or withholding electricity supply;

- e) subject to Reinstatement of sum insured extension and Professional accountants charges extension under Business interruption **section**, any amount in excess of the **sum insured** shown in the **schedule** that is the maximum amount we are liable to pay during any one **period of insurance**. For the avoidance of doubt professional accounts charges are payable in addition to the **sum insured**;
- f) any payment beyond the **indemnity period** shown on the **schedule**.

11.4 Business interruption - other terms and conditions

11.4.1 Alternative trading

If during the **indemnity period** goods are sold or services rendered elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf, the amount received by **you** in respect of such sales or services will be brought into account in calculating the **turnover**, **gross revenue** or **gross fees** during the **indemnity period**.

11.4.2 Delayed loss

In adjusting any loss, **we** will take into account and make an equitable allowance if any reduction in **turnover** due to the **damage** is postponed by reason of the **turnover** being temporarily maintained from accumulated stocks of finished goods.

11.4.3 Departmental

If the **business** is conducted in departments and the independent trading results of each department are ascertainable and can be distinguished from each other, the provisions of this **section** will apply separately to each department affected by the **damage** except that, if the **sum insured** is less than the aggregate of the sums of the **insurable gross profit**, **gross fees** or **gross revenue** as stated in the **schedule** for each department of the **business** (whether affected by the **damage** or not), **our** liability will be reduced pro rata accordingly.

11.4.4 Payments on account

If **you** so request, **we** will make payments to **you** monthly on account during the **indemnity period**, provided always that:

- i) the aggregate amount of such payments shall not exceed the **sum insured** under the item for which the claim is being paid hereunder, and
- ii) that if the total adjusted loss under this **section** differs from the quantum of the payments made under this clause then both parties agree to pay or return the difference accordingly.

11.4.5 Underinsurance

Our liability under this section for each item of business interruption insurance described in this **section** is, to the extent specified in the **schedule** as being covered on a **sum insured basis**, subject to the following conditions of underinsurance:

- a) When calculating our liability for each item of business interruption insurance under this Section, if the **gross fees** or **gross revenue** that we calculate would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** exceeds 150% of the **sum insured** for **gross fees** or **gross revenue** (proportionately reduced in each case to an annual figure where the **maximum indemnity period** is greater than 12 (twelve) months), then the amount for which **we** will indemnify **you** for any loss hereby insured will be limited to that proportion which the **sum insured** (proportionately reduced to an annual figure if required) bears to the **gross fees** or **gross revenue** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance**.
- b) For example, say the **sum insured** for **gross fees** is £500,000. However, we calculate the **gross fees** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** is £900,000. **Our** calculated figure for **gross fees** is greater than 150% of the **sum insured**. **You** will therefore have to bear a rateable proportion of the loss caused by the **damage**. In this example, the **sum insured** is only 56% of **our** calculated figure for **gross fees**. **We** would therefore only pay 56% of the valid claim for **Business Interruption**.

11.4.6 Waiver of subrogation

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

- i) any company standing in the relation of parent to subsidiary (or subsidiary to parent) to **you** as defined in the Companies Act 2006; Companies (N.I.) Order 2006 or similar legislation in other countries defined in the **territorial limits**, as appropriate, current at the time of the **damage**;
- ii) any company which is a subsidiary of a parent company of which is itself a subsidiary, in each case within the meaning of the Companies Act 2006; Companies (N.I.) Order 2006 or similar legislation in other countries defined in the **territorial limits**, as appropriate, current at the time of the **damage**.

12 Terrorism

12.1 Terrorism coverage

- 12.1.1 Where this **section** is shown in the **schedule** as 'operative', subject to the application of any applicable excess or deductible, **we** will indemnify **you** in accordance with the terms of this **insured section** for losses arising under the **eligible insured sections** as a result of **damage** to or destruction of **property** in the **territory**, the proximate cause of which is an **act of terrorism**, provided that the **act of terrorism**:
- 12.1.2 occurs in the **territory** during the **period of insurance**;
- 12.1.3 is certified by HM Treasury or a competent tribunal from time to time as an **act of terrorism**; provided that in any action, suit or other proceedings where **we** allege that any **damage** or **costs and expenses** are not covered by this **policy**, the burden of proving the contrary will be upon **you**, save for clauses 9.2.1(b)(iii) and 9.2.1(c) and where the burden of proof will be upon **us**.

12.2 Terrorism exclusions

The general **policy** exclusions do not apply to this **section**. Instead, the following are specifically excluded from the insurance under this **section**.

12.2.1 Virus or similar mechanism, hacking, phishing or denial of service

- a) Any losses whatsoever directly or indirectly caused by, contributed to by, or arising from or occasioned by or resulting from:
- i) **damage** to or the destruction of any **computer system**; or
 - ii) any alteration, modification, distortion, erasure, or corruption of **data**
- in each case whether the **property** of the **insured** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**.
- b) Covered losses otherwise falling within this exclusion will not be treated as excluded by this clause solely to the extent that such loss:
- i) results directly from any of the **specified perils**;
 - ii) comprises any of the **specified losses**; and
 - iii) is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.
- c) Notwithstanding the exclusion of **data** from the definition of **property** in this **insured section**:
- i) to the extent that **damage** to or destruction of **property** comprises any of the **specified losses**; and
 - ii) that **damage** or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data**;

the fact that a **specified peril** results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data** shall not prevent cost or **business** interruption loss directly resulting from **damage** to or destruction of such **property** (and otherwise falling within **specified losses** or **specified perils**) from being recoverable under this **policy**.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **data** be recoverable under this **policy**.

12.2.2 War

Any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil **war**, rebellion, revolution, insurrection or military or usurped power.

12.3 Other terms and conditions applicable to this section

12.3.1 **Our** liability under this **insured section** in any one (1) **period of insurance** shall not exceed the **sum insured** stated in the **schedule** for the applicable **section** shown as **insured** in the **schedule** in respect of all losses arising out of any one (1) **occurrence** and in the aggregate.

12.3.2 Where the **period of insurance** shown in the **schedule** is for a period greater than twelve (12) months, the cover provided by this **section** shall only apply for a period of twelve (12) months and shall be subject to renewal at each annual anniversary.

12.3.3 Restricted terms

The insurance by this **section** is subject otherwise to all the terms and conditions of this **policy** except that any:

- a) long term undertaking;
 - b) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**; or
 - c) coverage in respect of **premises** to locations outside England and Wales and Scotland;
- will not apply to losses covered under this **insured section**.

13 Personal accident

13.1 Personal accident coverage

13.1.1 **We** agree to pay **you** the benefits listed in the **schedule** in the event the **insured person**:

- a) dies within twelve (12) months after and as a result of **injury**;
- b) sustains **permanent total disablement** which shall include **loss of limbs, total loss of sight, total loss of hearing or total loss of speech**, within twelve (12) months after and as a result of **injury**;
- c) sustains **temporary total disablement** and/or **temporary partial disablement** which continues without interruption beyond the **deferment period**;

provided that the **accident** giving rise to the **injury** occurs during the **period of insurance** and within the cover basis.

13.2 Additional personal accident costs and expenses

13.2.1 Funeral expenses and emergency travel expenses

- a) In the event of a claim being agreed by **us** for death under the Personal accident coverage clause, **we** agree to indemnify **you** on behalf of the **insured person** for the reasonable funeral expenses incurred up to a maximum of five thousand pounds (£5,000) any one **insured person**.
- b) In the event of the death of an **insured person** by **injury**, provided that the **accident** giving rise to the **injury** occurs during the **period of insurance** and within the **cover basis**, **we** agree to pay **you** one thousand pounds (£1,000) on receipt of an interim death certificate for emergency travel and accommodation expenses.

13.2.2 Medical

In the event of a claim being agreed by **us** for death or **permanent total disablement** under sub clause a) or b) of the Personal accident coverage clause, **we** agree to indemnify **you** for:

- a) medical expenses up to fifteen percent (15%) of the amount payable under sub clause a) or b) of the Personal accident coverage clause except that the maximum amount payable under this clause will not exceed fifteen thousand pounds (£15,000).
- b) accommodation and travel costs up to a maximum of five hundred pounds (£500) for up to two close relatives to travel and remain with the **insured person**, where the **insured person** is hospitalised not less than a radius of seventy five (75) miles from their home address.

13.3 Personal accident - exclusions

13.3.1 This **section** excludes and does not cover payment for death or **permanent total disablement** directly or indirectly resulting from or consequent upon the death or **permanent total disablement** caused by:

- a) sickness or natural causes;
- b) **NCB terrorism**
- c) the **insured person** engaging in air travel as a pilot or crew member;
- d) deliberate exposure to exceptional danger (except in an attempt to save human life or in the course of the **insured persons** employment);
- e) the **insured person** engaging in or taking part in
 - i) naval, military or air force service or operations;
 - ii) motor sports, winter sports, scuba diving to a depth greater than fifteen (15) metres, rock climbing or mountaineering, caving or potholing, paragliding, parachuting or sky diving, hunting on horseback, or racing of any kind except on foot;
- f) **nuclear hazards**;
- g) suicide or attempted suicide, intentional self-inflicted **injury** including self-inflicted **injury** arising from mental illness or intentional **injury** of the **insured person** or the **insured person** being in a state of insanity;
- h) **war** in the **insured person's** country of domicile.

13.3.2 Accumulation limit

Where a single event, or series of events in a twenty kilometres radius originating from the same proximate cause, occurs and where:

- i) within twenty-four (24) consecutive hours of the event; or
- ii) within twenty-four (24) consecutive hours of the first event in the series of events;

the event or series of events causes **injury** to more than one **insured person**, then the maximum amount of **benefits** payable by **us** under the Personal accident coverage clause in connection with all **injury** arising from such event or series of events shall be £1,000,000 irrespective of the number of **insureds** and/or **insured persons** claiming.

13.3.3 Schedule of compensation restrictions

a) Claiming under more than one item of **benefit**:

- i) If it is possible to claim **benefit** under more than one item of compensation in the **schedule** of compensation, then **you** may elect to claim under the item of **benefit** that offers the maximum amount of payment except always that **we** are only liable to pay **benefit** under a single item of **benefit** under the **schedule** of compensation;
- ii) If an **accident** involves the death of the **insured person** prior to the definite settlement of compensation for permanent disablement **we** will pay the beneficiary the **benefit** for death as a result of **injury** in the **schedule** of compensation. If death is not **insured** no **benefit** will be payable under this insurance;
- iii) **Benefits** for death or permanent disablement payable under this **section** will not exceed five (5) times the annual salary or earnings of the **insured person**.

b) **Temporary total disablement and temporary partial disablement**

- i) **Temporary total disablement benefit** payable under this **policy** will not exceed the **insured person's** gross weekly earnings;
- ii) No **temporary total disablement** or **temporary partial disablement benefit** will become payable until the total claim amount has been ascertained and agreed by **us**. If, nevertheless, an interim payment is made for **temporary total disablement** or **temporary partial disablement benefit**, the amount paid will be deducted from any lump sum becoming payable in respect of **accidental death benefit** arising from the same **injury** or **permanent total disablement benefit** arising from the same **injury**;
- iii) Payment of the **temporary total disablement benefit** will cease when the **insured person** has made a recovery from **temporary total disablement**; or the total maximum **benefit** is exhausted, or the **insured person** dies or is deemed to suffer **permanent total disablement**, whichever first occurs.

13.4 Other Personal accident terms and conditions

13.4.1 Prior to any claim payment under the **permanent total disablement section** of the **schedule** of compensation the **insured person** will sign an undertaking that in the event the **insured person** subsequently recovers sufficiently to resume his regular occupation or a similar occupation, then the **insured person** will immediately refund any **permanent total disablement benefits** paid to it under this insurance.

13.4.2 Where the aggregate value of **benefits** claimed under the Personal accident coverage clause in connection with **injury** arising from an event or series of events as specified in sub clause b) of the Accumulation limit clause exceeds the accumulation limit specified, the amount claimed by each **insured** and/or **insured person** will be reduced in proportion to the ratio that the accumulation limit bears to the total amount claimed.

14 Employers liability

14.1 Employers' liability coverage

We will indemnify **you** against all sums that **you** shall become legally liable to pay as **damages**, including claimant costs recoverable from **you**, arising out of **bodily injury** caused during the **period of insurance**, within the **territorial limits** and sustained by an **employee** in the course of employment by **you** in the course of the **business**.

14.1.1 Limit of Indemnity

Our liability under this **section** for **damages** including **costs and expenses** payable in respect of any one claim against **you** or series of claims against **you** arising out of one cause shall not exceed the amount stated as the limit of indemnity in the **schedule**.

