



Business Commercial Combined Insurance Policy.

Giving you the advantage

Policy Terms

Policy Contents

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1. POLICY GUIDE SECTION – HOW YOUR POLICY WORKS

1.1. Your policy

- a) The **policy** is made up of this document and the **schedule** (including any substitution **schedule**) and endorsements.
- b) Together these documents form the **policy** and set out the scope of this insurance.
- c) **Your policy** is a legally binding insurance contract. Please read all parts carefully. If **you** require clarification of the terms, conditions or exclusions, please contact **your** broker.
- d) If **your policy** is incorrect, or **you** believe that it does not meet **your** needs, please return it to **your** broker for alteration.
- e) All **headings** in the **policy** are included in bold and inverted commas. Other than in the headings, words in bold carry specific meanings which are set out in the '**General Definitions**' **Section** or within any definitions specific to and contained within any **Section** or **sub-section** of this **policy**.
- f) Words importing the singular will include the plural and vice versa. Words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed to include any individual, company, partnership or other legal entity.
- g) Any reference to legislation or regulations, or industry guidance or standards in the **policy** extends to apply to any, or any subsequent, amending or replacement legislation or regulations, guidance or standards and to other legislation or regulation, guidance or standards of similar intent if applicable.
- h) Any reference to the United States of America includes its territories and possessions.

1.2. Navigation

- a) Each **Section** sets out the extent of cover, how the indemnity under this **policy** may be limited or excluded and other relevant terms and conditions applicable to that **Section**. Cover is subject to the terms, conditions, limitations and exclusions of the **policy**.
- b) Certain terms that may apply to a **Section** or may apply to the whole **policy** are also set out in the following **Sections**:
 - i. **'General Definitions'**;
 - ii. **'General Exclusions'**;
 - iii. **'Fidelity Guarantee'**;
 - iv. **'Personal Accident'**;
 - v. **'General Terms and Conditions'**; and
 - vi. **'How to Complain'**.
- c) Unless expressly stated otherwise elsewhere in the **policy**, **limits of indemnity**, **sums insured**, **sub-limits** and **benefits** are set out in the **schedule**. They operate in accordance with the relevant provisions in the relevant specific **Sections**, the

'General Definitions' Section and/or the 'General Terms and Conditions' Section of the **policy**.

1.3. Policy period and premium payment

- a) **We** will cover **you** in accordance with the **Sections** of the **policy** shown as 'operative' in the **schedule**, subject to the conditions, exclusions, limitations and endorsements of the **policy**, in consideration of the payment to **us** of the premium set out in the **schedule** for the **period of insurance**.
- b) Unless expressly stated otherwise in a separate written agreement, if **you** do not pay any premium or premium instalment plus applicable taxes/levies to **your** broker or **us**, **we** may give **you** written notice cancelling the **policy** with effect from the seventh (7th) day after the notice has been served on **you**.
- c) The **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect.
- d) Notice of cancellation is deemed to be served on the **third (3rd) day** after being posted by pre-paid letter to the correspondence address set out in the **schedule**.
- e) In the event of cancellation, premium is due to **us** on a pro rata basis for the period that **we** are on risk. However, the full contract premium shall be payable to **us** in the event of a loss or **occurrence** prior to the date of termination, which gives rise to a valid claim under this contract.
- f) **We** may, at **our** discretion, deduct overdue unpaid premium from claims settlements but shall not set off or deduct premium that is not overdue. Pursuant to **your** and **our** obligations under any relevant compulsory insurance legislation, **we** shall not set off or deduct premium from any amounts payable under the '**Employers' Liability**' **Section**.

1.4. Sum insured, limit(s) of indemnity, sub-limits and benefits

- a) The **sums insured, limits of indemnity, sub-limits, and benefits** (as applicable) act as a cap on the amount which **we** will pay **you** under this **policy**. The way these provisions operate is set out in within the **policy Sections**, the '**General Definitions**' **Section** and/or the '**General Terms and Conditions**' **Section** of the **policy**.
- b) It is essential that **your limits of indemnity** as applicable for each **Section** and all **sub-limits** or **benefits** (where applicable) are adequate for **your** needs. If a claim exceeds the **limit of indemnity** or the applicable **sub-limit**, **you** will face uninsured liability and costs.
- c) It is **your** responsibility to request appropriate **limits of indemnity, sub-limits** or **benefits**. If **you** are in any doubt as to the adequacy of any **limit of indemnity, sub-limit** or **benefit** contained in the **policy**, **you** should contact **your** broker and seek advice.

1.5. 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 pay **you** under the '**Basis of settlement conditions**' Clause in the '**Other terms and conditions applicable to this section**' Clause of the '**Property 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) If **you** are purchasing cover under the '**Business Interruption**' Section for **insurable gross profit, gross fees, gross revenue** or **rent receivable**, **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**.
- c) For cover under the '**Business Interruption**' Section **you** must ensure that the figure **you** have provided for **insurable gross profit, gross fees** or **gross revenue** is as accurate as possible and is based on the best information available to **you** at the time. This 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 pay **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.
- d) Please note that the waiver of any underinsurance reduction within the 50% margin of error referred to in Clause 1.5.c) 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.

1.6. 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.

1.6.1 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 $X = (\text{premium actually charged/higher premium}) \times 100$.

1.6.2 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 $X = (\text{premium actually charged/higher premium}) \times 100$; *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 $X = (\text{premium actually charged/reduced total premium}) \times 100$.

1.7. Fraudulent claims

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

- a) are **not** liable to pay the claim;
- b) may recover any part of the claim already paid from **you**; *and*
- c) 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.

1.8. Conditions Precedent

- a) The **policy** contains a number of terms which are conditions precedent to **our** obligation to cover **you** under the **policy**. These terms are specifically identified where they appear in the **policy** by the words “**CONDITIONS PRECEDENT**” which appear in capitals next to the title of the term.
- b) The consequences for breach of conditions precedent are serious and are set out in the **Insurance Act 2015**. At the most serious, breach of these terms may mean that **you** lose **your** entitlement to claim under this **policy**. **We** would advise **you** to obtain full details from **your** broker.
- c) The ‘**Legal Expenses**’ **Section** includes its own claim terms and conditions which take precedence in the event of any conflict.
- d) Additional terms may also be included in any endorsements to the **policy**, and **you** should check these carefully, as they may also be conditions precedent to **our** obligation to cover **you** under the **policy**.

1.9. Cancellation

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

1.9.1 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.

1.9.2 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; *and*
- 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**, **we** reserve the right to retain up a maximum amount of **forty pounds (£40)** from **your** premium 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.

1.10. Claims Procedure – All Sections Except Legal Expenses

- a) If an incident occurs that results, or may result, in a claim, please read the '**Duties in the event of a claim or potential claim**' Section to this **policy**.
We will be able to deal with **your** claim more effectively and quickly if **you** provide **your policy** number shown on **your schedule** when **you** first contact **us**.
- b) To report a **new claim** under this **policy**, please:
 - i) call **us** on **0800 328 9640**; or
 - ii) submit **your** claim by email to SMENewclaims@uk.qbe.com

1.11. Claims Procedure – Legal Expenses

- a) Please do not ask for help from a lawyer, accountant or anyone else before **ARAG** have agreed that the **person insured** should do so. If they do, **ARAG** will not pay the costs involved even if **ARAG** accept the claim.
- b) To report a **new claim** visit claims.araginsurance.co.uk - have **your ARAG** reference number ready – TS5/6109294. Alternatively, call **ARAG** on **0344 893 0859**, available 24 hours a day, 7 days a week. **ARAG** will ask the **person insured** about their claim.
- c) **ARAG** will assess the claim to check the claim is covered by the **policy**. If it is, **ARAG** will send it to a lawyer who specialises in the **person insured's** type of claim. The lawyer will assess the case and tell the **person insured** how likely it is they will win. If they are more likely than not to win, the lawyer will manage the case from start to finish.

Please note this is an overview of the claims process for guidance purposes only. Please visit claims.araginsurance.co.uk for more details on how to claim.

1.12. Privacy Notice

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

Alternatively **you** may contact **our** 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

2. HELPLINES SECTION

You can contact **ARAG's** UK-based call centre 24 hours a day, seven days a week during **the period of insurance**. 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 calls.

When phoning, please quote **your** policy number **TS5/61092964** and the name of the insurance provider who sold **you** the policy.

ARAG will not accept responsibility if the Helpline Services fail for reasons they cannot control. Please do not telephone to report a general insurance claim.

2.1. Legal advice service - Call 0344 893 0859

Advice can be provided on any commercial legal problem affecting **your 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 adviser. However, if this is not possible they will arrange to call **you** back at a time to suit **you**.

Advice on the laws of England and Wales can be provided 24 hours a day, 365 days a year. Beyond this jurisdiction, or for very specialist legal matters, **ARAG** will refer **you** to one of their specialist advisers.

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

2.2. Tax advice service - Call 0344 893 0859

Advice can be provided on any tax matters affecting the **business**, under the laws of the **United Kingdom**.

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

2.3. Counselling service - Call 0344 893 9012

ARAG will provide the **insured person** (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 (or aged between 16 and 18 and in full-time employment). This includes, 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.

2.4. Employment manual

The **ARAG** Employment Manual offers comprehensive, up to date guidance on rapidly

changing employment law. To view it, please visit www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/.

If **you**'d like notifications of when updates are made to the Employment Manual, please email **ARAG** at employmentmanual@arag.co.uk quoting **your** policy number **TS5/6109294**

2.5. **ARAG Businesslaw** www.aragbusinesslaw.co.uk

What is ARAG Businesslaw?

ARAG Businesslaw contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help **you** with the day-to-day running of **your business**, as well as helping **you** to manage its exposure to legal risk.

ARAG Businesslaw's document builders can help **you** quickly create documents such as:

- HR policies
- T&C documentation
- Privacy statements
- Copyright and trademark licences
- Data Protection policy
- Employee contracts
- Debt recovery letters.