14.1.2 Right of recovery

The indemnity granted by this **section** is deemed to be in accordance with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers Liability (Compulsory Insurance) Regulations 1998 or any subsequent amendment or re-enactment or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands.

Where any condition precedent, exclusion, term or condition of this **policy** is deemed prohibited by the act or regulations, then **we** will provide an indemnity to the **employee** under the terms of this **section** but **you** will repay to the **insurer** that part of **our** indemnity for which **we** would not otherwise have been liable under this **policy** by reason of any such breach of condition precedent, term, condition or exclusion.

14.2 Employers' liability - cover extensions

This **section** shall extend to include the following:

14.2.1 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify in the terms of this **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** 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 director of **yours** or **employee** in respect of liability arising in connection with the **business** provided that **you** would have been entitled to indemnity under the **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 director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official;

provided that:

- I) each person shall as though he were the **insured** observe fulfil and be subject to the terms of this **policy** insofar as they can apply;
- II) **we** shall retain the sole conduct and control of all claims.

14.2.2 Compensation for court attendance

In the event of any of the under-mentioned persons attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this **section**, **we** shall provide compensation to **you** at the following rates per day for each day on which attendance is required for:

- | | |
|---|------|
| a) any of your directors or partners | £500 |
| b) any employee | £250 |

14.2.3 Contractual liability

Where any contract or agreement entered into by **you** so requires **we** will:

- a) indemnify **you** against liability arising in connection with and assumed by **you** by virtue of such contract or agreement but only so far as concerns liability as defined in this **section to your employees**; and
 - b) waive rights of **subrogation** against any party specified in the contract or agreement;
- provided that:
- i) **you** shall arrange for such other parties as may be indemnified by any such contract or agreement, to observe and fulfil the terms and conditions of this insurance so far as they can apply;
 - ii) **we** shall retain the sole conduct and control of all claims.

14.2.4 Cross liabilities

If more than one **insured** is referred to in the **policy schedule** this **section** shall apply to each one as if a separate **policy** had been issued to each provided that the total amount of indemnity payable to all parties in respect of **damages** shall not exceed the **limit of indemnity**.

14.2.5 Data Protection

We will indemnify **you** and, if **you** so require, any **employee** in respect of their liability to pay:

- a) any valid compensation in respect of **damage** or distress under section 13 of Part II of the Data Protection Act 1998 ('DPA'), or any equivalent provision under any subsequent amending or replacement legislation; or in respect of material or non-material damage under Article 82 of the General Data Protection Regulation ('GDPR'), and any associated **defence costs**; and
- b) **defence costs** in relation to a prosecution brought under the DPA, any subsequent amending or replacement legislation or the GDPR and incurred with **our** prior written consent,

in relation to claims brought by any **employee** first occurring, or prosecutions commenced, during the **period of insurance**.

This extension shall not apply in respect of:

- a) the cost of replacing, reinstating, rectifying or erasing any personal **data**;
- b) any cost relating to the investigation of a **data** breach, or any obligation to report a **data** breach to the Information Commissioner's Office or any other supervisory authority or other regulator or to **data** subjects;
- c) liability caused by or arising from a deliberate act by or omission of any party entitled to indemnity under this **policy**, the effect of which would knowingly result in liability under the DPA, or any subsequent amending or replacement legislation, or the GDPR;
- d) claims which arise out of circumstances that are notified to any previous **insurer** or known **you** at inception of this **policy**;
- e) liability for which indemnity is provided under any other insurance; or
- f) claims or prosecutions brought against **you** outside the Courts of the **United Kingdom**.

14.2.6 Statutory defence costs including Health and Safety at Work, etc. Act 1974

We will, with **our** prior consent, indemnify **you** and at **your** request, any additional **insured person**, in respect of **costs and expenses** reasonably incurred in defending:

- a) any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and / or
- b) any alleged breach of statutory duty under the Protection from Harassment Act 1997; and/or
- c) allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any additional **insured person**;

provided that the prosecution or proceedings relate to:

- i) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;

- ii) **bodily injury** to or potential **bodily injury** to **employees** including their health, safety and welfare;
- and, **we** will also pay:
- iii) the **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent;
 - iv) prosecution costs awarded against **you**;
- but the indemnity by this clause excludes and does not cover any amount (including **defence costs**):
- v) for which **you** or any additional **insured person** are entitled to indemnity by any other legal expenses, motor or employment protection **policy**;
 - vi) in respect of allegations provided by this clause (statutory **defence costs**) but not those relating to prosecution costs (clause viii below) or manslaughter, corporate manslaughter or corporate homicide (clause vii below), in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings;
 - vii) in respect of allegations of manslaughter, corporate manslaughter or corporate homicide (manslaughter **defence costs**), in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings;
 - viii) in respect of prosecution costs (prosecution costs) in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings.

14.2.7 Unsatisfied court judgments

In the event of **bodily injury** caused during the **period of insurance**, within the **territorial limits** and sustained by an **employee** in the course of 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 (6) months after the date of such judgement, **we** 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 the **United Kingdom**;
 - ii) against a company partnership or individual other than you conducting **business** at or from **premises** within the **territories** described in 12.2.7 a) i);
- b) there is no appeal outstanding;
- c) the judgement relates to **bodily injury** which would otherwise be within the terms of the **policy**;
- d) if any payment is made under the terms of this extension the **employee** or the personal representatives of the **employee** shall assign the judgment to **us**.

14.2.8 War and terrorism

The insurance by this **section** is extended to cover liability to an **employee** arising from or caused by an **act of war** or **terrorism** except that **we** shall not be liable to pay any amount in excess of £5,000,000 for **war** and **terrorism** in respect of:

- i) any one claim against **you** or series of claims against **you**; and
- ii) any claim or series of claims made by **you** under this **section**;

arising out of one **occurrence**.

14.2.9 Waiver of subrogation

In respect of contracts or agreements which impose upon **you** conditions waiving **your** rights to recover from any other party, **we** agree to the extent required by such contract or agreement to waive any rights of **subrogation** to which **we** might otherwise have been entitled in such circumstances in respect of any payments which **we** may make under this **policy**.

Further, where requested by **you**, **we** will waive all rights of **subrogation** against **your** subsidiary or from a subsidiary against the parent.

14.3 Employers' liability – exclusions

14.3.1 Employment practices dispute

liability which arises out of employment practice disputes directly or indirectly related to employment or prospective employment of any person or persons by **you** including but not limited to:

- a) wrongful unfair or constructive dismissal;
- b) denial of natural justice, defamation, misleading representation or advertising;
- c) refusal to employ a suitably qualified applicant or failure to promote;
- d) coercion, demotion, evaluation, relocation, punishment, slander, humiliation, harassment, bullying or discrimination

but this exclusion shall not apply in respect of compensatory **damages** for **bodily injury** required by the Employers' Liability (Compulsory insurance) Regulations 1998.

14.3.2 Fees for intervention

any payments raised under the Health and Safety (Fees) Regulations 2012 relating to 'fees for intervention'.

14.3.3 Fines and penalties

liability for payment of any fines or penalties imposed or ordered to be paid.

14.3.4 North American jurisdiction

any liability for payment of any judgment, award, payment or settlement made (or to any order made anywhere in the world to enforce such judgment, award, payment or settlement either in whole or in part) within countries which operate under the laws of **North America**.

14.3.5 Offshore work

This **section** excludes and does not cover liability arising from or caused by work **offshore**.

14.3.6 Radioactive contamination

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** excludes and does not cover liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

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

14.3.7 Vehicles

This **section** excludes and does not cover liability for **bodily injury** sustained by an **employee** when the **employee** is:

- a) being carried in or upon a vehicle; or
- b) entering or getting onto or alighting from a vehicle

in circumstances where insurance or security is required to be effected by the **insured** to comply with the Road Traffic Act 1988 as amended by The Motor Vehicles (Compulsory Insurance) Regulations 1992 or any alteration to such regulations or any similar legislation applying to Northern Ireland, the Isle of Man or the Channel Islands or to any other **territory** consequent on the Third Council Directive 90/232/EEC of 14/05/1990 relating to insurance against civil liability in respect of the use of motor vehicles;

14.3.8 Workman's compensation or social security payment

any obligation for which **you** or **we** may be held liable under any workers' compensation law, legislation, regulation or policies or obligation to maintain healthcare, social security or similar funding but this exclusion will not apply to payments required to be made to the Compensation Recovery Unit or its successor.

15 Public and products liability

15.1 Public and products liability coverage

15.1.1 We will indemnify **you** against all sums that **you** shall become legally liable to pay as **damages** and claimant's cost in respect of **accidental**:

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

occurring during the period of insurance

- i) within the **territorial limits**;
- ii) in the course of the **business**; or
- iii) caused by the **products**;

but excluding liability arising from or caused by **pollution**.

15.1.2 Pollution coverage

Further we will indemnify **you** against all sums that **you** shall become legally liable to pay as **damages** and claimant's cost in respect of **accidental**:

- a) **bodily injury** to any person;
- b) **damage** to tangible **property**;
- c) denial of access;

arising out of or from **pollution** occurring during the course of **business** provided that the **pollution** is caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place during the **period of insurance**.

15.1.3 Limit of indemnity

Our liability 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 **limit of indemnity** stated in the **schedule** but this **limit of indemnity** shall be the maximum amount payable in any one **period of insurance** in respect of liability arising from or caused by:

- a) **products**; or
- b) **pollution**.

For the avoidance of doubt **costs and expenses** are payable in addition to the **limit of indemnity** except as provided for in **North America** clause of this **section**.

15.1.4 North America limit of indemnity

Insofar as this **policy** applies to legal liability arising in **North America** or if an action for **damages** is commenced therein or if any subsequent action in connection therewith is brought elsewhere in the world **our** liability in respect of all **damages** payable, claimant's costs and all other **costs and expenses** incurred with **our** written consent shall not exceed the **limit of indemnity**.

15.1.5 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify in accordance with the terms of this **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** 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 director of **yours** or **employee** in respect of liability arising in connection with the **business**, provided that **you** would have been entitled to indemnity under the **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 director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official

provided that:

- I) each person indemnified by this clause shall as though he were **insured** observe fulfil and be subject to the terms of this **policy** insofar as they can apply;
- II) **we** shall retain the sole conduct and control of all claims;
- III) where **we** are 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**.

15.1.6 Compensation for court attendance

In the event of any of the under-mentioned persons attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this **section**, **we** shall 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 £500
- b) any **employee** £250

15.1.7 Contingent motor liability

Notwithstanding applicable exclusions under this **section**, **we** shall indemnify **you** against legal liability in respect of **bodily injury** 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 **damage** to such vehicle or to **goods** conveyed therein or thereon;
- b) in respect of **bodily injury** or **damage** arising while such vehicle is being:
 - i) driven by **you**;
 - ii) driven with **your** general consent or of **your** representative by any person who to **your** knowledge or **your** representative knowledge does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence;
 - iii) used elsewhere than in the **United Kingdom**;
- c) in respect of which **you** are entitled to indemnity under any other insurance.

15.1.8 Contractual liability

Where any contract or agreement entered into by **you** so requires **we** will:

- a) indemnify **you** against liability arising in connection with and assumed by **you** by virtue of such contract or agreement but only so far as concerns liability as defined in this **section**; and
- b) waive rights of **subrogation** against any party specified in the contract or agreement;

provided that:

- i) **you** shall arrange for such other parties as may be indemnified by any such contract or agreement, to observe and fulfil the terms and conditions of this insurance so far as they can apply;
- ii) **we** shall retain the sole conduct and control of all claims.

15.1.9 Cross liabilities

If more than one **insured** is referred to in the **policy schedule** this **section** shall apply to each one as if a separate **policy** had been issued to each provided that the total amount of indemnity payable to all parties in respect of **damages** shall not exceed the **limit of indemnity**.

15.1.10 Data Protection

We will indemnify **you** and, if **you** so require, any director, partner or **employee** in respect of their liability to pay:

- a) any valid compensation in respect of **damage** or distress under section 13 of Part II of the Data Protection Act 1998 ('DPA'), or any equivalent provision under any subsequent amending or replacement legislation; or in respect of material or non-material **damage** under Article 82 of the General Data Protection Regulation ('GDPR'), and any associated **defence costs**; and
- b) **defence costs** in relation to a prosecution brought under the DPA, any subsequent amending or replacement legislation or the GDPR and incurred with **our** prior written consent,

in relation to claims brought by any person not being a director, partner or **employee** first occurring, or prosecutions commenced, during the **period of insurance**.