In addition, **ARAG** Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow **your business**.

2.6. **How do I get started?**

1. Visit www.aragbusinesslaw.co.uk;
2. Enter **DASBQBE100** into the 'voucher code' text box and press Validate Voucher;
3. Fill out **your** name and email address, create a password, and specify what type of **business you** have;
4. Validate **your** email address by pressing the link in the confirmation email that **you** receive.

3. DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM SECTION

3.1. Our Rights

- a) **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.
- b) 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**.
- c) 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 a payment as otherwise stated.
- d) **We** may at any time pay the **limit of indemnity** or **sub-limit** (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 thereafter be under no further liability except (where payable under the relevant **Section**) for payment of **defence costs** incurred prior to the date of payment.
- e) **We** may at any time require **you** to reimburse **us** for payments made under the **Sections** that do not exceed the **excess**.
- f) **You** must reimburse **us** for any **defence costs** and paid damages, including claimant costs recoverable from **you** and incurred in connection with such insured event, where any settlement figure does not exceed the **excess**.

3.2. Claim Notification

3.2.1 All Sections except Legal Expenses

On the happening of any event which might reasonably be expected to give rise to a claim and which may be the subject of payment under this **policy you must**:

- a) give notice to **us** in writing or by an agreed electronic medium **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 **RIDDOR** incident involving any person; *or*

- iv) **your** actual knowledge of any **bodily 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;
- c) give **us** notice in writing within **seven (7) days** of **damage** caused by riot; *and*
- d) give immediate notice to the police authority of **damage** caused by theft or malicious persons, and take all practical steps to discover any guilty person or persons and recover the property lost.

Notice shall include the reasons for the anticipation of a claim, with full particulars as to the circumstances, dates and persons involved. Any subsequent claim arising out of such circumstances shall be deemed to have been made during the **period of insurance**.

3.2.2 Legal Expenses section

To report a claim under this **Section** please see the details specified in the '**Claims procedure**' Clause of the '**Policy Guide Section - How Your Policy Works**' **Section**.

3.3 Your Duties

For every claim **you** and every person acting on **your** behalf must:

- a) on the occurrence of any **incident**, accident, event, loss or **damage**, act with due diligence, undertake or permit to be undertaken all tasks reasonably practicable to minimise the loss;
- b) not admit responsibility, make an offer or promise, nor offer payment or indemnity without **our** written consent;
- c) not incur any expense without **our** consent, except at **your** own cost;
- d) provide **us** or **our** appointed agent with copies of any legal documents relating to an **occurrence** within **three (3) business days** of receipt;
- e) always act honestly;
- f) give all such information, assistance and forward all documents to enable **us** to investigate, settle or resist any claim as **we** may require;
- g) provide all evidence and information in respect of the claim as **we** may reasonably require together with (if **we** ask for it):
 - i. a statutory declaration of the truth of the claim and any matters connected with it; *and/or*
 - ii. authorisation to obtain relevant information held by third parties, including medical records;
- h) co-operate with **us** or **our** appointed agents to allow compliance with any relevant practice directions and pre-action protocols;
- i) not destroy evidence or supporting information or documentation without **our** prior written consent;
- j) not destroy any property that may give rise to a claim; *and*
- k) comply with any reporting obligations provided for under **data protection law**.

You will provide **us** with the information required by this condition at **your** own expense unless the expense is covered by the '**Professional accountants**' clause of the '**Business Interruption**' Section.

3.4 Subrogation

- a) Except where expressly provided otherwise elsewhere in the **policy**, **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**, claim, loss or suit that may give rise to a claim.
- b) **You** or any other party insured by the **policy** must, at **our** request and expense undertake such acts as may be required for the purpose of enforcing any rights and remedies, regardless of whether or not **we** have agreed to pay **you**.
- c) If **you** have any uninsured losses that are properly recoverable against a third party which **we** intend to pursue by way of a subrogated claim, **we** will, at **your** request, include **your** uninsured losses in the subrogated claim. **We** will have sole control over the conduct, strategy, management and settlement of the subrogated claim and **we** will fund all legal costs. **We** will pay **you** any recovery from the subrogation proceedings, less expenses incurred by **us** in such proceedings, in the proportion that the amount that:
 - i) any applicable **excess**; and
 - ii) any provable and recoverable uninsured loss;bears to the whole loss amount.

4 PROPERTY SECTION

4.1 Property – Main Cover

4.1.1 **We** will cover **you** for accidental **damage** to the **property insured** that is displayed in **your schedule** with a corresponding **sum insured**. **We** will use the '**Basis of Settlement**' conditions listed at CLAUSES 4.7.1 and 4.7.2 to calculate the amount **we** pay to **you** for a claim under this **Section**.

4.1.2 **We** will *only* cover **you** under this **Section** if:

- a) the **damage** occurs during the **period of insurance**; *and*
- b) unless otherwise agreed with **us**, the **property insured** is located at the **premises** within the **territorial limits**.

4.1.3 **Our** liability under this **section** will not exceed the **sum(s) insured** or any applicable **sub-limit**. Unless **we** expressly state otherwise, cover granted by extension Clauses to this **Section** do not increase **your sums** insured. Similarly, unless **we** expressly state otherwise, any **sub-limits** stated form part of, and are not additional to, **your sums insured**.

4.2 Rent Payable

4.2.1 Where a **building you** lease or rent is **damaged**, **we** will cover **you** for *either*:

- a) the **rent you** have paid or are due to pay for the remainder of **your** lease term. Alternatively, if occurring sooner, the **rent** paid or due up until the date the **buildings** are repaired to a condition fit for habitation; *or*
- b) the proportion of the rent paid or payable for the untenable or unusable part of the **building** that would otherwise be occupied by **you**.

4.2.2 However, **we** will *only* cover **you** under this clause if:

- a) **your schedule** has a **sum insured** entered against the 'Rent payable' section; *and*
- b) the **building you** lease or rent is untenable or unusable because of the **damage**; *and*
- c) the **building's** lease or rental agreement requires continuation of the rent to be paid.

4.2.3 **We** will **not** cover **you** under this clause if the **building** is of a type excluded in this **Section**.

4.3 Property Cover – Costs and Expenses

We will cover **you**, as part of the cost of **reinstatement**, for the following costs and expenses **you** incur as a consequence of **damage** insured under this **Section**:

4.3.1 Architects', surveyors', consulting engineers' and other fees

We will cover **you** for the reasonable and necessary fees of architects, surveyors, consulting engineers and other fees that **you** incur in order to **reinstatement** the **buildings** or the **machinery, plant and all other contents**.

4.3.2 Debris removal

We will cover **you** for the reasonable and necessary costs that **you** incur in:

- a) removing debris of the **buildings** or the **machinery, plant and all other contents** from the **damaged property** site and the adjacent area within **two hundred and fifty metres (250m)** of the perimeter of the **damaged property** site;
- b) cleaning or clearing the drains, the sewers and/or the gutters of the **damaged property** site, and the adjacent area within **two hundred and fifty meters (250m)** of the perimeter of the **damaged property** site;
- c) removing stock debris or extraneous materials from **buildings** or the **machinery, plant and all other contents**; *and*
- d) dismantling or demolishing, shoring up, or propping, or fencing of the **damaged property insured**.

4.3.3 Decontamination and/or decommissioning

- a) **We** will cover **you** for reasonable and necessary expenses **you** incur with **our** prior written consent for decontamination and/or decommissioning of **property insured**. **Our** written consent will not be unreasonably withheld. This cover applies regardless of whether or not the **property insured** to be decontaminated and/or decommissioned was **damaged**.
- b) **We** will **not** cover **you** for any costs and expenses:
 - i) incurred in removing debris; *or*
 - ii) arising from **pollution** or contamination not insured by this **Section**.
- c) The cover available under this Clause during the **period of insurance** is subject to a **sub-limit** of **£10,000**. This **sub-limit** applies to any one **occurrence** *and* in the aggregate.

4.3.4 Building Regulations – Costs of Compliance

- (a) **We** will cover **you** for the additional cost **you** incur for **reinstatement** of **buildings**, or **machinery, plant and all other contents** solely to comply with any applicable Building Regulations described in this Clause. Building Regulations includes those national or local government laws, rules or regulations that govern both the construction or alteration of buildings, and the design or specification of machinery or equipment. For the purposes of this Clause, Building Regulations are those laws, rules or regulations that **you** must comply with in the country where **you**, or **your** assets, are based.
- (b) The cover available under this clause is subject to the following restrictions:
 - i) **we** will reduce the amount **we** pay **you** under this clause for any such **buildings**, or **machinery, plant and all other contents** where **your policy** terms and conditions (including this clause) provide for a reduction; *and*
 - ii) the cover available under this clause for *undamaged* portions of **buildings** is subject to a **sub-limit**. **We** will pay **you** up to **fifteen percent (15%)** of the total amount **we** would have paid **you** under the '**Basis of Settlement**' conditions had the **buildings** suffering **damage** been destroyed. This **sub-limit** does not apply to foundations.
- (c) **We** will **not** cover **you** under this Clause:

- i) for any cost incurred, or which **you** were obliged to incur, before the **damage occurred**;
- ii) where **you** fail to mitigate losses or **you** unreasonably delay **reinstatement**; or
- iii) for undamaged items of **machinery, plant and all other contents**.

4.3.5 Fire extinguishment expenses and emergency services damage

We will cover **you** for:

- a) extinguishment expenses necessarily incurred by **you** in order to minimise **damage**;
- b) expenses **you** incur by recharging or repairing **damage** to any gas or sprinkler fire extinguishment system;
- c) fire brigade charges which **you** are legally obliged to pay;
- d) the reasonable and necessary costs **you** incur to restore **damage** to lawns, gardens, playing surfaces and landscaped areas, car parks, private roads and pathways at the **premises**, which are caused by emergency service vehicles attending to **damage** at **premises** for which **you** are covered by this **Section**; and
- e) subject to CLAUSE 4.3.5.F) below, the reasonable and necessary costs and expenses **you** incur to upgrade or improve any gas or sprinkler fire extinguishment rendered necessary to comply with any regulations introduced after the installation of the existing system. **We** will *only* pay **you** for these costs under CLAUSE 4.3.5(e) if:
 - i) they follow an **incident** involving **damage** for which **we** have accepted a claim under this **Section**; and
 - ii) the existing system installed prior to the **damage** complies with regulations in force at the time of installation.
- f) **We** will **not** cover **you** for:
 - i. upgrading or improving any gas or sprinkler fire extinguishment equipment, which is installed in a part of the **property insured** that has not sustained the **damage** for which **we** have accepted a claim under this **Section**; or
 - ii. undamaged portions of any existing gas or sprinkler fire extinguishment system if it is not required by any regulations.

4.3.6 Machinery re-erection

To the extent that the **property insured** includes machinery and plant, **we** will cover **you** for the costs of dismantling, re-erecting and resetting the machinery and plant as a direct result of **damage**, as insured by this **section**.

4.3.7 Loss mitigation costs

We will cover **you** for the reasonable and necessary costs **you** incur to:

- a) avoid or mitigate impending **damage** provided that:
 - i. the impending **damage** was not previously foreseeable and would have been the natural outcome if such costs were not incurred; and
 - ii. the costs incurred do not exceed the amount of cover that would have been available under this **policy** for the **damage** avoided.

- b) expedite permanent or temporary repairs to, or replacement of, **damaged property insured** following **accidental damage** covered by this **Section**. This is provided that these costs do not include the costs of permanent repair to, or replacement of, the **damaged property** and that they are not payable under any other provision of this **policy**.

4.3.8 Trace and access costs

- a) **We** will cover **you** for reasonable and necessary costs **you** incur, as well as resulting interruption of or interference with the **business**, in locating the source of any escape of water or fuel oil from any fixed water services or heating installation. This includes any subsequent repairs to **damage** unavoidably caused during the work taken to locate the source of the escape.
- b) **We** will **not** cover **you** for the cost of repairs to any fixed water services or heating installation, unless they would be covered under the **policy** in the absence of this extension.

The cover available under this Clause during the **period of insurance** is subject to a **sub-limit** of **£25,000**. This **sub-limit** applies to any one **occurrence** *and* in the aggregate.

4.4 Property Cover – Extensions

The cover available under this **Section** is extended to include the following coverages listed below. Unless **we** expressly state otherwise, the cover provided forms part of, and is not additional to, **your sums insured**.

4.4.1. New acquisitions

- a) **We** will cover **you** for **damage** of a kind not excluded by any other provision of this **policy** within the **territorial limits** to:
- i) any newly acquired property automatically upon acquisition (other than **stock and materials in trade, target stock** and **stock in open**); *and*
 - ii) any alterations, additions and improvements to **buildings**;
- during the **period of insurance**.
- b) **We** will *only* cover **you** under this clause provided that:
- i. **you** undertake to give **us** particulars of any newly acquired property at the expiry date of the **period of insurance** or, if that is more than **six (6) months** from the date of acquisition, at each **six (6) month** anniversary of the commencement of the **period of insurance**;
 - ii. **you** undertake to retrospectively insure the newly acquired **property** from the date of acquisition;
 - iii. **we** will be entitled to charge, and **you** will pay, an appropriate additional premium pro rata from the date of acquisition of the newly acquired **property**;

- iv. **we** may vary the terms of the **policy** in respect of such newly acquired **property**; *and*
 - v. in the event that **you** acquire property of a value that exceeds **£500,000**, then **you** will provide details to **us** in accordance with the '**Material changes during the policy period**' clause in the '**General Terms and Conditions**' **Section**.
- c) **We will not** cover **you** for any appreciation in value that may accrue to any **buildings** following any alterations, additions and improvements.

The cover available under this Clause is subject to a **sub-limit** of **£500,000**. This **sub-limit** applies to each **occurrence** *and* in the aggregate. This **sub-limited** amount is provided *in addition to* the **sum insured** for this **Section**.

4.4.2. **Deterioration of stock**

- a) **We** will cover **you** for **damage** by deterioration or putrefaction to **stock and materials in trade** whilst contained within refrigerating units or any other temperature-controlled environment caused by:
- i) change of temperature as a result of:
 - A. the breaking of the unit arising from mechanical or electrical defects;
 - B. non-operation of the thermostatic or automatic controlling devices forming part of the unit; *or*
 - C. accidental failure of the public electricity supply, where this is not occasioned by the deliberate act of any utility undertaking, *or*
 - ii) contamination caused by sudden and unforeseen leakage of refrigerant or refrigerant fumes from the unit.
- b) **We** will *only* cover **you** under this Clause if:
- i) the event giving rise to such deterioration, putrefaction or contamination occurs during the **period of insurance**;
 - ii) there is in force a planned maintenance programme; *and*
 - iii) the relevant refrigerating units or any temperature-controlled environment are less than **ten (10) years** old.
- c) **We** will **not** cover **you** under this Clause for:
- i) the failure of the electricity utility undertaking arising from **your** deliberate act, unless performed for the sole purpose of safeguarding life or protecting any part of the utility undertaking systems;
 - ii) the failure of the electricity utility undertaking arising from any scheme of rationing not necessitated solely by **damage** to the utility undertaking's generating or supply equipment;
 - iii) wear and tear, deterioration or gradually developing flaws or defects in the unit, or incorrect setting of thermostats and/or automatic controls;

- iv) the use of a refrigerating unit or temperature control systems over **ten (10) years** old unless specifically agreed by **us** in writing; *or*
 - v) the amount of the **excess** stated in the **schedule**.
- d) **We** will pay **you** up to the **sum insured** specified in the **schedule** for each **occurrence** of deterioration, putrefaction or contamination.

4.4.3. **Accidental discharge of gas flooding systems**

- a) **We** will cover **you** for the cost of recharging gas cylinders installed solely for the protection of the **property insured** following **accidental** discharge.
- b) **We** will **not** cover **you** for discharge arising:
 - i) during repairs or alterations to the building in which the cylinders are situated;
 - ii) during installation, repair, removal, alteration, extension or testing of all or part of the gas flooding system; *or*
 - iii) during the operation of the gas flooding system with the intention of preventing or extinguishing fire.

The cover available under this Clause is subject to a **sub-limit** of **£10,000**. This **sub-limit** applies to each **occurrence**.

4.4.4. **Exhibitions and trade fairs**

- a) **We** will cover **you** for **damage** to **property insured** while at exhibitions and trade fairs within the **United Kingdom**, the European Union, the European Economic Area and Switzerland. This includes **transit** directly to and from the exhibition or trade fair.
- b) **We** will **not** cover **you** for **damage**:
 - i) to **valuables**;
 - ii) from defective packing, faulty assembly or dismantling; *or*
 - iii) which, subject to CLAUSE 4.4.4(c) below, is caused by theft or attempted theft.
- c) **We** will also cover **you** for **damage** to **property insured** caused by theft or attempted theft from a building or a motor vehicle, but *only* if the theft or attempted theft meets the following conditions:
 - i) if the theft or attempted theft takes place from a building, the theft or attempted theft must involve entry to or exit from the building by violent and forcible means, or must arise from robbery or attempted robbery; *or*
 - ii) if the theft or attempted theft takes place from a motor vehicle belonging to or under **your** control, the vehicle must be:
 - A. occupied by **you** or **your employee**; *or*
 - B. if unattended, all doors, windows and other means of entry must be closed and locked, and all valuable items locked in secure compartments and hidden from view.

The cover available under this Clause is subject to a **sub-limit** of **£75,000**. This **sub-limit** applies to each **occurrence**.

4.4.5. **Glass, glass surrounds and washroom facilities**

We will cover **you** for reasonable expenses for which **you** are legally responsible and unable to recover from any other party, and which **you** incur with **our** prior consent (such consent not to be unreasonably withheld), for the cost of:

- a) boarding up where necessary before the replacement of **damaged** glass;
- b) the replacement or **reinstatement** of frames or glass supports which arises from the **damage**;
- c) the **reinstatement** of intruder alarm protection equipment if the **damage** includes breakage of the glass to which it is fixed;
- d) the contents of display windows and cabinets if the **damage** includes breakage of such display windows and cabinets;
- e) if not insured elsewhere, replacement or repair to lettering or other ornamental work; *and*
- f) the removal or replacement of fixtures and fittings in order to replace the glass as a result of the breakage.

The cover available under this Clause is subject to a **sub-limit** of **£50,000**. This **sub-limit** applies to each **occurrence**.

4.4.6. **Lock replacement**

We will cover **you** for the reasonable and necessary costs **you** incur to replace external locks or safe room locks at the **premises** in consequence of **damage** to the keys occurring at the **premises**, or at the home of **your** principals, directors or partners, or in consequence of a hold-up.

The cover available under this clause is subject to a **sub-limit** of **£10,000**. This **sub-limit** applies to each **occurrence**.

4.4.7. **Metered water or gas**

We will cover **you** for any charges for which **you** are legally responsible and unable to recover from any other party, in respect of loss of metered water or gas, provided that:

- a) the loss of water or gas is due to **damage** at the **premises** which is covered under this **Section**;
- b) the lost water or gas is measured by the utility meter;
- c) the **building** to which this extension applies remains occupied and in use; *and*
- d) the amount that **we** will pay **you** in respect of any one **occurrence** is limited to such excess water or gas charges incurred in consequence of **damage**.

The cover available under this Clause is subject to a **sub-limit** of **£25,000**. This **sub-limit** applies to each **occurrence**.