This extension shall not apply in respect of:

- a) the cost of replacing, reinstating, rectifying or erasing any personal **data**;
- b) any cost relating to the investigation of a **data** breach, or any obligation to report a **data** breach to the Information Commissioner's Office or any other supervisory authority or other regulator or to **data** subjects;
- c) liability caused by or arising from a deliberate act by or omission of any party entitled to indemnity under this **policy**, the effect of which would knowingly result in liability under the DPA, or any subsequent amending or replacement legislation, or the GDPR;
- d) claims which arise out of circumstances that are notified to any previous **insurer** or known to you at inception of this **policy**;
- e) liability for which indemnity is provided under any other insurance; or
- f) claims or prosecutions brought against the **you** outside the Courts of the **United Kingdom**.

Our maximum liability during the **period of insurance** in respect of all claims under this extension shall not exceed the **sub-limit** of £500,000 which amount shall be inclusive of all **defence costs** and the maximum payable any one claim and in the aggregate, and shall be part of and not in addition to the **limit of indemnity** specified in the **schedule**.

15.1.11 Defective Premises Act

We will indemnify **you** in respect of **bodily injury** 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**, provided that **we** shall not be liable for:

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

15.1.12 Environmental statutory liability

The insurance provided by this **section** is extended to indemnify **you** for all sums, including statutory debts, that **you** are legally liable to pay or legally obliged to incur for remediation in respect of environmental **damage** where such liability arises under an environmental protection directive, statute or statutory instrument, provided that:

- a) liability arises from **pollution** occurring during the course of **business**, within a state of the European Union and is caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place during the **period of insurance**;
- b) the insurance by this extension excludes and does not cover any sum incurred in respect of:
 - i) preventative costs for prevention of imminent threat of environmental **damage**;
 - ii) primary, complementary or compensatory remediation for **damage**;

iii) the removal of any significant risk of an adverse effect on human health;
to or on **your** land, **premises**, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;

c) the insurance by this extension excludes and does not cover any sum incurred in achieving any improvement or alteration in the condition of the land, the atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation commences; and

d) the total amount we will pay inclusive of all **defence costs** for any one occurrence or in the aggregate during any one **period of insurance** shall not exceed £1,000,000;

and provided also that the exclusion in proviso b) i) above shall not apply to preventative costs that are incurred with **our** written consent that must be obtained prior to each claim, where a **pollution** event is taking place or has occurred and such preventative costs relate solely to halt or limit further pollution to third party **property** except that nothing in this clause shall imply that we will indemnify **you** for preventative costs relating to the **insured's** own land, **premises** or watercourse or body of water.

15.1.13 Local Democracy, Economic Development and Construction Act 2009

We will indemnify **you** and any **other insured party** in respect of liability which **you** may incur in respect of any claim(s) first made against **you** during the **period of insurance** for claimants' **costs and expenses** arising from any decision by an adjudicator appointed to resolve a dispute in accordance with the Scheme for Construction Contracts as contained in the Local Democracy, Economic Development and Construction Act 2009 (formerly Housing Grants, Construction and Regeneration Act 1996) or an adjudication clause or rules contained in a contract.

15.1.14 Overseas personal liability

We shall indemnify **you** and if **you** so request any director or partner of **yours** or any **employee** or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside the **United Kingdom** in the course of the **business**.

The indemnity provided by this clause will not apply to legal liability:

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

15.1.15 Statutory defence costs including Health and Safety at Work, etc. Act 1974

We will, with **our** prior consent, indemnify **you** and at **your** request, any additional **insured person**, in respect of **costs and expenses** reasonably incurred in defending:

- a) any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and / or
- b) any alleged breach of statutory duty under the Protection from Harassment Act 1997; and/or
- c) allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any additional **insured person**;

provided that the prosecution or proceedings relate to:

- i) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;
- ii) **bodily injury** to or potential **bodily injury** to persons other than **employees** including their health, safety and welfare;

and, **we** will also indemnify **you** for:

- iii) the **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent;
- iv) prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover any amount (including **defence costs**):

- i) for which **you** or any additional **insured person** are entitled to indemnity by any other legal expenses, motor or employment protection **policy**;
- ii) in respect of allegations provided by this clause (statutory **defence costs**) but not those relating to prosecution costs (clause viii below) or manslaughter, corporate manslaughter or corporate homicide (clause vii below), in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings.
- iii) in respect of allegations of manslaughter, corporate manslaughter or corporate homicide (manslaughter **defence costs**), in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings.
- iv) in respect of prosecution costs (prosecution costs) in excess of a **sub-limit of indemnity** of £1,000,000, any one claim or series of claims arising out of the same prosecution or proceedings.

For the avoidance of doubt the under noted statutes, whilst not exhaustive, are included within the statutes or regulations contemplated for which **defence costs** are **insured** by this clause:

- a) Health and Safety at Work, etc. Act 1974, but only sections 2 to 8,
- b) Health and Safety at Work (Northern Ireland) Order 1978,
- c) The Trade Description Act 1968
- d) Part II of the Consumer Protection Act 1987
- e) Part II of the Food Safety Act 1990.

15.1.16 Tenants' liability

If the **premises** are leased, let, rented, hired or lent to **you**, exclusion 13.3 b) ii) of this **section** shall not apply provided that the indemnity will not apply to legal liability in respect of:

- a) **damage** arising under agreement unless liability would have attached to **you** in the absence of such agreement;
- b) the first £100 of any claim caused otherwise than by fire or explosion;
- c) **damage** caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by or on **your** behalf.

In addition **we** will indemnify **you** for legal liability in respect of all sums which **you** may be legally liable to pay as tenant for the cost of repairing **accidental damage** to cables and underground pipes and drains (and their inspection covers) on the **premises** or connecting them to the public mains.

15.1.17 Waiver of subrogation

In respect of contracts or agreements which impose upon **you** conditions waiving **your** rights to recover from any other party, **we** agree to the extent required by such contract or agreement to waive any rights of **subrogation** to which **we** might otherwise have been entitled in such circumstances in respect of any payments which **we** may make under this **policy**.

Further, where requested by **you**, **we** will waive all rights of subrogation against a subsidiary of **you** or from a subsidiary against the parent.

15.1.18 War and terrorism

We will indemnify **you** for liability arising from or caused by **war** or **terrorism** provided that:

- a) **our** maximum liability will not exceed £2,000,000 in the aggregate during any one **period of insurance**; and
- b) notwithstanding the indemnity granted at the above paragraph this **policy** excludes and does not cover liability of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of **war** or **terrorism** or any action taken in controlling preventing suppressing or in any way relating to **terrorism**:
 - i) arising by through or in connection with:
 - l) the provision of police, fire or security services of any kind

- II) any public or private utility including telecommunications, electricity, gas, water, radio and television;
- III) public transport services whether rail, road, sea or air.
- ii) arising out of the ownership operation or occupation of or work in at or on:
 - I) airports, airfields, ports, rail or underground stations freight or passenger terminals;
 - II) government, military or local authority establishments;
 - III) buildings of more than twenty (20) floors in height including basements and underground car parks;
 - IV) facilities for the manufacture processing, refining, distribution or storage of liquid or gaseous fuel, oil, petrochemical, chemicals, explosives or ammunition;
 - V) tunnels, bridges, viaducts, aqueducts, dams, river or sea defences;
 - VI) schools, colleges, universities, or places of education or religious worship;
 - VII) sports, stadiums, theatres or entertainment, arenas, amusement, parks, exhibition or conference halls.

15.2 Public and products liability - exclusions

The insurance by this **section** excludes and does not cover liability for any claim in respect of:

15.2.1 Excess

The first £250 of each and every claim for **damage to property**;

15.2.2 Bodily injury

Bodily injury to any **employee**;

15.2.3 Property damage

Damage to property:

- a) belonging to **you**;
- b) which is leased let rented hired or lent to or which is the subject of a bailment to **you**;

15.2.4 Defect in land or premises

The costs of remedying any defect or alleged defect in land or **premises** sold or disposed of by **you** or for any reduction in value thereof;

15.2.5 Aircraft or other aerial device

the ownership possession or use by **you** or on **your** behalf of any aircraft or other aerial device or satellite, spacecraft or watercraft or mechanically-propelled vehicles (including power assisted cycles) other than mechanically-propelled garden implements used within the grounds of the **premises**;

15.2.6 Liability for injury or damage

Any liability for **injury** or **damage** arising out of or in connection with or in consequence of:

- i) advice, design, formula, specification, inspection, certification, treatment or testing, medical prescription, provided or performed by **you** for a fee of for which **you** would normally charge a fee;
- ii) any breach of **your** professional duty or any error or omission in any medical advice, examination, prescription or treatment (including the making up, dispensing, supply, or exchange of any drugs, medicines, hypodermic needles or medical supplies or equipment of any kind) (other than the provision of first aid);

15.2.7 Work away

Work away from the **premises** other than commercial duties collection or delivery work;

15.2.8 Court action outside the United Kingdom

Any action for **damages** brought in a court of law of any **territory** outside the **United Kingdom** in which **you** have a branch or subsidiary or is represented by a party domiciled in such **territory** or by a party holding **your** power of attorney;

15.2.9 Warranty indemnity or guarantee

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 or guarantee;

15.2.10 Export to North America

Bodily injury, damage or pollution caused by or in connection with anything sold or supplied by **you** or which to **your** knowledge are directly or indirectly exported to **North America**;

15.2.11 Fines or penalties

Liquidated **damages**, fines or penalties, punitive **damages**, aggravated **damages**, any additional **damages** resulting from the multiplication of compensatory **damages**;

15.2.12 Products sold or supplied

Anything (other than the **products**) that **you** have sold or supplied;

15.2.13 Liability in connection with work

Liability for any loss arising in connection with any work:

- i) of demolition except where such work forms an ancillary part of a contract for construction, alteration or repair;
 - I) carried out by **employees** of structures not exceeding five (5) metres in height; or
 - II) undertaken by bona fide subcontractors on **your** behalf
- ii) of construction, alteration or repair of bridges, dams, docks, harbours, towers, steeples, spires, chimney shafts, blast furnaces, viaducts, mines or collieries;
- iii) undertaken in or on aircraft or watercraft, airport or aerodrome runways manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access, nuclear plant installations, chemical or petrochemical works, oil refineries, gas works, fuel storage facilities or power stations;
- iv) involving railway track, signal, rolling stock or where trains continue to operate where work is ongoing (red zone working);
- v) of pile driving, tunnelling or quarrying;
- vi) involving the use of explosives for any purpose;
- vii) involving excavations below a depth of three (3) metres;
- viii) carried out at a height in excess of fifteen (15) metres;

15.2.14 Pollution within North America

Liability in respect of or arising from **pollution** occurring within **North America**;

15.2.15 Bodily injury

Any **personal injury** or **bodily injury, damage**, claim, loss, liability, expenses, costs or **defence costs** of whatsoever nature caused by:

- i) **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence; or
- ii) any action taken in controlling, preventing, suppressing or in any way relating to **war** or **terrorism**;

15.2.16 Advertising injury

Liability arising out of:

- a) misappropriation of advertising ideas or style of doing **business**;
 - b) infringement of copyrighted advertising materials, titles or slogans;
- in the course of advertising **your** goods, **products** or services.

15.2.17 Claims not covered

In any action, suit or other proceedings where **we** allege on reasonable grounds that by reason of this exclusion any claim is not covered by this **policy**, the burden of proving that such claim is covered shall be upon **you**.

15.3 Public and products liability – other terms and conditions

15.3.1 Discharge of liability

We may pay the **limit of indemnity** or any lesser amount for which any claim or claims against **you** can be settled and **we** 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.

16 Employers' liability and Public and products liability exclusions

Employers' liability and Public and products liability **sections** exclude and do not cover:

16.1 Fees for intervention

- 16.1.1 Any payments raised under the Health and Safety (Fees) Regulations 2012 relating to 'fees for intervention'.

16.2 Fines and penalties

- 16.2.1 Any liability for payment of any fines or penalties imposed or ordered to be paid.

16.3 Offshore work

- 16.3.1 Any liability arising from or caused by work **offshore** including on **offshore** installations.

17 Legal expenses

17.1 Legal expenses cover

ARAG Legal Expenses Insurance Company Limited ('**ARAG**') is the underwriter and provides the legal protection insurance under **your policy**. The legal advice service is provided by **ARAG** Law Limited and/or a **preferred law firm** on behalf of **ARAG**.