4.4.8. Temporary removal

We will cover **you** for **damage** which would otherwise have been covered under this insured **Section** to:

- a) **Machinery, plant and all other contents** while temporarily removed from the **premises** for storage, cleaning, renovation, repair or similar purpose; *and*
- b) **stock and materials in trade** or **target stock** while temporarily removed from the **premises** to any warehouse or depot. However, **we** will **not** cover **you** under CLAUSE 4.4.8.b) for:
 - i) temporary removal outside the **territorial limits**;
 - ii) motor vehicles and motor chassis licensed for normal road use;
 - iii) **damage** caused by or arising during **transit**;
 - iv) **damage** by theft or attempted theft of the **property insured** unless involving entry to or exit from a building by violent and forcible means or by robbery or attempted robbery; *or*
 - v) **damage** recoverable under any other insurance or in any other way.

The cover available under this Clause is subject to a **sub-limit** of **£50,000**. This **sub-limit** applies to each **occurrence**.

4.4.9. Theft damage to uninsured structures

We will cover **you** for **damage** caused by theft from fixed permanent lockable structures at the **premises** for which **you** are responsible but which are not insured by the **policy** unless the structure in question is **unoccupied**. **We** will *only* cover **you** under this clause if **you** are not able to recover the costs of the **damage** under any other policy or from any other source.

The cover available under this clause is subject to a **sub-limit** of **£50,000**. This **sub-limit** applies to each **occurrence**.

4.4.10. Valuables

We will cover **you** for **damage** to **valuables**. The cover available under this Clause is subject to a **sub-limit** of **£5,000**. This **sub-limit** applies to each **occurrence**.

4.5 Property Cover - Exclusions

In addition to the limitations and exclusions in the '**Property related exclusions**' and '**General exclusions**' **Sections**, the following exclusions listed below apply to this **Section**:

4.5.1. Excluded property

- a) **We** will **not** cover **you** for **damage** to the following **property** unless specified to the contrary in the **schedule**:
 - i) livestock, bloodstock, fishstock, growing crops or trees;
 - ii) watercraft or aircraft or any other aerial devices including **unmanned aerial vehicles**;
 - iii) railway locomotives or rolling stock or their accessories;

- iv) motor vehicles or their contents, accessories, caravans or trailers except for such vehicles that are not licensed for road use;
- v) **money**, bullion, foreign coins, counterfeit or substitute **money**;
- vi) land, piers, jetties, bridges, culverts or excavations;
- vii) property in the course of erection or installation;
- viii) **property** in **transit** except as specifically covered in the '**Exhibitions and Trade Fairs**' extension;
- ix) explosives;
- x) **valuables**, except as specifically covered under the '**Valuables**' extension to the '**Property**' Section;
- xi) telephone, gas, water and electricity meters, piping, ducting, trunking, cables, wires and associated control gear, instruments and accessories and the like, other than:
 - A. the lesser of either:
 - 1) those that partly or wholly serves to supply the **premises** but only to the point the terminal connection at the public mains;
or
 - 2) those within **fifty (50) metres** of the perimeter of the **premises**,
 for which **you** are responsible.
- b) **damage** to moveable property in the open, gates or fences, unless the **damage** is caused by fire, lightning, aircraft, explosion, **earthquake**, riot, civil commotion, or impact and the property is designed and capable of being kept in the open.

4.5.2. **Indirect loss**

We will **not** cover **you** for any form of financial loss, interruption or interference that results from **damage**, unless **your policy** expressly states it is insured.

4.5.3. **Property insured elsewhere**

We will **not** cover **you** for **damage** to any **property insured**, or costs and expenses in respect of such **damage**, which is otherwise more specifically insured under any other insurance policy. This exclusion applies irrespective of whether or not a claim has been made under such other insurance policy.

4.5.4. **Unprotected property**

Unless **we** expressly agree otherwise in writing, **we** will **not** cover **you** for **damage** by fire or theft after **you** receive written notification from:

- a) the maintenance contractors that maintenance of **your** fire or intruder alarm is suspended; *or*
- b) the relevant police authority that alarm signals from the **premises** will no longer be answered, where such **premises** is fitted with an approved intruder alarm equipped with a unique reference number.

4.6 Property Cover – Conditions Precedent

PLEASE NOTE - Your compliance with the following requirements is a **condition precedent** to **our** liability in respect of a claim under this **Section**. However, the duties imposed apply only to those areas of the **premises** that operate under **your** direct control.

Subject to the above, if **we** are **not** satisfied that a **condition precedent** has been complied with in each and every respect, **we** will **not** cover **you** for any claim under this **Section** that might potentially have been avoided or reduced by compliance. However, **we** will cover **you** if **you** can establish that non-compliance could not have increased the risk of the **damage** that actually occurred in the circumstances in which it occurred.

We will *only* cover **you** under this **policy** if **you** comply with the following **Conditions Precedent**:

4.6.1 Minimum standards of security – CONDITIONS PRECEDENT

- a) **You must** ensure that within **thirty (30) days** of the beginning of the **period of insurance** stated in the **schedule**, (or, if this insurance is a renewal of a previous QBE policy, immediately from the renewal date):
 - i) the minimum standards of security detailed below; *or*
 - ii) alternative methods of securing the **premises** agreed in writing by **us**,are put into full and effective operation when the **premises** are closed for **business**, or left unattended.
- b) The minimum standards of security are:
 - i) All hinged final exit doors must be secured as follows:
 - A. **Timber doors** – by a mortice deadlock certified as meeting **BS3621** and where the frame, (or if a double door, the receiving door) has a boxed striking plate.
 - B. **Aluminium or UPVC framed doors** – by a cylinder operated mortice deadlock. For double doors, the first closing section must have integral or surface mounted bolts which shoot into the frame at the top and the floor at the bottom of the door. The final closing section must have a cylinder operated mortice deadlock.
 - C. **Double leaf doors** – by the first closing leaf having a multi-point security device operated by a central handle secured by a cylinder lock or, fitted at the top and bottom of the leaf, flush or barrel bolts. The final closing leaf to be secured either:
 - I) as A.) or B.) above; *or*
 - II) each leaf to be fastened to the other by means of a centrally positioned hardened steel padlock bar secured by a closed shackle padlock.
 - ii) All other hinged external doors and internal doors leading to areas of the **premises** not occupied by **you**, common areas, or to other premises, must be secured by:
 - A. The means set out in SUB-CLAUSE 4.6.1.b) above; *or*

- B. Secured internally by lockable bolts or key operated mortice rack bolts fitted at the top and bottom of the door.
- iii) Any cellar trap door must be secured by means of a centrally positioned internal steel padlock bar secured by a padlock.
- iv) All opening basement and ground floor windows or opening upper storey windows that can be reached by a person standing on adjacent or adjoining lower storey roofs or other structural features, must be secured by a window lock or lockable fastening device, or are screwed permanently shut from the inside, or are protected by solid steel bars, weld mesh or expanded metal grilles securely fixed to brickwork surrounding the window.
- v) Opening roof lights must be secured using a proprietary fastening device.
- vi) Roller shutters:
 - A. for electrically operated roller shutters **you** must fit a key operated isolation switch to the electricity supply to the controls. Where this is not fitted then one of the measures for manually operated roller shutters must be installed;
 - B. For manually operated roller shutters **you** must:
 - I) Fit key operated pinson or bullet locks;
 - II) Secure the chain of the door to the wall bracket by a good quality open shackle padlock; *or*
 - III) Fit a bolt to the shutter door internally with the bolt engaging into the door runner and padlocked into position using a padlock conforming to **BS EN 12320 Security Grade 4**; *and*
- vii) All keys must be removed to a secure place.

Any door or window designated as a fire exit by any person who is legally responsible for fire safety at the **premises** under current fire legislation is excluded from these requirements. However, any such doors or windows must be secured by a proprietary emergency escape mechanism.

4.6.2 **Fire and security systems – CONDITIONS PRECEDENT**

You *must* ensure that:

- a) all intruder prevention/detection or security systems or appliances, CCTV and remote monitoring equipment, fire extinguishers, smoke or heat detectors, fire alarm systems and sprinkler systems installed at the **premises** are:
 - i) installed in accordance with the manufacturer's or installer's specification;
 - ii) not altered, varied or affected without **our** prior written consent;
 - iii) in full working order at all times; *and*
 - iv) regularly serviced under an annual maintenance contract entered into with the manufacturer, installer or an independent security or fire protection specialist;
- b) the fire alarm is tested at least weekly;
- c) the intruder alarm, CCTV and remote monitoring equipment are set whenever the protected portion of the **premises** is closed for **business** or **unoccupied**;

- d) the sprinkler system and its water supplies are inspected and tested weekly, to ascertain they are in working order and that control valves are in the fully open position;
- e) the fire extinguishers are visually inspected regularly to ensure that they are in position, have not been discharged or tampered with, and any defect is remedied promptly;
- f) all reasonable steps are taken to ensure that the sprinkler system is protected from frost insofar as **your** responsibility extends to maintaining the installation;
- g) **we** are notified as soon as reasonably practicable (and in any event within **thirty (30) days**) of any defects or lapses in the protection devices and systems detailed in this condition, and such defects are remedied promptly;
- h) **you** do not vary or terminate any third-party monitoring or response services (including by the Police) for **your** fire or intruder alarm or CCTV or any security guard attendance notified to **us** prior to inception or renewal of this **policy**, or which **we** have required **you** to put in place, without **our** prior written approval; *and*
- i) available keyholders are notified to all appropriate monitoring or response services.

Cover under this **policy** will not be invalidated by any defect in these devices and systems due to circumstances beyond **your** control. However, this only applies to defects arising after the systems have been properly set, all servicing and maintenance required by this condition have been successfully carried out and no outstanding defects have been left unremedied.