This **section**, the **policy schedule** and any endorsement shall be considered as one document. **We** agree to provide the insurance described in this **section** for **you** (or where specified, the **insured person**) in respect of any **insured** incident arising in connection with the **business** in return for payment of the premium and subject to the terms, conditions, exclusions and limitations set out in this **section** of the **policy**, provided that:

- a) **reasonable prospects** exist for the duration of the claim;
- b) the **date of occurrence** of the **insured** incident is during the **period of insurance**; or
- c) during the currency of a previous equivalent legal expenses insurance **policy**, provided that:
 - i) the previous legal expenses insurance **policy** required **you** to report claims during its currency;
 - ii) **you** could not have identified a claim previously as **you** could not have reasonably been aware of the **insured** incident;
 - iii) cover has been continuously maintained in force;
 - iv) **we** will not cover any claim that should have been covered under a previously operative legal expenses insurance **policy**;
 - v) the available **limit of indemnity** shall be limited to the lesser of the sums payable under this or **your** previous **policy**;
- d) any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **countries covered**; and
- e) the **insured** incident happens within the **countries covered**.

17.1.2 What **we** will pay

We will pay an **appointed representative**, on **your** behalf, **costs and expenses** incurred following an **insured** incident, and any compensation awards that **we** have agreed to, provided that:

- a) the most **we** will pay in respect of all claims resulting from one or more event arising at the same time or from the same originating cause, for **costs and expenses** and compensation awards claims is £100,000;
- b) the most **we** will pay for the total of all compensation awards under **insured** incident 17.2.2 Employment disputes and compensation awards - Compensation awards in any one **period of insurance** shall not exceed £1,000,000;
- c) the most **we** will pay in **costs and expenses** is no more than the amount **we** would have paid to a **preferred law firm or tax consultancy**. The amount **we** will pay a law firm (where acting) is currently £100 per hour. This amount may vary from time to time;
- d) in respect of an appeal or the defence of an appeal, **you** must tell us as soon as possible and within the statutory time limits allowed that **you** want to appeal. Before **we** pay the **costs and expenses** for appeals, **we** must agree that **reasonable prospects** exist;
- e) for an enforcement of judgment to recover money and interest due to **you** after a successful claim under this **section**, **we** must agree that **reasonable prospects** exist;
- f) where an award of **damages** is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of **damages**, the most **we** will pay in **costs and expenses** is the value of the likely award; and
- g) in respect of 17.3.5 Legal defence - Jury service and court attendance clause the maximum **we** will pay is the **insured person's** net salary or wages for the time that the **insured person** is attending court or tribunal, less any amount **you**, the court or tribunal pays.

- 17.1.3 What **we** will not pay;
- a) In the event of a claim, if **you** decide not to use the services of a **preferred law firm** or **tax consultancy**, **you** will be responsible for any costs that fall outside the **ARAG Standard Terms of Appointment** and these will not be paid by **us**.
 - b) if **you** are registered for VAT **we** will not pay the VAT element of any **costs and expenses**.
 - c) The first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT). If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn.

17.2 Employment disputes and compensation awards

17.2.1 Employment disputes

We will pay **costs and expenses** to defend **your** legal rights:

- a) before the issue of legal proceedings in a court or tribunal:
 - i) Following the dismissal of an **employee**; or
 - ii) Where an **employee** or ex-**employee** has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure; or
- b) in unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c) in legal proceedings in respect of any dispute relating to:
 - i) a contract of employment with **you**; or
 - ii) an alleged breach of the statutory rights of an **employee**, ex-**employee** or prospective **employee** under employment legislation.

17.2.2 Compensation awards

In respect of a claim **we** have accepted under **insured** incident 17.2.1 Employment disputes and compensation awards - Employment disputes, **we** will pay:

- a) any basic and compensatory award; and/or
- b) an order for compensation or **damages** following a breach of **your** statutory duties under employment legislation

Provided that:

- a) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
 - i) followed the ACAS Code of Disciplinary and Grievance Procedures; or
 - ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
 - iii) sought and followed advice from **our** legal advice service (telephone 0344 893 0859);
- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from **our** legal advice service since the date when **you** should have known about the employment dispute (telephone 0344 893 0859) ;
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from **our** legal advice service before starting any redundancy process or procedure with **employees** (telephone 0344 893 0859)
- d) any sum of **money** in settlement of a dispute is awarded by a court, tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by default, or is payable under settlement approved in writing in advance by **us**.

17.2.3 Employee civil legal defence

We will pay **costs and expenses** to defend the **insured person's** (other than **your**) legal rights if an event arising from their work leads to civil action being taken against them:

- a) under legislation for unlawful discrimination; or

b) as trustee of a pension fund set up for the benefit of **your employees**.

Please note that **we** will only provide cover for an **insured person** (other than **you**) at **your** request.

Service occupancy

We will pay **costs and expenses** to recover possession of **premises** owned by **you**, or for which **you** are responsible, from **your employee** or ex-**employee**.

17.3 Legal defence

17.3.1 At **your** request to provide cover for the **insured person** **we** will pay **costs and expenses** to defend the **insured person's** legal rights:

a) Criminal pre-proceedings

Prior to the issue of legal proceedings when dealing with the police, health and safety executive and/or local authority health and safety enforcement officer where it is alleged that the **insured person** has or may have committed a criminal offence;

b) Criminal prosecution defence

Following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction

Provided that for claims relating to the Health and Safety at Work etc. Act 1974 the **countries covered** shall be any place where the Act applies.

Please note **we** will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the **business**.

Please see 17.1.

17.3.2 Data protection and Information Commissioner registration

If civil action is taken against the **person insured** for compensation under data protection legislation, when handling personal data in their capacity as a data controller and/or data processor by:

a) An individual, **we** will also pay any compensation award in respect of such claim

b) A **data** controller and/or **data** processor which arises out of, or relates to, a claim made by an individual for compensation against that **data** controller and/or **data** processor. Please note **we** will not pay any compensation award in respect of such a claim.

Provided that:

In respect of 17.3.2 a) any sum of **money** in settlement of a dispute is awarded by a court under a judgement made after a full argument and otherwise than by consent or default, or is payable under settlement approved in advance by **us**.

Please note **we** will not cover the cost of fines imposed by the Information Commissioner or any other regulatory and/or criminal body. Please see 17.11.3.

17.3.3 Wrongful arrest

If civil action is taken against the **insured person** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

17.3.4 Statutory notice appeals

In an appeal following the imposition or terms of any statutory notice issued under legislation affecting **your business**.

17.3.5 Jury service and court attendance

An **insured person's** absence from work:

a) to perform jury service;

b) to attend any court or tribunal at the request of the **appointed representative**.

The maximum **we** will pay is the **insured person's** net salary or wages for the time that they are absent from work less any amount **you**, the court or tribunal, have paid them. **We** will reimburse **you** for net salary or wages that **you** have paid the **insured person** for that time, less any amount they have been paid by, or can recover from, the court or tribunal.

17.4 Statutory licence protection

We will pay **costs and expenses** in cover an appeal to the relevant statutory or regulatory authority, court or tribunal following a decision by a licensing or regulatory authority to suspend, or alter the terms of, or refuse to renew, or cancel **your** licence, mandatory registration or British Standard Certificate of Registration.

17.5 Property protection

We will pay **costs and expenses** in a civil dispute relating to physical **property** which is owned by **you**, or is **your** responsibility, following:

- a) any event which causes physical **damage** to such **property**; or
- b) a legal nuisance (meaning any unlawful interference with **your** use or enjoyment of **your** land, or some right over, or in connection with it); or
- c) a trespass.

Please note that **you** must have, or there must be reasonable prospects of establishing **you** have, the legal ownership or right to the physical **property** that is the subject of the dispute.

17.6 Personal injury

At **your** request, **we** will pay **costs and expenses** for an **insured person's** and their family members' legal rights following a specific or sudden **accident** that causes the death of, or **bodily injury** to them.

17.7 Tax protection

We will pay **costs and expenses** for an **appointed representative** following:

- a) a **tax enquiry**;
- b) an **employer compliance dispute**;
- c) a **VAT dispute**

provided that **you** have taken reasonable care to ensure that all returns are complete and correct and are submitted within the statutory time limits allowed. Please note **we** will only cover tax claims which arise in direct connection with the activities of the **business**. Please see 18.1.

17.8 Contract disputes

We will pay **costs and expenses** in a contractual dispute arising from an agreement or alleged agreement which has been entered into by **you** or on **your** behalf for the purchase, hire, sale or provision of goods or of services

Provided that:

- a) the amount in dispute exceeds £500 (including VAT)
- b) if the amount in dispute exceeds £5,000 (including VAT), **you** must pay the first £500 of any claim. If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn
- c) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £500 (including VAT)
- d) if the dispute relates to money owed to **you**, a claim under this **section** is made within ninety (90) days of the **money** becoming due and payable.

17.9 Lease disputes

Costs and expenses in a civil dispute between **you** and **your** landlord relating to **premises** leased or rented by **you**.

17.10 Specific Legal expenses limitations and exclusions

This **section** excludes and does not cover:

17.10.1 Employment disputes and compensation awards

a) Employment disputes

We will not cover a claim relating to the following:

- i) **damages** for personal **injury** ;
- ii) Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations.
- iii) **employee** internal disciplinary or grievance procedures
- iv) pursuing **your** legal rights.
- v) unless equivalent legal expenses insurance was continuously in force immediately prior to the commencement of cover under this **section**:
 - I) any dispute where the originating cause of action arises within the first 90 days of the commencement of cover under this **section**;
 - II) any dispute with an **employee** who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the commencement of cover under this **section**, if the **date of occurrence** was within the first 180 days of the commencement of cover under this **section**; or
 - III) any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the commencement of cover under this **section**;

b) Compensation awards

- i) **We** will not cover any compensation award relating to the following:
 - I) trade union activities, trade union membership or non-membership;
 - II) pregnancy or maternity rights, paternity, parental or adoption rights;
 - III) health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
 - IV) statutory rights in relation to trustees of occupational pension schemes;
- ii) non-payment of money due under a contract;
- iii) any award ordered because **you** have failed to provide relevant records to **employees** under National Minimum Wage legislation;
- iv) a compensation award or increase in compensation award relating to failure to comply with a current or previous recommendation made by a tribunal;
- v) a settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure.

c) Service occupancy

We will not cover any claim relating to defending **your** legal rights other than defending a counter-claim that is an **insured** incident under this **section**.

17.10.2 Legal defence

We will not cover:

a) Criminal pre-proceedings cover

A claim relating to the following:

- i) any criminal investigation or enquiry by, with or on behalf of HM Revenue & Customs
- ii) investigations due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

b) Criminal prosecution defence

A claim relating to prosecution due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

c) Data protection

A claim relating to the following:

- i) the loss, alteration, corruption or distortion of, or **damage** to stored personal **data**, or
- ii) a reduction in the functionality, availability, or operation of stored personal **data**

- iii) resulting from **hacking** (unauthorised access), malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, computer **virus or similar mechanism**.

d) Statutory notice appeals

A claim relating to the following:

- i) an appeal against the imposition or terms of any statutory notice issued in connection with your licence, mandatory registration or British Standard Certificate of Registration
- ii) a statutory notice issued by an **insured person's** regulatory or governing body.

e) Jury service and court attendance

Any claim if **you** or the **insured person** are unable to prove the loss.

17.10.3 Statutory licence appeal

We will not cover a claim relating to the following:

- a) the original application or renewal application of a statutory licence, mandatory registration or British Standard Certificate of Registration;
- b) the ownership, driving or use of a motor vehicle.

17.10.4 Property protection

We will not cover any claim relating to the following:

- a) a contract you have entered into (please refer to insured incident 18.8 Contract disputes);
- b) physical **property** which is in transit or which is lent or hired out;
- c) goods at **premises** other than those occupied by **you** unless the goods are at the **premises** for the purpose of installations or use in work to be carried out by **you**;
- d) mining subsidence;
- e) defending **your** legal rights but we will cover defending a counter-claim that is an **insured** incident under this **section**;
- f) a motor vehicle owned or used by, or hired or leased to an **insured person** (other than **damage** to motor vehicles where **you** are in the **business** of selling motor vehicles);
- g) the enforcement of a covenant by or against **you**.

17.10.5 Personal injury

We will not cover any claim relating to the following:

- a) any illness or **bodily injury** that happens gradually;
- b) psychological **injury** or mental illness unless the condition follows a specific or sudden **accident** that has caused physical **bodily injury**;
- c) defending an **insured person's** or their family members' legal rights other than in defending a counter-claim;
- d) clinical negligence.