4.6.3 Use of Frying Range – CONDITIONS PRECEDENT

You must ensure that the undernoted precautions are complied with where deep fat frying ranges are used at the **premises**:

- a) an extraction system is fitted to all frying ranges;
- b) frying ranges are fitted with an oil sump which is emptied at least once every **seven (7) days**;
- c) hoods, ducting or flues have not been installed within **eighty millimetres (80mm)** of any combustible material including combustible partitions, ceilings and doors, unless suitably protected by fire resistant substances or materials;
- d) all frying ranges are equipped with thermostats designed to prevent the temperature of fat and or oils rising above **two hundred and five degrees centigrade (205°C)**, or the supplier's maximum recommended temperature if this is less than **two hundred and five degrees centigrade (205°C)**;
- e) the cooking range, extraction (including ducting) and electrical equipment is cleaned and serviced regularly at least once a year, either under a maintenance or service agreement, or by **you** or member of **your** staff;
- f) a record is kept of all maintenance and servicing work undertaken by **you** or a member of **your** staff and such record shall be stored away from the **premises**;
- g) all readily accessible equipment is thoroughly cleaned at least once every **seven (7) days**;
- h) all fats and/or oils or other frying substances not needed for cooking that day are stored in an area separate from the cooking/frying ranges; *and*
- i) metal receptacles with metal lids are used to store waste and batter scraps prior to disposal and are removed from the **premises** at the end of each frying session.

4.6.4. Waste – CONDITIONS PRECEDENT

You must ensure that waste and any other trade refuse will be:

- a) kept in closed metal receptacles outside working hours; *and/or*
- b) swept up daily and removed from the **premises** and not allowed to accumulate around the **premises**.

4.6.5. Battery Charging at the Premises outside Business Hours – CONDITIONS PRECEDENT

The following terms apply wherever **you** charge plant and/or machinery batteries at the **premises** outside of **business** hours. **We** will *only* cover **you** for **damage** insured under this **Section** resulting from a fire or explosion that originates from a battery being charged, or any related charging equipment, if **you** comply with the following precautions:

- a) The charging area must be well ventilated to allow dispersal of any hydrogen fumes;
- b) The battery chargers must only be positioned on a non-combustible floor surface, or wall mounted on a non-combustible structure;
- c) Charging cables must be elevated off the floor at all times;
- d) A distance of at least **one (1) metre** must be maintained horizontally between any combustible materials in the battery charging area, including combustible elements of the buildings, and the forklift trucks or other battery powered plant and machinery or their charging units;
- e) No combustible materials shall be located above battery chargers and battery chargers shall not be located in storage racks; *and*
- f) All battery chargers, electrical cables, clips and associated equipment must be maintained in good condition and are inspected at least once per week by a competent person, with any damage rectified as soon as reasonably practicable and prior to any further use of the item or equipment.

4.7. Other Terms and Conditions applicable to this section

4.7.1. Basis of claim settlement

In the event of **damage** to **property insured** under this **Section**, **we** will calculate the amount **we** are liable to pay **you** as follows:

- a) On **stock and materials in trade** and **target stock** that is unsold: the cost of production including raw materials and the labour expended to restore the stock to the position that as closely as possible existed prior to the **damage**;
- b) On raw materials, supplies and other merchandise not manufactured by **you**:
 - i) if repaired or replaced, the actual expenditure incurred in repairing or replacing the **damaged** or destroyed **property**; *or*
 - ii) if not repaired or replaced, the **actual value**.
- c) On plans, deeds, briefs, manuscripts, books, documents office records: the value of the materials used plus the cost of copying information from back-up or from

- originals of a previous generation. These costs will **not** include research, engineering or any costs of restoring or recreating lost information.
- d) On gold, silver, jewellery, precious stones, works of art, rare books, sculptures, curios and collections where insured by this **policy**, the *lesser* of:
- i) the reasonable and necessary cost to repair or restore such **property** to the physical condition that existed on the date of loss;
 - ii) the cost to replace the article; *or*
 - iii) the value, if any, stated in the **schedule** pertaining to the specific article.
- e) 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**. This includes the cost of reproducing any **electronic data** contained thereon, providing such medium is repaired, replaced or restored. This cost of reproduction shall include all reasonable and necessary amounts incurred by **you** 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.
- f) 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;
- g) On **employees'**, directors' or visitors' **property**, the cost of repair or replacing the item(s) as new, whichever is the lesser;
- h) On motor vehicles or motor chassis the **actual value**;
- i) On **buildings** awaiting demolition, the costs of removing debris which **you** incur solely as a result of the **damage**; *and*
- j) On all other **property insured**:
- i) where the **property insured** is destroyed, the rebuilding of the **property** if a building, or, in the case of other **property**, its replacement by similar **property**, in either case in a condition equal to, but not better or more extensive, than its condition when new; *or*
 - ii) where the **property insured** is **damaged**, the repair of the **damage** and the restoration of the **damaged** portion of the **property** to a condition substantially the same as, but not better or more extensive, than its condition when new.

4.7.2. **Basis of claim settlement conditions**

- a) If **you** elect and **we** agree not to repair or reinstate any **property insured**, then the amount **we** are liable to pay **you** 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 become 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. **We** will not in any case be bound to pay in respect of any item of the **property insured** more than the **sum insured** or **sub-limit** thereon.

- d) The work of **reinstatement** must be commenced and carried out within a reasonable period time. **We** will **not** cover those additional costs caused by delays in effecting repairs.
- e) The **buildings** may be reinstated in any manner suitable to **your** requirements and upon another site if **you** so require, provided that it does not increase the amount **we** are liable to pay **you**.

4.7.3. Day one (1) basis – Non-adjustable

- a) For each item of **property insured** that has a **declared value** shown in the **schedule**, **we** agree to calculate the premium based upon the **declared value**. This is provided that, at the 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 in the absence of these conditions, the **sum(s) insured** will be deemed to be the total of the **declared value(s)**.

4.7.4. 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, subject to the **policy** limits, **we** would pay **100%** of the valid claim.

b) **Day one (1) basis average**

Where **property insured** is specified as insured on a **day one (1)** basis then if at the time of loss the **declared value** of the **property insured** is less than the cost of **reinstatement** that would have been incurred at inception of the **period of insurance** if the **property insured** had been completely destroyed, then the amount

we pay **you** for any loss hereby insured will be limited to that proportion thereof which the **declared value** bears to the cost of **reinstatement**.

c) **Standard underinsurance condition**

For **stock and materials in trade, target stock, stock in open**, documents, **electronic data**, motor vehicles and chassis or any **property insured** that has the actual value applied, if at the commencement of any **damage**, the value of **property insured** is collectively of greater value than the **sum insured**, then **you** will be considered as being **your** own insurer for the difference and will bear a rateable proportion of the loss accordingly.

4.7.5. **Claim discharge**

Your receipt, or the receipt by **your** personal representatives of the final adjusted claim settlement, will discharge **our** liability for the claim.

4.7.6. **Contract price**

In respect of goods sold, but not delivered, for which **you** are responsible under a contract of sale, if the contract of sale is cancelled wholly or in part by reason of the **damage**, the amount **we** will pay to **you** will be based on the contract price of the goods. The '**Underinsurance**' Clause does not apply to this Clause.

4.7.7. **Contracting purchaser**

A purchaser of any **building** that is insured under this **Section** where the sale completes after **damage** has been caused (but who was contracted to purchase the **building** before the **damage** occurred) will benefit from the cover available under this **Section** to the extent that the **building** is not otherwise insured by the purchaser, and without prejudice to any rights and liabilities of **you** or **us**.

4.7.8. **Designation**

For the purpose of determining where necessary the heading under which any property is insured, **we** will accept the reasonable designation under which such property has been entered in **your** books/accounts.

4.7.9. **Index linking**

We will adjust the **declared values** and **sums insured** in line with suitable indices of costs at each renewal. The renewal premium for this **Section** will be based on the adjusted **declared values** and **sums insured**.

4.7.10. **Involuntary betterment**

Where **property insured** is **damaged** and requires replacement, and similar property is not obtainable, **we** agree:

- a) to provide, without deduction for betterment, replacement with property as similar as possible and capable of performing the same function; *and*
- b) to provide and install any necessary technologically current equipment excluding **computer systems** due to incompatibility between the replacement equipment and the undamaged existing equipment at the same location.

We will **not** cover **you** for more than the amount necessary to enable **you** to resume operations in substantially the same manner as before the **damage**.

4.7.11. Other parties

We note the interest of such other parties, including lessors, mortgagees, banks and hire purchase companies in this **policy** but only to the extent of their financial interest in the **property insured**.

In the event of any claim:

- a) **you** must immediately (and in any event within **two (2) working days** of notifying **us** of a claim) declare to **us** the names of such interested parties; *and*
- b) **we** will consult with such declared interested parties as regards the manner and method of any payment to protect the direct financial interests of such parties.

4.7.12. Automatic reinstatement of sum insured

In the event of a loss, **we** will not reduce the **sum insured** by the amount of that loss provided that **you**:

- 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**; *and*
- 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**.

4.7.13 Single occurrence – specified perils

- a) All claims for losses **caused by** the following perils happening within **seventy-two (72) consecutive hours** will be deemed to be a single **occurrence**, even where the losses do not share the same original cause:
 - i) **earthquake, flood, or storm**; *and*
 - ii) riot, civil commotion, malicious damage and vandalism but only within the limits of **one (1)** borough, city, town or village.
- b) Where losses caused by these perils happen over a period of greater duration than the above **seventy-two (72) hour periods**, **you** may decide to divide those losses into **two (2) or more occurrences** provided that:
 - i) no **two (2)** periods overlap; *and*
 - ii) the losses have separate original causes and so would not otherwise be aggregated as a single **occurrence** under this **policy**.

Any consecutive **seventy-two (72) hour period** which extends beyond the expiry or cancellation date will be considered to fall entirely within the **period of insurance**.