17.10.6 Tax protection

We will not cover that is an insured incident under this **section**;

- a) a tax avoidance scheme;
- b) any failure to register for Value Added Tax or Pay As You Earn;
- c) any investigation or enquiries by, with or on behalf of HM Revenue & Customs Special Investigations Section, Special Civil Investigation, Criminal Investigations Unit, Criminal Taxes Unit, under Public Notice 160 or by the Revenue & Customs Prosecution Office;
- d) any claim relating to import or excise duties and import VAT;
- e) any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

17.10.7 Contract disputes

We will not cover:

- a) any claim relating to the following:

- i) a dispute relating to an insurance **policy**, other than when **your insurer** refuses **your** claim;
- ii) the sale, purchase, terms of a lease, licence or tenancy of land or buildings (however, **we** will cover a dispute with a professional adviser in connection with these matters);
- iii) a loan, mortgage, pension, guarantee or any other financial product (however, **we** will cover a dispute with a professional adviser in connection with these matters);
- iv) a motor vehicle owned by, or hired or leased to **you** other than agreements relating to the sale of motor vehicles where **you** are engaged in the **business** of selling motor vehicles;
- b) a dispute with an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you** (please refer to **insured** incident 17.2 Employment disputes and Compensation awards);
- c) a dispute which arises out of the:
 - i) sale or provision of computer hardware, software, systems or services; or
 - ii) the purchase or hire of computer hardware, software, systems or services tailored by a supplier to **your** own specification;
- d) a dispute arising from a breach or alleged breach of professional duty by an **insured person**;
- e) the recovery of **money** and interest due from another party other than disputes where the other party intimates that a defence exists.
- f) a dispute arising from an agreement entered into prior to the start of this **section** if the **date of occurrence** is within the first 90 days of the start of this **section**, unless equivalent legal expenses insurance was in force immediately before.

17.10.8 Lease disputes

We will not cover any claim relating to the following:

- a) the negotiation, review or renewal of the lease or tenancy agreement.
- b) a dispute arising from rent or service charges.

17.11 General legal expenses limitations and exclusions

We will not pay for the following:

- 17.11.1 Late reported claims
Any claim reported to **us** more than one hundred and eighty (180) days after the date the **insured person** should have known about the **insured** incident.
- 17.11.2 Costs **we** have not agreed
Costs and expenses incurred before **our** expressed acceptance.
- 17.11.3 Court awards and fines
Fines, penalties, compensation or **damages** which the **insured person** is ordered to pay by a court or other authority, other than compensation awards as covered under insured incidents 17.2.2 Employment disputes and compensation awards - Compensation awards, and 17.3.2 Legal defence - Data protection.
- 17.11.4 Legal action **we** have not agreed
Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to, or where the **insured person** does anything that hinders **us** or the **appointed representative**.
- 17.11.5 Intellectual property rights
Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual **property**, secrecy and confidentiality agreements.
- 17.11.6 Wilful acts
Any wilful act or omission of an **insured person** deliberately intended to cause a claim under this **section**.
- 17.11.7 Franchise or agency agreements

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

17.11.8 A dispute with us

Any claim under this **section** for a dispute with **us**. For disagreements with **us** about the handling of a claim refer to 17.11.18.

17.11.9 Shareholder or partnership disputes

Any claim relating to a shareholding or partnership share in the **business**

17.11.10 Judicial review

Costs and expenses arising from or relating to judicial review, coroner's inquest or fatal **accident** inquiry.

17.11.11 Nuclear, war and terrorism risks

Any claim caused by, contributed to by or arising from:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear part of it;
- c) **war**, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil **war**, rebellion, revolution, military force or coup, or any other **act of terrorism** or alleged **act of terrorism** as defined by the Terrorism Act 2000;
- d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.

17.11.12 Bankruptcy

Any claim where either at the start of, or during the course of a claim:

- a) **you** are declared bankrupt
- b) **you** have filed a bankruptcy petition;
- c) **you** have filed a winding-up petition
- d) **you** have made an arrangement with **your** creditors
- e) **you** have entered into a deed of arrangement
- f) **you** are in liquidation;
- g) **you** part or all of **your** affairs or **property** are in the care or control of a receiver or administrator.

17.11.13 Defamation

Any claim relating to written or verbal remarks that **damage** the **insured person's** reputation.

17.11.14 Litigant in person

Any claim where an **insured person** is not represented by a law firm, barrister or tax expert.

17.12 Legal expenses other terms and conditions

17.12.1 Your representation

- a) on receiving a claim, if representation is necessary, **we** will appoint a **preferred law firm or tax consultancy** as **your appointed representative** to deal with **your** claim. They will try to settle **your** claim by negotiation without having to go to court;
- b) if the appointed **preferred law firm or tax consultancy** cannot negotiate settlement of **your** claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest, then **you** may, if **you** prefer, choose a law firm or tax expert of **your** own choice to act as the **appointed representative**. **We** will choose the **appointed representative** to represent **you** in any proceedings where **we** are liable to pay a compensation award;
- c) if **you** choose a law firm as **your appointed representative** who is not a **preferred law firm or tax consultancy**, **we** will give **your** choice of law firm the opportunity to act on the

same terms as a **preferred law firm or tax consultancy**. However if **they** refuse to act on this basis, the most **we** will pay is the amount **we** would have paid if they had agreed to the **ARAG Standard Terms of Appointment**. The amount **we** will pay a law firm (where acting) is currently £100 per hour. This amount may vary from time to time;

- d) the **appointed representative** must co-operate with **us** at all times and must keep **us** up to date with the progress of the claim.

17.12.2 Your responsibilities

An **insured person** must:

- a) co-operate fully with **us** and the **appointed representative**;
- b) give the **appointed representative** any instructions that **we** ask them to.

17.12.3 Offers to settle a claim

- a) an **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to any settlement without **our** expressed consent;
- b) if an **insured person** does not accept a reasonable offer to settle a claim, **we** will not pay further **costs and expenses**;
- c) **we** may decide to pay an **insured person** the reasonable value of the claim that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances an **insured person** must allow **us** to take over and pursue or settle a claim in their name. An **insured person** must allow **us** to pursue at **our** own expense and for **our** benefit, any claim for compensation against any other person and an **insured person** must give **us** all the information and help **we** need to do so.

17.12.4 Assessing and recovering costs

- a) An **insured person** must instruct the appointed representative to have **costs and expenses taxed**, assessed or audited if **we** ask for this;
- b) an **insured person** must take every step to recover **costs and expenses** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered.

17.12.5 Cancelling an **appointed representative's** appointment

If the **appointed representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses the **appointed representative** without good reason, the cover **we** provide will end at once, unless **we** agree to appoint another **appointed representative**.

17.12.6 Withdrawing cover

- a) If an **insured person** settles a claim or withdraws their claim without **our** agreement, or does not give suitable instructions to the **appointed representative**, **we** can withdraw cover and will be entitled to reclaim any **costs and expenses we** have paid.
- b) If during the course of a claim reasonable prospects no longer exist the cover **we** provide will end at once. **We** will pay any **costs and expenses** and compensation awards **we** have agreed to, up to the date cover was withdrawn.

17.12.7 Expert opinion

If there is a disagreement between an **insured person** and **us** on the merits of the claim or proceedings, or on a legal principle, **we** may suggest the **insured person** obtains at their own expense an opinion on the matter from an independent and appropriate expert. The expert must be approved in advance by **us** and the cost expressly agreed in writing between the **insured person** and **us**. Subject to this **we** will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that the **insured person** will recover **damages** (or obtain any other legal remedy that **we** have agreed to) or make a successful defence. This does not affect the **insured person's** rights under 17.12.8.

17.12.8 Arbitration

If there is a disagreement between an **insured person** and **us** about the handling of a claim and it is not resolved through our internal complaints procedure the **insured person** can contact the Financial Ombudsman Service for help. This is a free arbitration service for eligible

consumers, small **businesses**, charities and trusts. (Details available from www.financial-ombudsman.org.uk)

If the dispute is not covered by the Financial Ombudsman Service there is a separate arbitration process available. The arbitrator will be a barrister, solicitor or other suitably qualified person chosen jointly by the **insured person** and **us**. If there is a disagreement over the choice of arbitrator, **we** will ask the Chartered Institute of Arbitrators to decide. The arbitrator will decide who will pay the costs of the arbitration. For example, costs may be split between the **insured person** and **us** or may be paid by either the **insured person** or **us**.

17.12.9 Keeping to the terms of this **section**
An **insured person** must:

- a) keep to the terms and conditions of this **section** of cover
- b) take reasonable steps to avoid and prevent claims
- c) take reasonable steps to avoid incurring unnecessary costs;
- d) send everything **we** ask for in writing; and
- e) report to **us** full and factual details of any claim as soon as possible and give **us** any information **we** need.

17.12.10 Fraudulent claims

We will, at **our** discretion, void this **section** (make it invalid) from the date of claim, or alleged claim, and/or **we** will not pay the claim if:

- a) a claim the **insured person** has made to obtain benefit under this **section** is fraudulent or intentionally exaggerated, or
- b) a false declaration or statement is made in support of a claim.

17.12.11 Claims under this **section** by a third party

Apart from **us**, **you** are the only person who may enforce all or any part of this **section** and the rights and interests arising from or connected with it. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply to this **section** in relation to any third-party rights or interest.

17.12.12 Other insurances

If any claim covered under this **section** is also covered by another **policy**, or would have been covered if this **section** did not exist, **we** will only pay our share of the claim even if the other **insurer** refuses the claim.

17.12.13 Law that applies

This **section** is governed by the law that applies in the part of the **United Kingdom**, Channel Islands or Isle of Man where **your business** is registered. Otherwise the law of England and Wales applies.

All Acts of Parliament mentioned in this **section** include equivalent laws in Scotland, Northern Ireland, the Isle of Man and the Channel Islands as appropriate.

17.13 Data Protection

To comply with data protection regulations **we** are committed to processing personal information fairly and transparently. This **section** is designed to provide a brief understanding of how **we** collect and use this information.

We may collect personal details including name, address, date of birth, email address and, on occasion, dependent on the type of cover in place, sensitive information such as medical records. This is for the purpose of managing the **products** and services in place and this may include underwriting, claims handling and providing legal advice. **We** will only obtain personal information either directly from **you**, the third party dealing with **your** claim or from the authorised partner who sold this **policy**.

WHO WE ARE

ARAG is part of **ARAG** Legal Expenses Insurance Company Limited which is part of **ARAG** UK Holdings Limited (**ARAG** UK Group). The uses of the personal **data** by **us** and members of the **ARAG** UK Group are covered by **our** individual company registrations with the Information Commissioner's Office. **ARAG** has a Data Protection Officer who can be contacted through dataprotection@arag.co.uk.

HOW WE WILL USE YOUR INFORMATION

We may need to send personal information to other parties, such as lawyers or other experts, the court, insurance intermediaries, insurance companies, appointed service providers, specialist agencies or other members of the **ARAG**, so they may contact **you** for **your** feedback. If the **policy** includes legal advice, **we** may have to send the personal information outside of the European Economic Area (EEA) in order to give legal advice on non-European Union law. Dependent on the type of cover in place, the personal information may also be sent outside the EEA so the service provider can administer the claim.

We will take all steps reasonably necessary to ensure the personal **data** is treated securely and in accordance with this Privacy Notice. Any transfer outside of the EEA will be encrypted using SSL technology.

We will not disclose the personal **data** to any other person or organisation unless **we** are required to by **our** legal and regulatory obligations. For example, **we** may use and share the personal **data** with other organisations and public bodies, including the police and anti-fraud organisations, for the prevention and detection of crime, including fraud and financial sanctions. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and **money** laundering. Further details explaining how the information held by fraud prevention agencies may be used can be obtained by writing to, or telephoning **ARAG**. A copy is also accessible and can be downloaded via our website.

WHAT IS OUR LEGAL BASIS FOR PROCESSING YOUR INFORMATION?

It is necessary for **us** to use personal information to perform **our** obligations in accordance with any contract that **we** may have with the person taking out this **section**. It is also in **our** legitimate interest to use personal information for the provision of services in relation to any contract that **we** may have with the person taking out this **section**.

HOW LONG WILL YOUR INFORMATION BE HELD FOR?

We will retain personal **data** for 7 years. **We** will only retain and use their personal **data** thereafter as necessary to comply with **our** legal obligations, resolve disputes, and enforce **our** agreements. If **you** no longer want **us** to use the personal **data**, please contact **us** at dataprotection@arag.co.uk.

WHAT ARE YOUR RIGHTS?

The following rights are available in relation to the handling of personal **data**:

- the right to access personal **data** held
- the right to have inaccuracies corrected for personal **data** held
- the right to have personal **data** held erased
- the right to object to direct marketing being conducted based upon personal data held
- the right to restrict the processing for personal **data** held, including automated decision-making
- the right to **data** portability for personal **data** held

Any requests, questions or objections should be made in writing to the Data Protection Officer:-

Data Protection Officer

ARAG Legal Expenses Insurance Company Limited
Unit 4a
Greenway
Court,
Bedwas,
Caerphilly
CF83 8DW
Or via Email: dataprotection@arag.co.uk

HOW TO MAKE A COMPLAINT?

If there is any dissatisfaction with the way in which personal **data** has been processed, the Data Protection Officer can be contacted in the first instance using the details above.