4.7.14 VAT clause – United Kingdom only

In respect of **property insured** in the **United Kingdom**, the cover under 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:

- a) **your** liability for such tax arose solely as a result of the **reinstatement** and/or repair of the **property insured** following the **damage**;
- b) **we** have paid and/or have agreed to pay for such **damage**;
- c) if any payment made by **us** in respect of the **reinstatement** and/or repair of such **damage** should 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;

- d) **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**;
- e) where an option to reinstate on another site is exercised, **we** will **not** pay **you** more than the amount of tax that would have been payable had the **premises** been rebuilt on its original site;
- f) **we** will **not** pay **you** for amounts payable by **you** as penalties and/or interest for non-payment and/or late payment of tax; *and*
- g) in respect of those items to which this Clause applies, any terms to the contrary elsewhere in this **policy** are over-ridden as follows:
 - i) for the purposes of the '**Basis of settlement**' conditions and the '**Rent Payable**' Clause:
 - A. **reinstatement** costs and **rent** shall be exclusive of **VAT**; *and*
 - B. the amount **we** pay **you** may only 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**.

4.7.15 **Workmen**

You may employ workmen to carry out alterations, repair, decoration, plant installation, general maintenance and the like at the **premises** as required without prejudice to this insurance.

5. ALL RISKS – SPECIFIED BUSINESS EQUIPMENT SECTION

5.1 All Risks - Specified Business Equipment Coverage – Main Cover

We will cover you for **accidental damage**:

- a) occurring during the **period of insurance**;
- b) to the **property insured**:
 - i) that is specified under the 'All Risks – Specified Business Equipment' **Section** in the **schedule**;
 - ii) located within the territorial limits listed on the schedule; *and*
 - iii) when it is away from the **premises** only,
- c) provided that the cause of the **damage** is not excluded by the '**Property Related Exclusions**' **Section**, the '**Exclusions applicable to this section**' detailed below or the '**General Exclusions**' **Section**.

5.2 Exclusions Applicable To This Section

In addition to the limitations and exclusions in the '**Property Related Exclusions**' and '**General Exclusions**' **Sections**, we will **not** cover you for the following:

5.2.1 Property insured elsewhere

any property otherwise insured, including by the **Property Section** of this **policy**.

5.2.2 Unattended vehicle

Theft from an **unattended vehicle** unless:

- a) such vehicle has all doors, windows and other means of entry closed and locked with all keys removed to a place of safety;
- b) any **property insured** is secured in a locked boot or a locked glove box within the vehicle; *and*
- c) the theft or attempt thereat involves forcible and violent entry into the area or motor vehicle.

5.3 Conditions applicable to this section

5.3.1 Basis of claims settlement

Claims will be settled on the following basis:

- a) where the **property insured** is lost, stolen or destroyed, its replacement by similar property, in either case in a condition equal to, but not better or more extensive, than its condition when new;
- b) where the **property insured** is **damaged**, the repair of the **damage** and the restoration of the **damaged** portion of the **property** to a condition substantially the same as, but not better or more extensive, than its condition when new.

The option to repair or replace such **damaged property insured** shall be at **our** sole discretion.

5.3.2 **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.

5.3.3 **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**.

5.3.4 **Automatic reinstatement of sum insured**

In the event of a loss, **we** will not reduce the **sum insured** by the amount of that loss provided that **you**:

- 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**; *and*
- 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**.

6 COMPUTER BREAKDOWN SECTION

6.1 Computer Breakdown – Main Cover

We will cover **you** for **damage** to **computer equipment** occurring during the **period of insurance** and within the **territorial limits**, where it is caused by the following perils:

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

provided that such **damage** occurs during the **period of insurance** within the **territorial limits** and that **our** liability under this **Section** will not exceed the **sum insured(s)** or any applicable **sub-limit**.

6.2 Computer Breakdown – Extensions to Cover

We will cover **you** for the costs and expenses listed below where these are incurred following **damage** covered under this **Section's** main coverage Clause. This is provided that the amount **we** pay **you** will not exceed the applicable **sub-limit**. Unless expressly stated to the contrary, the **sub-limits** form part of and are not additional to the **sums insured**.

6.2.1 Increased cost of working

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**; *and/or*
- b) recompile or restore **data** or software or replace third party proprietary software in direct consequence of loss as covered by this **section**.

We will **not** cover **you** for losses incurred after the expiry of the applicable **maximum indemnity period** displayed in the **schedule**.

The cover available under this Clause is limited to the **sum-insured** amount displayed in **your schedule**. This limit applies to each **occurrence** *and* in the aggregate.

6.2.2 Incompatibility of computer records

the costs of:

- a) modification of the **computer equipment**; *or*
- b) replacement of **electronic data** 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 **electronic data** being incompatible with the replacement **computer equipment**;

The cover available under this Clause is subject to a **sub-limit** of **£10,000**. This **sub-limit** applies to each **occurrence**.

6.2.3 **Additional increased cost of working**

- a) the additional expenditure necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** covered by this **Section** for:
- i) preventing or minimising a reduction in **turnover**, **gross fees**, **gross revenue** or **rent receivable**; *and/or*
 - ii) resuming or maintaining normal **business** operations. This is provided that the amount **we** pay **you** must be over and above the amount recoverable under the increased cost of working terms included within the **Insurable gross profit**, **Gross fees** and **Gross revenue** Clauses.
- b) **We will not** pay **you** under this Clause for any amount which is the subject of a claim under the '**Additional increased cost of working**' Clause in the '**Business Interruption Section**' of this **policy**.

The cover available under this Clause is limited to the **sum insured** amount displayed in **your schedule**. This limit applies to each **occurrence** *and* in the aggregate.

6.2.4 **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**.

The cover available under this **section** is subject to a **sub-limit** of **£10,000**. This **sub-limit** applies to each **occurrence** *and* in the aggregate.

6.2.5 **Data reinstatement**

the additional expenditure necessarily and reasonably incurred in consequence of the **damage** covered by this **Section** in **reinstatement** of erased, corrupted or distorted software contained or **data** stored on fixed disks or **electronic data**.

The cover available under this Clause is limited to the **sum insured** amount displayed in **your schedule**. This limit applies to each **occurrence** *and* in the aggregate.

6.2.6 **Loss of income**

- a) loss as a result of interruption of or interference with the **business** following **damage** to the **computer equipment** or **electronic data** covered by this **Section**. **We** will pay **you** the amount by which the **income** during the **indemnity period** falls short of the **income** during the equivalent period immediately before the **damage**.
- b) **We will not** pay **you** for losses incurred after the expiry of the **maximum indemnity period** displayed in the **schedule**.

The cover available under this Clause is also subject to a **sub-limit**, which is displayed in the **schedule**. This **sub-limit** applies to each **occurrence** *and* in the aggregate.

6.3 Computer Breakdown – Exclusions to Cover

In addition to the limitations and exclusions in the **'Property Related Exclusions'** and **'General Exclusions' Sections**, we will **not** cover **you** under this **Section** for any loss arising from:

6.3.1 Damage to computer equipment:

- 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) which is insured under the **'Property' Section**, or would be insured but for the application of any **excess**, or other self-insured amount or **sub-limit**;
- 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; *or*
- k) caused by programming errors or design defects in software.

6.3.2 delay, loss of use, loss of market, loss of profit, income or revenue or any other form of indirect or consequential loss, except as specifically included within the extensions application to this **section**;

6.3.3 the **excess** shown in the **schedule**;

6.3.4 directly or indirectly caused by, contributed to by, or arising out of or in connection with internet outage or disruption or any other loss which falls within the **'Cyber Risks'** exclusions, regardless of any other cause or event contributing concurrently or in any other sequence thereto; *or*

6.3.5 directly or indirectly caused by, contributed to by, or arising out of or in connection with any cause, which originates outside the **computer equipment**, other than the failure or fluctuation of the electricity supply.

6.4 Other terms and conditions applicable to this section

6.4.1 Basis of settlement

- a) If the **computer equipment** covered by this **Section** is **damaged, we** will cover **you** for:
- 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** cover **you** for 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) The work of **reinstatement** must be commenced and carried out within a reasonable period time. **We** will **not** cover those additional costs caused by delays in effecting repairs.

6.4.2 Condition of average

- a) If at the time of **reinstatement**, the sum representing **eighty five per cent (85%)** of the cost that would have been incurred in **reinstatement** if the whole of the item had been destroyed, exceeds the **sum insured** thereon at the commencement of any **damage** to such property by any other cause hereby insured against, then **you** will be considered as being **your** own insurer for the difference between the **sum insured** and the sum representing the cost of **reinstatement** of the whole of the property and will bear a rateable proportion of the loss accordingly.
- b) If the **property insured** is not reinstated in accordance with the '**Basis of settlement**' Clause; then 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.

6.4.3 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**.

7 BUSINESS INTERRUPTION SECTION

Our liability under this **section** will not exceed the **sum(s) insured** or any applicable **sub-limit**. Unless **we** expressly state otherwise, cover granted by extension clauses to this **section** will not increase **your sums insured**. Similarly, unless **we** expressly state otherwise, any **sub-limits** stated form part of, and are not additional to, **your sums insured**.

7.1 Business Interruption Cover – Main Covers

We will cover **you** in accordance with the terms of this **section** for each item below shown as the 'Cover basis' in the **schedule**, for loss caused by the interruption of or interference with the **business** that results directly from **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*
- b) **you** have made a claim under a **policy** referred to in CLAUSE 7.1.1.a) above and the relevant insurer has agreed to pay **you** for the **damage**.
- c) If the cover referred to in CLAUSE 7.1.1.a) above that **you** arranged is not adequate to fund the prompt replacement, repair or **reinstatement** of the **damaged** property, **we** will **not** cover **you** for any increase in **your** loss that this causes.

7.1.1 Insurable Gross Profit

The amount **we** pay **you** under this **Section** for **insurable gross profit** will be calculated as follows:

- a) in respect of reduction in turnover:
the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** will, in consequence of the **incident**, fall short of the **standard turnover**; *and/or*
- 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 **turnover** that would otherwise have occurred during the **indemnity period** in consequence of the **incident**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of reduction thereby avoided.
- c) However, in relation to both a) and b):
 - i) any sum saved during the **indemnity period** in respect of charges and expenses of the **business** payable out of **insurable gross profit** which cease or are reduced in consequence of the **incident** will be deducted; *and*
 - ii) if the **sum insured** in respect of **insurable gross profit** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months), **you** are underinsured and the amount **we** are liable to pay **you** may be proportionately reduced.
- d) If any **specified working expenses** of the **business** deducted in arriving at the **insurable gross profit** are not insured under this **Section**, then in computing the amount recoverable as increased cost of working, the amount of additional

expenditure that will be taken into account will be reduced by the proportion that the **insurable gross profit** bears to the sum of the **insurable gross profit** and the **specified working expenses**.

7.1.2 Gross fees

The amount **we** pay **you** under this **Section** for **gross fees** will be calculated as follows:

- 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 **incident**, fall short of the **standard gross fees**; *and/or*
- 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 **incident**, but not exceeding the amount of the reduction thereby avoided;
- c) However, in relation to both a) and b):
 - i) any sum saved during the **indemnity period** in respect of the charges and expenses of the **business** payable out of **gross fees** which cease or are reduced in consequence of the **incident** will be deducted; *and*
 - ii) 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 the amount **we** are liable to pay **you** may be proportionately reduced.

7.1.3 Gross Revenue

The amount **we** pay **you** under this **Section** for **gross revenue** will be calculated as follows:

- 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 **incident**, fall short of the **standard gross revenue**; *and/or*
- 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 **incident**, but not exceeding the amount of the reduction thereby avoided;
- c) However, in relation to both a) and b):
 - i) any sum saved during the **indemnity period** in respect of the charges and expenses of the **business** payable out of **gross revenue** which cease or are reduced in consequence of the **incident** will be deducted; *and*
 - ii) 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 the amount **we** are liable to pay **you** may be proportionately reduced.

7.1.4 Increased cost of working

- a) **We** will cover **you** for 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 **incident**. However, **we** will not pay **you** more than the amount of reduction **you** reasonably should have anticipated at the time the expenditure was incurred.

- b) **We** will **not** cover **you** for:
- i) expenditure incurred in repairing or replacing any item of property that could have been insured under the '**Property**' Section of this **policy** but which **you** chose not to insure; *or*
 - ii) any shortfall in the amounts recoverable under the '**Property**' Section of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

7.1.5 **Rent receivable**

The cover available for **rent receivable** is limited to loss of **rent receivable** and additional expenditure. The amount **we** pay **you** under this Section for **rent receivable** will be calculated as follows:

- a) in respect of loss of **rent receivable**:
the amount by which, in consequence of the **damage**, the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable**; *and/or*
- b) in respect of additional expenditure:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **rent receivable** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of the reduction in **rent receivable** thereby avoided;
- c) However, in relation to both a) and b):
 - i) any sum saved during the **indemnity period** in respect of the expenses and charges payable out of **rent receivable** which cease or are reduced in consequence of the [**damage/incident**] will be deducted;
 - ii) if the **sum insured** in respect of **rent receivable** is less than the **annual rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds **twelve (12) months**), **you** are underinsured and the amount **we** are liable to pay **you** may be proportionately reduced.

Where at the time of **damage** there is a valid lease or license, **we** will only cover **you** to the extent that the **damage** gives rise to a contractual right for the tenant to reduce or cease payment of rent.

This cover will **not** be available under any of the extensions within the '**Business Interruption**' Section.

7.1.6 **Book debts**

- a) **We** will cover **you** for loss of income resulting from **your** inability to trace or establish **outstanding debit balances**, which is caused by **damage** during the **period of insurance** to the records of accounts receivable used by **you** at the **premises** for the purpose of the **business**. This is provided that:
 - i) if at the time of any **damage** the **sum insured** for **outstanding debit balances** is less than the actual balances, the amount **we** pay **you** will be proportionately reduced;

- ii) all paper records and books of accounts containing **customers'** accounts are kept in a fire resistant cabinet or safe when not in use; *and*
 - iii) all electronic records are backed up at least weekly to disks which are stored off site or to a cloud-based computer service.
- b) In addition, **we** will pay expenses incurred with **our** consent in tracing and establishing **customers'** debit balances after the **damage**.
 - c) After **we** have paid **you** for a claim under this Clause, all amounts **you** recover on accounts receivable for which **we** have paid **you** for **outstanding debit balances** will belong to and be paid immediately to **us**.
 - d) **We** will **not** cover **you** for loss which falls within the '**Cyber risks**' exclusion.

7.2 Costs and expenses

We will cover **you** for the following costs and expenses that are incurred following **damage** to **property** used by **you** at the **premises** within the **territorial limits**:

7.2.1. Professional Accountants

We will cover **you** for the reasonable and necessary charges payable by **you** to professional accountants for producing:

- a) such particulars or details contained in **your** books/records that are not readily available to **you** or that **you** do not routinely produce; *and*
- b) any other evidence as may be required by **us** that is not readily available to **you** or that **you** do not routinely produce,

for the purpose of investigating or evidencing any claim made under this **Section**, provided that at the time of loss such professional accountants are regularly acting as such for **you**.

7.3 Business Interruption – Extensions

The cover available under **Section** 7.1 is extended to include the following additional coverages listed below. **We** will also cover **you** for:

7.3.1 Additional increased cost of working

- a) the additional expenditure necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** for:
 - i) preventing or minimising a reduction in **turnover, gross fees, gross revenue or rent receivable**; *and/or*
 - ii) resuming or maintaining normal business operations.
- b) This is provided that the amount **we** pay **you** shall be:
 - i) over and above the amount recoverable under the increased cost of working sub-clauses included within the '**Insurable gross profit**', '**Gross fees**' and '**Gross revenue**' Clauses; *and*
 - ii) in addition to the **sums insured**, but shall not exceed the **sum-insured** on additional increased cost of working stated in the **schedule**.
- c) **We** will only indemnify **you** under this extension if the extension is shown as 'INCLUDED' in the **schedule**.

- d) **We will not cover you** under this Clause for:
 - i) expenditure incurred in repairing or replacing any item of property that could have been insured under the **'Property' Section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the **'Property' Section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**; *or*
 - ii) any amount which is the subject of a claim under the **'Additional increased cost of working'** Clause in the **'Computer Breakdown' Section** of this **policy**.

7.3.2 **Contract sites and transit**

the loss resulting from the interruption of or interference with the **business** caused by **damage** as insured by this **policy** to **property insured** 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**.

The cover available under this Clause is subject to a **sub-limit**: whichever is the greater of **£100,000** or **up to ten (10%) percent** of the **sum insured** by this **Section**. This **sub-limit** applies to any **occurrence** *and* in the aggregate.

7.3.3 **Customers and suppliers premises**

- a) the loss resulting from interruption of or interference with the **business** as insured by this **Section** resulting from **damage** to **property** (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your** direct **customers** and direct suppliers.
- b) **We will not cover you** under this Clause for loss resulting from:
 - i) **damage** to the premises and/or transmission and distribution lines, pipes, cables and masts of **your** electricity, gas, water or telecommunications services providers; *or*
 - ii) **damage** to premises of **customers** and unspecified suppliers outside the **United Kingdom**.

The cover available under this Clause is subject to a **sub-limit**: whichever is the greater of **£250,000** or up to **fifteen (15%) percent** of the **sum insured** by this **Section**. This **sub-limit** applies to any **occurrence** *and* in the aggregate.

7.3.4 **Denial of access (damage)**

- a) Loss resulting from interruption of or interference with the **business** as insured by this **Section**, which is directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) entirely within and not extending beyond **one (1) mile** of the perimeter of the **premises**, which physically prevents or hinders access to or the use of the **premises**.
- b) **We will not cover you** for loss:
 - i) occurring during any period other than the actual period of prevention or hinderance of physical access to or the use of the **premises**; *or*
 - ii) directly or indirectly caused by, contributed to by or arising out of or in connection with **damage** to property beyond **one (1) mile** of the **premises**.

The cover available under this Clause is subject to a **maximum indemnity period** of **three (3) months**.

7.3.5 Exhibitions

loss resulting from interruption of or interference with the **business** in consequence of **damage** by any cause covered under the '**Property**' Section to **property** used by **you** whilst at any exhibition anywhere within the European Economic Area.

The cover available under this Clause is subject to a **sub-limit** of **£50,000**. This **sub-limit** applies to any **occurrence** *and* in the aggregate.

7.3.6 Loss of attraction

a) Loss resulting from interruption of or interference with the **business** as insured by this Section in consequence of diminution of attraction to the **premises**, which is caused directly and solely by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) occurring entirely within and not extending beyond **one (1) mile** of the perimeter of those **premises**.

a) **We will not** cover **you** for loss:

- i) relating to any of **your premises** not within **one (1) mile** of the **damage**; or
- ii) directly or indirectly caused by, contributed to by, or arising out of or in connection with **damage** to property beyond **one (1) mile** of the **premises**.

The cover available under this Clause during the **period of insurance** is subject to a **maximum indemnity period** of **three (3) months**.

The cover is also subject to a **sub-limit** of **£100,000**. This limit applies to each **occurrence** *and* in the aggregate.

7.3.7 Lottery winners increased costs

a) the additional costs specified in:

- i) recruitment;
- ii) overtime costs; *and*
- 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.

b) **We will only** cover **you** under this Clause if the **employee** or group of **employees** resign within **fourteen (14) days** from the date of the successful lottery win.

The cover available under this Clause during the **period of insurance** is subject to a **maximum indemnity period** of **three (3) months**, which runs from the date of the successful win.

The cover is also subject to a **sub-limit** of **£100,000**. This limit applies to each **occurrence** *and* in the aggregate.

7.3.8 Miscellaneous storage locations

Loss resulting from interruption of or interference with the **business** as insured by this **Section** caused directly and solely by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at premises not owned or occupied by **you** but used by **you** for storage.