If **you** remain dissatisfied, the Information Commissioner's Office can be approached directly for a decision.

The Information Commissioner can be contacted at: -
Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
www.ico.org.uk

18 General exclusions

This policy excludes and does not cover:

18.1 Communicable Disease

Regardless of any provision to the contrary, the **policy** excludes any amount for which the **insurer** would otherwise be liable directly or indirectly caused by, resulting from, arising out of, in connection with, attributable to, or occurring concurrently or in any sequence with:

- a) a **communicable disease**;
- b) the fear or threat (whether actual or perceived) of a **communicable disease**;
- c) the costs to clean-up, detoxify, remove, monitor or test for the actual, alleged, perceived or suspected presence of a **communicable disease**; or
- d) the **insured's** actual or alleged non-compliance with any advice, guidance, regulation, order, decree or law issued by a **public authority** in response to a **communicable disease**.

This exclusion shall not apply in respect of and to the extent of the indemnity provided by the;

- e) 'Notifiable disease, murder or suicide, food or drink poisoning' extension of the **policy**;
- f) Personal Accident **Section**;
- g) Employer's Liability **Section**;
- h) Public and Products Liability **Section**; and
- i) Legal Expenses **Section**.

18.2 Cyber risks

18.2.1 The **policy** excludes:

- c) cyber loss; and
- d) loss, **damage**, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

Paragraph a) above will not apply to:

- i) any physical loss or physical **damage** to **property insured** and resulting business interruption under this **policy** caused by any fire or explosion directly and solely occasioned by a **cyber event** although paragraph a) will continue to apply where the **cyber event** is itself caused by a **cyber act**;
- ii) any claim, loss or **damage** which would otherwise be indemnified by the 'Computer breakdown' or 'Machinery breakdown' extensions in this **policy**, except that these will not cover any claim, loss or **damage** directly or indirectly caused by a **cyber act**. However, paragraph b) above will still apply.

Paragraph b) above will be subject to the proviso that, should **data processing media** owned or operated by **you** suffer physical loss or physical **damage** insured by this **policy**, then this **policy** will cover the cost to repair or replace the **data processing media** itself 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 the **electronic data**. If such media is not repaired, replaced or restored the basis of valuation will be the cost of the blank **data processing media**. However, this **policy** excludes any amount pertaining to the value of **electronic data**, to **you** or any other party, even if such **electronic data** cannot be recreated, gathered or assembled.

18.3 Electrical plant

Except in respect of claims arising under Terrorism, Employers liability and Public and products liability **sections** this **policy** excludes and does not cover any **damage** to or destruction of any electrical plant or electrical appliance i.e. dynamo, transformer, motor or

other working electrical machinery apparatus or fittings directly caused by its own over-running, short-circuiting, excessive pressure or self-heating but should fire extend to and **damage** or destroy any other part of the plant or appliances or other **property insured** hereby such **damage** or destruction is not excluded by the **policy**.

18.4 Heat processes

Except in respect of claims arising under Terrorism, Employers liability and Public and products liability **sections**, this **policy** excludes and does not cover any **damage to property insured** due to its undergoing any process necessarily involving application of heat.

18.5 Northern Ireland

18.5.1 Except in respect of claims arising under Terrorism, Employers liability and Public and products liability **sections** this **policy** excludes and does not cover any **damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:

- i) riot, civil commotion and (except in respect of **damage** by fire or explosion) strikes locked-out workers or persons taking part in labour disturbances or malicious persons;
- ii) **terrorism**.

18.5.2 In any action suit or other proceedings where **we** allege that by reason of this exclusion any **damage** is not covered by this **policy** the burden of proving that such **damage** is covered shall be upon **you**.

18.6 Nuclear risks

Except in respect of claims admissible under Employers liability **section**, this **policy** excludes and does not cover any:

- 18.6.1 **damage** to any **property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
- 18.6.2 any legal liability of whatsoever nature;
- 18.6.3 any sum which **you** become legally liable to pay or any loss or expense;
- 18.6.4 directly or indirectly caused by or contributed to by or arising from or, in the case of 15.5.1 above, attributable to:
 - a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

18.7 Pressure waves

This **policy** excludes and does not cover any **damage** directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

18.8 Requisition or confiscation of property

This **policy** excludes and does not cover any **damage** occasioned by or happening through confiscation or requisition or destruction by order of the Government or any Public Authority.

18.9 War and terrorism

18.9.1 This **policy** excludes and does not cover any **damage** cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with:

- a) any act of **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- b) any action taken in controlling preventing suppressing or in any way relating to any act of **war** or **terrorism**.

If **we** allege that by reason of this exception any **damage** cost or expense is not covered by this **policy** the burden of proving the contrary shall be upon **you**.

18.9.2 This exclusion does not apply to:

- a) the cover provided by the Terrorism **section**, to the extent of such cover;

- b) the cover provided in the Employers liability **section** and Public and products liability **section** by the War and terrorism extension, to the extent of such cover.

19 General terms and conditions

19.1 Arbitration

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

19.2 Basis of contract

Any reference to 'basis of the contract' in this **policy**, in the proposal form (if any) or **statement of fact** is of no effect.

19.3 Confirmation of values at risk

You must provide to **us** at the inception of the **policy** and annually thereafter full details of the declared value as well as the wage roll and **turnover** of the **business**.

19.4 Contract (Rights of Third Parties) Act 1999

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or any amending or subsequent legislation, by any person who is not named as the **insured** and both **we** and **you** may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party.

19.5 Contribution

If at the time of any **damage** or liability arising under this **policy** there shall be any other insurance covering such **damage** or liability or any part thereof **we** shall not be liable for more than its proportional share thereof.

19.6 Document management

We may hold documents relating to this insurance and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

19.7 Late payment of claims

We shall pay any sum due in respect of a valid claim within a reasonable time pursuant to section 13A of the Insurance Act 2015.

19.8 Law applicable to this policy

This **policy** will be governed by and interpreted in accordance with the laws of England and subject to the exclusive jurisdiction of the High Court, London.

19.9 Material changes during the policy period

19.9.1 **You** must notify **us** within thirty (30) days of any material change to the **insured**, **your business** or the risks **insured** if indemnity under this insurance is sought in relation to any such change.

19.9.2 **We** shall not indemnify **you** for any liability arising out of a material change for which indemnity would otherwise have been available under this insurance unless **we** have provided valid confirmation of cover, whether by an express term of this **policy**, endorsement, written confirmation or otherwise.

19.10 Our right

We shall be entitled:

- a) on the happening of any **damage** to enter any building where such **damage** has happened and to take and keep possession of the **property insured** and to deal with salvage in a reasonable manner and this **policy** shall be proof of leave and licence for such purpose but the **property** may not be abandoned to **us**;
- b) at its option to either:
 - i) repair or replace the **property** or any part of the **property** for which it may be liable under this **policy**; or

- ii) payment of **money** to **you** in lieu of such repair or replacement or reinstatement effected as nearly as may be reasonably practicable and such payment shall be deemed a complete indemnity under this **policy**.

19.11 Premium adjustment

In the event of a notification of a material change of the risk by **you**, the annual premium for this insurance will be adjusted and re-calculated. In order to do that, the adjusted annual premium based on the material change of the risk, will be compared against the annual premium charged at inception of the **policy** or the most recent annual premium following any previous adjustment. Where the adjustment in annual premium results in:

- a) an additional charge of less than £20.00, a minimum of £20.00 will be charged to **you**;
- b) a refund of less than £20.00, any such refund will be waived and not processed; and
- c) an additional charge or refund greater than £20.00, this sum will be charged or refunded to **you** in its entirety via **your** intermediary.

Any difference in premium for the unexpired **period of insurance** to be payable or refundable by or to **you** and will be adjusted in accordance to the terms of the **policy**.

19.12 Reasonable precautions

You will take:

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

19.13 Representation

You will act on behalf of all **other insured parties** under this **policy** with respect to the giving and receiving of any notices from **us** or **our** representatives including any notice of

cancellation. The payment to **you** of any return premium that may be payable under this **policy** will satisfy **our** obligations to return premium to any **other insured party**.

19.14 Sanction limitation and exclusion

We shall not provide cover nor be liable to pay any claim or provide any **benefit** hereunder to the extent that the provision of such cover, payment of such claim or provision of such **benefit** would expose us or any member of the **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

19.15 Sub-limit(s) and sum insured

19.15.1 Any coverages (including extensions) under this **policy** shall not exceed any applicable **sub-limit** or **sum insured**.

19.15.2 Unless expressly stated to the contrary, any coverages (including extensions) do not increase the **sum(s) insured** and any **sub-limits** stated form part of and are not additional to the **sum(s) insured**.

19.16 Subrogation

19.16.1 Any claimant under this **policy** shall at **our** request and at the expense take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **insured** before or after any payment **we** may make.

19.16.2 **We** 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 **our** own expense and for **our** own **benefit** any claim for indemnity or **damages** or otherwise.

19.17 Tracing Office Database

19.17.1 Where **we** provide an indemnity under the Employers' Liability (Compulsory Insurance) Regs. 1998, **we** are required by regulation to maintain a database of all the companies and subsidiary companies covered by such insurance. **We** support and will add details of all company names to the Employers' Liability Tracing Office database.

19.17.2 Accordingly it is a condition of this insurance that **you** undertake to supply full details (as required by the Employers' Liability Tracing Office) of the company and all subsidiary companies to **us** at inception of this **policy** and promptly thereafter following acquisition or disposal of any subsidiary company.

20 General definitions and interpretation

The following words will have the same meaning attached each time they appear in this **policy** in **bold** type face, whether with a capital first letter or not.

Where the context so admits or requires, words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed so as to include any individual, company, partnership, or any other legal entity. References to a statute will be construed to include all its amendments or replacements. All headings within the **policy** are included for convenience only and will not form part of this **policy**.

For Business interruption **section** the words and expressions used in **your** books and accounts will have the meaning attached to them herein. Any adjustments implemented in current cost accounting will be disregarded. Further to the extent that **you** are accountable to the tax authorities for value added tax all terms in Business interruption **section** will be exclusive of such tax.

20.1 Accident / accidental

Accident / accidental means a single and unexpected event, which occurs at an identifiable time and place.

20.2 Act of terrorism

20.2.1 For all territories other than England, Wales and Scotland

Any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a **section** of the public of any nation by any person or group (s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) endangers life other than that of the person committing the action; or
- b) involves violence against one or more persons; or
- c) involves **damage to property**; or
- d) creates a risk to health or safety of the public or a **section** of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

20.2.2 For England, Wales and Scotland

Act of terrorism means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty's government in the **United Kingdom** or any other government de jure or de facto.

20.3 Appointed representative

For the Legal expenses **section**, the law firm, **preferred law firm or tax consultancy**, accountant or other suitably qualified person **ARAG** will appoint to act on the **insured person's** behalf.

20.4 Benefits

The sums stated in the benefits table in the **schedule** being the maximum amount payable by **us**.

20.5 Biological

Any pathogenic (disease producing) micro-organism(s) and/or biologically produced toxin(s) (including genetically modified organisms and chemically synthesised toxins) which cause illness and/or death in humans, animals or plants.

20.6 Bodily injury

20.6.1 For all **sections** except the Legal expenses **section**, death and **injury**, illness or disease whether bodily or mental.

20.6.2 For Legal expenses **section**, death or **injury** caused by a specific or sudden **accident**.

20.7 Book debts

The total amount of the balances debited to **customers** in **your** accounts after equitable allowances have been made for bad debts and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to **customers'** accounts in the period between the commencement of the **period of insurance** and the date of the **damage**.

20.8 Business

The business stated in the schedule including:

- 20.8.1 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; or senior officials;
- 20.8.2 the ownership maintenance and repair of the **premises**.
- 20.8.3 repair, maintenance and servicing of **your** mechanically propelled vehicles, sale or disposal of **your property** and goods, including mechanically propelled vehicles;
- 20.8.4 organisation of and participation in exhibitions, trade fairs, conferences, and the like, charitable events or similar fund-raising activities.

20.9 Business hours

The period during which the **premises** are open for **business** or are otherwise occupied for **business** purposes by **you** or an authorised **employee**.

20.10 Change of temperature

The rise or fall in temperatures as a result of:

- 20.10.1 the breaking, distortion or burning out of any part of the unit (excluding its own wiring termination including the plug and fuse) arising from mechanical or electrical defects in the unit occurring while the unit is being used under normal working conditions;
- 20.10.2 non-operation of the thermostatic or automatic controlling devices forming part of the unit;
- 20.10.3 accidental failure of the public electricity supply not occasioned by the deliberate act of any utility undertaking.

20.11 Chemical

Any compound which, when suitably disseminated, produces incapacitating, damaging or lethal effects on people, animals, plants or material **property**.

20.12 Communicable disease

Communicable disease means any disease which can be transmitted by means of any substance or agent where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation or mutation thereof, whether deemed living or not;
- 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;

regardless of the frequency or severity of an outbreak, or the size of the geographic area in which an outbreak is observed.

20.13 Computer equipment

means all desktops, laptops, tablets, servers, **data** storage devices, networking equipment or on-site back up facilities, and manufacturer installed software

20.14 Computer system(s)

means any **computer equipment** and any other computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet or wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back up facility and ancillary equipment whether or not owned or operated by **you** or any other party at the **premises** or elsewhere.

For **section – Terrorism**

Computer systems means a computer or other equipment or component or system item which processes stores transmits or receives **data**.

20.15 Costs and expenses

20.15.1 For Employers liability **section** and Public and products liability **section**, costs and expenses other than claimants' costs incurred with **our** written consent in respect of:

- a) any claim which may be the subject of indemnity under Employers liability **section** or Public and products liability **section**;
- b) solicitors' fees incurred with **our** 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 Employers liability **section** or Public and products liability **section**.

20.15.2 For Legal expenses **section**:

- a) All reasonable, proportionate and necessary costs chargeable by the **appointed representative** and agreed by **ARAG** in accordance with the **ARAG Standard Terms of Appointment**;
- b) The costs incurred by opponents in civil cases if the **insured person** has been ordered to pay them, or the **insured person** pays them with **ARAG** agreement.

20.16 Countries covered

20.16.1 For the Legal expenses **section**:

- a) for 17.3 Legal defence (excluding 17.3.4 Statutory notice appeals) and 17.6 Personal injury **insured** incidents:
- b) the **United Kingdom** of Great Britain and Northern Ireland, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.
- c) for all other **insured** incidents: the **United Kingdom** and any other extension agreed with **us**.

20.17 Cover basis

The period of time during which an **insured person** is covered by this insurance as stated in the **schedule**.

20.18 Customers

All customers of **yours** who obtain goods from **you** or use **your** services on a credit basis.

20.19 Cyber Act

means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax of such acts, involving access to, processing of, use of or operation of any **computer system**.

20.20 Cyber Event

means any programming or operator error whether by **you** or any other person or persons, or any unintentional or unplanned whole or partial outage of your **computer system** not directly caused by physical loss or **damage**; affecting access to, processing of, use of or operation of any **computer system**.

Where a **cyber event** is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act**, the **cyber event** will be considered to be a **cyber act**.

20.21 Cyber Loss

means any loss, **damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system** or any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**; or
- b) any **cyber act**.

20.22 Damage / damaged

20.22.1 In respect of Business interruption **section**:

- a) loss of destruction of or damage to tangible **property** caused by any cause not otherwise excluded by Property – Contents **section** and Property – Buildings **section**;
- b) **glass** breakage;

20.22.2 in respect of Public and products liability **section**, loss of use of tangible **property** that has been lost destroyed or damaged.

20.22.3 In respect of all other **sections**, loss of destruction of or damage to tangible **property**.

20.23 ARAG

ARAG Legal Expenses Insurance Company Limited.

20.24 ARAG Standard Terms of Appointment

For the Legal expenses **section**, the terms and conditions (including the amount **ARAG** will pay to an **appointed representative**) that apply to the relevant type of claim, which could include a conditional fee agreement (no win, no fee). Where a law firm is acting on **your** behalf the amount **ARAG** will pay is currently £100 per hour. This amount may vary from time to time.

20.25 Data

means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

20.26 Data Processing Media

means any **property insured** on which **data** can be stored but not the **data** itself.

20.27 Date of occurrence

For Legal expenses **section**:

- 20.27.1 for civil cases (other than as specified under 20.27.2 - 20.27.5 below), the date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the date of occurrence is the date of the first of these events. (This is the date the event happened, which may be before the date **you** or an **insured person** first became aware of it);
- 20.27.2 for criminal cases, the date of occurrence is when the **insured person** began or is alleged to have begun to break the law;
- 20.27.3 for **insured** incident 17.4 Statutory licence protection, the date of occurrence is the date when **you** first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel your licence, mandatory registration or British Standard Certificate of Registration.
- 20.27.4 for **insured** incident 17.7 Tax protection, the date when HM Revenue & Customs, or the relevant authority, first notifies **you** of its intention to carry out an enquiry. For VAT or **employer compliance disputes**, the date the dispute arises during the **period of insurance** following the issue of an assessment, written decision or notice of a civil penalty.

20.27.5 for **insured** incident 17.3.4 Legal defence - Statutory notice appeals, the date when the **insured person** is issued with the relevant notice and has the right to appeal.

20.28 Declared value

20.28.1 **Your** assessment of the cost of the **property insured** at a level of costs applying at the time that such values are required by **us** as the basis for the calculation of the **policy** premium in respect of the Property **section** (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;
- c) additional cost of reinstatement to comply with European Community and Public Authority requirements.

20.29 Defence costs

20.29.1 costs (other than claimant costs recoverable from **you** or any **other insured party**) incurred at **your** request, with **our** prior consent in the investigation, adjustment, appraisal, defence or settlement of an **insured** event, including expert, legal, appeal and defence costs;

20.29.2 **costs and expenses** incurred by **you** in pre-trial and case reviews;

20.29.3 pre-judgment interest awarded against **you** on that part of any judgment covered under this **policy** but where we offer to pay the **limit of indemnity** in settlement of a claim or suit, **we** will not pay any pre-judgment interest imposed or accruing after the date of such offer;

20.29.4 all interest accruing on that part of any judgment within the **limit of indemnity** after entry of the judgment and before **we** have paid, offered to pay or deposited in court that part of any judgment that is within the applicable **limit of indemnity**;

20.29.5 the cost of attendance in court as a witness at **our** request, payable at the following rates per day on which attendance is required:

- a) any principal director or partner of **you** - £500;
- b) any **other insured party** - £250;

20.29.6 costs incurred at **your** request, with **our** prior consent (which consent must be individually obtained in respect of each claim) of legal representation at any coroner's inquest or inquiry in respect of any death which may be the subject of indemnity under this **policy**.

20.30 Deferment period

The number of consecutive days as stated in the **schedule** from the date the **insured person** suffers **temporary total disablement** and/or **temporary partial disablement** during which no benefits are payable. The sum of **money** represented by such periods will not contribute towards any claim for benefits under this insurance.

20.31 Denial of service attack

Any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems.

Denial of service attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

For **section - Terrorism**

Denial of service attack means any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer systems**. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

20.32 Electronic data

means facts, concepts and information converted to a form usable for communication, display, distribution, interpretation or processing by electronic and electromechanical processing or

electronically controlled equipment, including programmes, software and other coded instructions for such equipment.

20.33 Eligible insured sections

Eligible insured sections means any **sections** shown as operative on the **schedule** providing direct insurance cover for the risk of fire and/or explosion (either alone or with other perils) for any of the following heads of cover:

- a) buildings and completed structures;
- b) other **property** (including contents, engineering, contractors and computers)
- c) **business** interruption; or
- d) **book debts**,

provided always that each eligible insured section shall be deemed to be a separate eligible insured section whether the item **insured** is **insured** under separate **policies**, under separate terms of a **policy** or under separate sections of combined or package **policies**.

20.34 Employee

Employee means:

- 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;
- g) any voluntary helper;

while working for **you** in connection with the **business**.

20.35 Employer compliance dispute

For the Legal expenses **section**, a dispute with HM Revenue & Customs concerning **your** compliance with Pay As You Earn, Social Security, Construction Industry or IR35 legislation and regulations.

20.36 Empty

Wholly unoccupied, mainly unoccupied or not in use.

20.37 Estimated gross fees

The amount **you** declare to **us** as representing not less than the **gross fees** which it is anticipated will be earned by the **business** during the financial year most nearly concurrent with the **period of insurance** (or a proportionately increased multiple thereof where the maximum **indemnity period** exceeds twelve months).

20.38 Estimated insurable gross profit

The amount declared by **you** to **us** as representing not less than the gross profit which it is anticipated will be earned by the **business** during the financial year most nearly concurrent with the **period of insurance** (or a proportionately increased multiple thereof where the maximum **indemnity period** exceeds twelve months).

20.39 Estimated gross revenue

The amount declared by **you** to **us** as representing not less than the **gross revenue** which it is anticipated will be earned by the **business** during the financial year most nearly concurrent with the **period of insurance** (or a proportionately increased multiple thereof where the maximum **indemnity period** exceeds twelve months).

20.40 Flood

Flood shall mean the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, including rising water, surface water or waves; tidal waves or tidal water; overflow of streams, rivers lakes, ponds, or other bodies of water; spray from any of the foregoing; all whether driven by wind or not, but excluding **storm**,

inundation of water and earthquake.

20.41 Glass

20.41.1 fixed glass in windows doors and fanlights;

20.41.2 glass showcases shelves tops and mirrors;

20.41.3 sanitary fixtures and fittings.

20.42 Gross fees

The **money** paid or payable to **you** for professional services rendered in the course of the **business** at the **premises**.

20.43 Gross revenue

The **money** paid or payable to **you** for work done and for services rendered in course of the **business** at the **premises**.

20.44 Hacking

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

For **section – Terrorism**

Hacking means unauthorised access to any **computer system**, whether **your property** or not.

20.45 Increased cost of working

The additional costs incurred after **damage** to limit any reduction in **turnover** or revenue, and to maintain normal **business** operations.

20.46 Indemnity period

The period beginning with the happening of the **damage** and ending not later than the number of months shown in the **schedule** during which the results of the **business** are affected as a result of the **damage**.

20.47 Injury

A specific injury which is sustained by the **insured person** during the **period of insurance**, is caused by an **accident**, and within twelve (12) months of the **accident**, solely and independently of any other cause, brings about death or disablement of the **insured person**.

20.48 Insurable gross profit

The amount by which the sum of the amount of the **turnover** and the amounts of the closing stock and work in progress will exceed the sum of the amounts of the opening stock and work in progress and the amount of the **specified working expenses**.

20.49 Insured/you/your

The person(s) or company named in the **schedule**.

20.50 Insured person

For all **sections** other than Personal accident **section** and Legal expenses **section**:

- a) **you** or any of **your** principals, directors, partners or **employees**; or
- b) any person acting on **your** behalf other than an **employee** of a security company or organisation not being over seventy (70) years of age nor being under sixteen (16) years of age;

For Personal accident **section** the insured person means the individual or group (category of person) specified in the **schedule** (Personal accident **section**) to whom **injury** must occur before we are liable to make any payment of **benefit**.

For Legal expenses **section**:

- a) **you** and **your** directors, partners, managers, **employees** and any other individuals declared to **us** by **you**;
- b) A person contracted to work for **you** who works for **you** on the same basis as **your**

employees and performs that work under **your** supervision and direction.

20.51 Insurer/we/our/us

20.51.1 For Property – Contents to Public and products liability **sections**, QBE UK Limited (registered in England number 01761561; Home State - **United Kingdom**. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority; registration number 202842)

20.51.2 For the Legal expenses section, **ARAG** Legal Expenses Insurance Company Limited, whose Head office and registered address is: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales, company number 103274. Website: www.arag.co.uk. **ARAG** Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

20.52 Inundation of water

The sudden and unexpected build-up of excess water following a pluvious event, including the backing up of sewers or drains but excluding changes to the water table level and **flood**.

20.53 Limit of liability /Sub-limit of liability /Sub-limit of indemnity /Sub-limit

Our maximum liability under a specified **section**, clause or other part of this **policy**.

20.54 Loss of limb

20.54.1 in the case of a lower limb loss by physical severance at or above the ankle or permanent and total loss of and/or total and irrecoverable loss of use of an entire leg or foot;

20.54.2 in the case of an upper limb loss by physical severance of the entire four fingers through or above the meta carpo phalangeal joints or permanent and total loss of and/or total and irrecoverable loss of use of an entire arm or hand.

20.55 Maximum indemnity period

The period stated in the **schedule**.

20.56 Money

Both **negotiable money** and **non-negotiable money**.

20.57 NCB terrorism

The use of nuclear, **chemical** or **biological** (NCB) agents or devices, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any **section** of the public, in fear.

20.58 Negotiable money

Negotiable money means cash bank and currency notes uncrossed cheques giro cheques including pre-authenticated giro cheques uncrossed warrants uncrossed postal and **money** orders crossed bankers drafts current postage and revenue stamps National Savings stamps and certificates holiday with pay stamps and gift tokens National Insurance stamps (whether affixed to cards or not) debit card sales vouchers trading stamps luncheon vouchers bills of exchange securities for **money** travel warrants and authenticated travel tickets phonecards and mobile phone vouchers for use by the **insured** or any partner director or **employee** of the **insured** in connection with the **insured's business** gift tokens customer redemption vouchers credit card company sales vouchers credit card counterfoils VAT purchase receipts unexpired units in franking machines all belonging to **you** or for which **you** have accepted responsibility.

20.59 Non-negotiable money

Crossed warrants, crossed cheques, crossed giro drafts, crossed postal and **money** orders, crossed bankers' drafts, crossed National Girobank cash cheques, premium bonds, savings bonds, stamped National Insurance cards, National Savings Certificates, VAT purchase invoices, and credit card sales vouchers all belonging to **you** or for which **you** have accepted

responsibility.

20.60 Notifiable Disease

Notifiable disease means any diseases sustained by a person notifiable under the Health Protection (Notification) Regulations 2010, but excluding:

- a) Avian Influenza and/or Influenza A (H5N1);
- b) Swine Influenza and/or Influenza A (H1N1);
- c) Severe Acute Respiratory Syndrome (SARS);
- d) any coronavirus (or similar or equivalent virus in the future);
- e) any mutation or variation of d) above;
- f) any coronavirus disease (or similar or equivalent disease in the future);
- g) any epidemic or pandemic which poses a threat to human health or human welfare whether officially declared an epidemic or pandemic or not; or
- h) any fear or threat of d), e), f) or g) above.

20.61 North America

The United States of America or its **territories** or possessions or Canada.

20.62 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:

- 20.62.1 the production or use of atomic energy;
- 20.62.2 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
- 20.62.3 the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

20.63 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.

20.64 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.

20.65 Other insured party

Any of the following parties:

- 20.65.1 the deceased's legal **personal representatives** but only in respect of liability incurred by such deceased person;
- 20.65.2 any party including any principal whom, under contract or agreement **you** have agreed to indemnify and/or insure but only to the extent required by such contract or agreement and only to the extent that liability arises solely out of the work performed for the principal by **you** or on **your** behalf;
- 20.65.3 any of **your** directors, partners, **employees** or former **employees**;
- 20.65.4 any officers, members' committee and/or **employee** and voluntary helpers of **your** canteen and welfare organisations, nursery, crèche or child care facilities, sports and social organisations, in their respective capacities as such;
- 20.65.5 any officers and members of **your** security, rescue, first aid or fire and ambulance services or medical organisation other than any qualified medical practitioner while working in a

professional capacity in their respective capacities as such;

20.65.6 any of **your** directors or partners or executives in respect of private work undertaken by any **employee** for **your** directors or partners or executives;

20.65.7 any officers or trustees of **your** pension scheme(s).

20.66 Period of insurance

The period shown as such on the **schedule** which time is taken as Greenwich Mean Time unless otherwise stated.

20.67 Permanent total disablement

Irrecoverable disablement arising from **injury** which permanently and totally incapacitates the **insured person** for a continuous period of twelve (12) months, and that as a result of the **injury** the **insured person** is medically determined to **our** satisfaction to have no likelihood of improvement sufficient to participate in his occupation ever again.

20.68 Personal injury

Bodily injury and/or harm arising out of one or more of the following offences committed in the course of the **business**:

20.68.1 false arrest;

20.68.2 detention or imprisonment;

20.68.3 malicious prosecution;

20.68.4 wrongful entry into or eviction of a person from a room, dwelling or **premises** that the person occupies;

20.68.5 invasion of the right of privacy;

20.68.6 libel, slander and defamation.

20.69 Phishing

Phishing means any access or attempted access to **data** or information made by means of misrepresentation or deception.

20.70 Policy

Policy means this document, the **schedule** (including any **schedules** issued in substitution) and any endorsements attaching to this document or the **schedule** that will be considered part of the legal contract and any word or expression in bold type face on any of these documents will bear the specific meaning stated in these definitions.

20.71 Pollution

20.71.1 the actual alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time;

20.71.2 any cost, expense, claim or suit arising out of any request demand or order as a result of actual alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time that **you** or any **other insured party** test for monitor, clean up, remove, contain, treat, detoxify or neutralise or in any way respond to or assess the effects of **pollutants**.

20.72 Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed.

20.73 Preferred law firm or tax consultancy

For the Legal Expenses **section**, a law firm, barrister or tax expert **ARAG** choose to provide legal or other services. These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **ARAG** agreed service standard levels, which **ARAG** audit regularly. They are appointed according to the **ARAG Standard Terms of Appointment**.

20.74 Premises

The buildings and land shown in the **schedule** being occupied by **you** for the purpose of the **business**.

20.75 Product

Any **property** including packaging, containers, labels and instructions for use after it has left **your** custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced altered, or repaired by or on **your** behalf.

20.76 Property

Property means all property whatsoever, but excluding:

- a) Any land or building which is wholly or partially occupied as a private residence, unless:
 - i) insured under the same contract of direct insurance as the remainder of the building which is not a private residence;
 - ii) not **insured** in the name of an individual; or
 - iii) **insured** in the name of an individual, and the commercial element of the building occupies more than twenty percent (20%) of the building.

For the purpose of this clause, a trustee, beneficiary, executor of a will or sole trader is not deemed to be an individual unless they occupy the **premises** or any part thereof as their own private residence.

- a) 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**.

For the purposes of clause 12.2.1, **property** shall exclude:

- b) any **money**, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
- c) any **data**.

20.77 Property insured

Tangible **property** described in the **schedule** to this **policy** that includes a specific **sum insured** against each or all of them and which is more specifically defined therein.

20.78 Public authority

For the '**Communicable disease**' exclusion of this **policy**, public authority means any national, regional, local or municipal government or any national or international organisation with the responsibility to promote and protect public health.

20.79 Reasonable prospects

For the Legal expenses **section**:

- a) for civil cases, the prospects that the **insured person** will recover losses or **damages** or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **ARAG** have agreed to, including an enforcement of judgment), or make a successful defence, must be at least 51%. A **preferred law firm or tax consultancy**, will assess whether there are reasonable prospects, on **ARAG's** behalf;
- b) for criminal cases there is no requirement for there to be prospects of a successful outcome, however for appeals the prospects must be at least 51%.
- c) for civil and criminal appeals the prospects of a successful outcome must be at least 51%.

20.80 RIDDOR

RIDDOR means the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.

20.81 Section

Section means all or any individually lettered sections of this **policy** that forms part of the insurance contract but only if stated as **insured** in the **schedule**.

20.82 Schedule

Schedule means the document titled schedule that includes the name and address of the **insured**, the premium and other variables to this **policy** (including endorsement clauses) and is incorporated in this **policy** and accepted by the **insured**. Schedules may be re-issued from time to time where each successor overrides the earlier document.

20.83 Specified losses

Specified losses means:

- a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **property insured** by the **insured**; or
- b) the amount of business interruption loss suffered directly by the **insured** by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of **property insured** as a direct result of denial, prevention or hindrance of access to or use of the **property insured** by reason of an **act of terrorism** causing damage to other **property** within one mile of the **property insured** by the **insured** to which access is affected.

20.84 Specified perils

Specified perils means fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any **goods** or cargo carried in or on such vessel or vehicle, destruction of, **damage** to or movement of buildings or structures, plant or machinery other than any **computer system**, **data** or **money**.

20.85 Specified working expenses

- a) purchases and discounts relative thereto;
- b) carriage packing and freight;
- c) bad debts.

The words and expressions used in the definition of Specified working expenses shall have the meaning usually attached to them in **your** books and accounts.

20.86 Standard gross fees

The **gross fees**, trend adjusted, during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

20.87 Standard gross revenue

The **gross revenue**, trend adjusted, during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

20.88 Statement of fact

All and any information supplied to **us** by or on **your** behalf.

20.89 Storm

Storm, windstorm, hurricane, tornado, tempest, cyclone and typhoon including ensuing **damage** as a direct result thereof, but excluding **flood** and earthquake.

20.90 Subrogation

Our right when **we** have granted indemnity to take over any recovery rights **you** may have against third parties liable for the same loss.

20.91 Sum insured

The sum specified as the sum insured in the **schedule**.

20.92 Tax enquiry

For Legal expenses **section**, a written notice of enquiry, issued by HM Revenue & Customs, to carry out an Income Tax or Corporation Tax compliance check which either:

- a) includes a request to examine any aspect of **your** books and records; or
- b) advises of a check of **your** whole tax return.

20.93 Temporary partial disablement

The **insured person** being partially disabled and prevented from attending to the majority of his **business** or occupation as a result of **injury** not being **permanent total disablement**, loss of limbs or sight as otherwise defined in the benefits.

20.94 Temporary total disablement

The **insured person** being totally disabled and prevented from attending to any of his **business** or occupation as a result of **injury** not being **permanent total disablement**, loss of limbs or sight as otherwise defined in the benefits.

20.95 Territorial limits

20.95.1 For All Risks: Specified business equipment **section** only:

- a) territorial limit EU means **United Kingdom** and member states of the European Union the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey;
- b) territorial limit Worldwide means **United Kingdom** and elsewhere in the world.

20.95.2 For Employers liability **section** and Public and products liability **sections** only:

- a) anywhere within the **United Kingdom** other than **offshore**;
- 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 20.95.2 a) above;
- c) elsewhere in the world in respect of **products**.

20.95.3 For the Legal expenses **section**, please see 20.16, **countries covered**.

20.96 Territory

Territory means England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, nor Northern Ireland nor the Isle of Man nor the Channel Islands.

20.97 Terrorism

20.97.1 For Property – Contents to Business interruption **sections**, an **act of terrorism**;

20.97.2 For Personal accident to Legal expenses **sections**:

an activity that involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible **property** or infrastructure, or a threat thereof; and appears to be intended to

- a) intimidate or coerce a civilian population, or
- b) disrupt any segment of the economy of a government de jure or de facto, state, or country, or
- c) overthrow, influence, or affect the conduct or **policy** of any government de jure or de facto by intimidation or coercion, or
- d) affect the conduct or **policy** of any government de jure or de facto by mass destruction, assassination, kidnapping or hostage-taking.

20.98 Total loss of hearing

An **injury** causing permanent and total loss of hearing which lasts twelve (12) calendar months from the date of **accident** or loss of hearing and at the expiry of that period being beyond hope of improvement.

20.99 Total loss of sight

An **injury** causing either:

- a) permanent and total loss of sight in both eyes where an **insured person's** name has been added to the Register of Blind Persons on the authority of a qualified ophthalmic specialist; or
- b) permanent and total loss of sight in one eye, if the degree of sight remaining after correction is 3/60 or less of the Snellen Scale (seeing at three (3) feet what an **insured person** should see at sixty (60) feet), which lasts twelve (12) calendar months from the date of **accident** or loss of sight (if later) and at the expiry of that period being beyond hope of improvement.

20.100 Total loss of speech

An **injury** causing permanent and total loss of speech which lasts twelve (12) calendar months from the date of **accident** or loss of speech (if later) and at the expiry of that period being beyond hope of improvement.

20.101 Turnover

The **money** paid or payable to **you** for goods sold and delivered and for services rendered in the course of the **business**.

20.102 Unattended Vehicle

Unattended vehicle means a vehicle which is out of sight of the driver or more than one (1) minute's walking distance from the driver.

20.103 United Kingdom

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

20.104 VAT dispute

For the Legal expenses **section**, a dispute with HM Revenue & Customs following the issue of an assessment, written decision or notice of a civil penalty relating to **your** VAT affairs.

20.105 Virus or similar mechanism

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

For Section – Terrorism

Virus or similar mechanism means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems, data** or operations, whether involving self-replication or not. Virus or similar mechanism includes but is not limited to, trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

20.106 War

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, nationalisation, requisition, sequestration or confiscation by order of any public authority or government de jure or de facto or martial law but not including **terrorism**.

21 How to Complain

21.1 Complaints to QBE

You can complain about this **policy** by contacting **your** broker or where **your policy** is insured by QBE Europe SA/NV, QBE UK Limited or where **your** insurer is or includes a Lloyd's syndicate write to:

Customer Relations, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD

Email: CustomerRelations@uk.qbe.com

Telephone: 020 7105 5988

21.2 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, or the can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY

21.3 The UK Financial Ombudsman Service (UK FOS)

If **you** feel that **your** complaint has not been satisfactorily resolved, **you** may be eligible to contact the UK FOS to review the complaint. Information about the eligibility criteria is available on the UK FOS website:

<https://www.financial-ombudsman.org.uk/consumer/complaints.htm>.

You can contact the UK FOS via its website, or write to Exchange Tower, London E14 9SR, Tel: +44 (0)800 023 4567.



QBE European Operations

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