However, **we** will **not** cover **you** under this extension for interruption of or interference cause by **damage** at:

- a) storage locations outside the **United Kingdom**; *or*
- b) the premises of **your customers** and suppliers.

7.3.9 Property stored

loss resulting from interruption of or interference with the **business** in consequence of **damage** by any cause not excluded under the '**Property**' **Section** whilst stored anywhere in the **territorial limits** other than at premises in **your** occupation.

The cover available under this Clause during the **period of insurance** is subject to a **maximum indemnity period of three (3) months**, which runs from the date of **damage**.

The cover is also subject to a **sub-limit** of **£10,000**. This limit applies to each **occurrence**.

7.3.10 Patterns

loss resulting from interruption of, or interference with, the **business** in consequence of **damage** by any cause not excluded under the '**Property**' **Section** to patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, which are **your property** or held by **you** in trust or on commission for which **you** are responsible, whilst at the premises of any machine makers, engineers, founders or other metal workers, other than at premises in **your** occupation.

The cover available under this clause during the **period of insurance** is subject to a **maximum indemnity period of three (3) months**, which runs from the date of **damage**.

The cover is also subject to a **sub-limit** of **£50,000**. This limit applies to each **occurrence** and in the aggregate.

7.3.11 Failure of public supply

- a) Loss resulting from interruption of or interference with the **business** as insured by this **Section**, caused directly and solely by failure at the **premises** of:
 - i) the supply of electricity at the terminal ends of the utility service feeders;
 - ii) the supply of gas at the supply utility meters;
 - iii) the supply of water at the supply utility main stopcock; *or*
 - iv) the supply of telecommunication services at the incoming line terminal or receivers.
- b) **We** will **not** cover **you** under this extension for interruption or interference with the **business**:
 - i) caused by internet outage or disruption or any other loss which falls within the '**Cyber risks**' exclusion;
 - ii) resulting from the deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services;

- iii) resulting from strikes or any labour or trade dispute;
- iv) resulting from actions taken in pursuit of political, religious, ideological or similar purposes, including in relation to climate or environmental concerns, 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, regardless of whether this loss also falls within the **'Terrorism'** exclusion;
- v) resulting from drought;
- vi) resulting from any other atmospheric or weather conditions, but not excluding accidental failure due to **damage** to supply utility equipment caused by such conditions;
- vii) caused by **damage** to electricity, gas, water or telecommunications transmission lines or pipes for which **you** are responsible; *or*
- viii) caused by **damage** to, or failure of, any satellite.

The cover available under this clause during the **period of insurance** is subject to a **maximum indemnity period** of three (3) months, which runs from the date of **damage**.

The cover is also subject to a **sub-limit**: whichever is the greater of **£250,000** or up to **fifteen (15%) percent** of the **sum insured** by this **Section**. This **sub-limit** applies to any **occurrence** and in the aggregate.

7.3.12 **Research and development**

the reasonable and necessary costs incurred to reinstate the research and development programme of the **business**, which is interrupted directly and solely as a result of **damage** to property at the **premises**, to the state the programme was at immediately prior to the **damage**.

The cover available under this clause during the **period of insurance** is subject to a **sub-limit** of **£25,000**. This limit applies to each **occurrence**.

7.3.13 **Specified disease, murder or suicide, food or drink poisoning**

- a) Loss resulting from interruption of or interference with the **business** as insured by this **Section** caused by **your** inability to use the **premises** because they have been physically closed or sealed off in whole or part on the order of a competent public authority directly and solely in consequence of any of the following events:
 - i) an incidence of a **specified disease**:
 - A. entirely at, and not extending beyond, the **premises**; or
 - B. attributable to food or drink supplied from the **premises**;
 - ii) the discovery of any organism entirely at and not outside the **premises** likely to result in an incidence of a **specified disease**;
 - iii) the discovery of vermin or pests entirely at and not outside the **premises**;
 - iv) an accident causing defects in the drains or other sanitary arrangements entirely at and not outside the **premises**; *or*
 - v) an incidence of murder, manslaughter or suicide entirely at and not outside the **premises**.
- b) **We will only** cover **you** for loss arising at those **premises** which are directly subject to an event in CLAUSE 7.3.13.a).i) to v) above.
- c) **We will not** cover **you** under this extension for:

- i) any costs incurred to clean-up, detoxify, remove, monitor, test, repair, replace, recall or check the **premises** or any property at the **premises**; or
- ii) loss resulting from closure of the **premises** imposed on the order of a public authority, caused directly or indirectly by an incidence at the **premises** of any disease that is or subsequently becomes:
 - A. declared or treated as an epidemic, pandemic, or Public Health Emergency of International Concern by the **World Health Organisation** or any organisation undertaking substantially the same function; or
 - B. identified as a major health incident in the **United Kingdom**, for which a **Scientific Advisory Group for Emergencies (SAGE)** or equivalent body or public authority has been activated by the **Cabinet Office Briefing Rooms (COBR)** or other successor bodies.

Once any disease has been so declared, treated or identified in accordance with CLAUSE 7.1.13.c)ii).A. or B., then, for the purposes of this **policy**, it will be deemed that the disease was so declared, treated or identified at the commencement of its outbreak within the **territorial limits**. We will **not** cover **you** under this extension in respect of any period before or after this date of commencement.

This extension will be subject to a **maximum indemnity period** of **three (3) months**.

The cover available under this Clause during the **period of insurance** is also subject to the following **sub-limits**: **£10,000** for each **occurrence** and **£50,000** in the aggregate.

Specified disease means any of the following:

- a) Acute encephalitis;
- b) Acute meningitis;
- c) Acute poliomyelitis;
- d) Acute infectious hepatitis;
- e) Anthrax;
- f) Botulism;
- g) Brucellosis;
- h) Bubonic plague;
- i) Cholera;
- j) Diphtheria;
- k) Enteric fever (typhoid or paratyphoid fever);
- l) Food poisoning;
- m) Haemolytic uraemic syndrome (HUS);
- n) Infectious bloody diarrhoea;
- o) Invasive group A streptococcal disease and scarlet fever;
- p) Legionnaires' Disease;
- q) Leprosy;
- r) Malaria;
- s) Measles;
- t) Meningococcal septicaemia;
- u) Mumps;
- v) Rabies;
- w) Rubella;
- x) Smallpox;

- y) Tetanus;
- z) Tuberculosis;
- aa) Typhus;
- bb) Viral haemorrhagic fever (VHF);
- cc) Whooping cough;
- dd) Yellow fever.

7.4 Business Interruption – Exclusions

In addition to the limitations and exclusions in the **‘Property related exclusions’** and **‘General exclusions’ Sections**, we will **not** cover you for:

7.4.1 Excluded property

interruption of or interference with **your business** caused by or resulting from **damage** to, or in connection with:

- a) the following property, unless **we** expressly state the contrary in the **schedule**:
 - i) livestock, bloodstock, fishstock, growing crops or trees;
 - ii) watercraft or aircraft or any other aerial devices including **unmanned aerial vehicles**;
 - iii) railway locomotives or rolling stock or their accessories;
 - iv) motor vehicles or their contents, accessories, caravans or trailers except for such vehicles that are not licensed for road use;
 - v) **money**, bullion, foreign coins, counterfeit or substitute **money**;
 - vi) land, piers, jetties, bridges, culverts or excavations;
 - vii) property in the course of erection or installation;
 - viii) **property** in **transit** except as specifically covered in the **‘Exhibitions’** extension;
 - ix) explosives;
 - x) **valuables** except as specifically covered under the **‘Valuables’** extension to the **‘Property’ Section**;
 - xi) telephone, gas, water and electricity meters, piping, ducting, trunking, cables, wires and associated control gear, instruments and accessories and the like, other than:
 - A. the lesser of either:
 - 1) those that partly or wholly serves to supply the **premises** but only to the point the terminal connection at the public mains;
or
 - 2) those within **fifty (50) metres** of the perimeter of the **premises**,
 for which **you** are responsible; *or*
 - B. as provided under the **‘Failure of public supply’** extension;
- b) **damage** to moveable property in the open, gates or fences, unless the **damage** is caused by fire, lightning, aircraft, explosion, **earthquake**, riot, civil commotion, or impact and the property is designed and capable of being kept in the open.

7.4.2 Other loss recoverable

any loss where payment has been made in respect of insured costs or expenses under any other **Section** of this **policy** or another contract of insurance.

7.4.3 Off premises damage

any loss caused by:

- a) acts of any civil, government or military authority caused by or following:
 - i) conflagration;
 - ii) **storm**;
 - iii) **earthquake**;
 - iv) explosion;
 - v) impact by aircraft or other ariel or spatial device;
 - vi) **flood**;
 - vii) actual or suspected presence of any radioactive or toxic material (including "dirty bombs"); *or*
 - viii) suspect packages;
- b) **damage** to:
 - i) any **property** in the vicinity of **your premises** or **property insured**;
 - ii) the **property** of **your** electricity, gas, water or telecommunications supplier;
 - iii) the **property** of any party in **your** supply chain;
 - iv) the **property** of any party in **your** distribution chain; *or*
 - v) any location not owned or occupied by **you** but where **property insured** is stored; other than to the extent provided in the various extensions contained in this **Section** or as may be added by endorsement.

7.5 Other terms and conditions applicable to this section

7.5.1 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**.

7.5.2 Accumulated stock

In adjusting any loss, **we** will consider and make an equitable allowance if any reduction in **turnover** due to the **damage** is postponed up to a maximum of **twelve (12) months** beyond the end of the **maximum indemnity period** by reason of the **turnover** being temporarily maintained from accumulated stocks of finished goods, including for the cost of recreating or replacing stock thereby used.

7.5.3 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**. However, 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), the amount **we** pay **you** under this Clause will be reduced pro rata accordingly.

7.5.4 Payments on account

Where **we** have confirmed that the **policy** provides cover under the '**Business Interruption Section**' then if **you** so request, **we** will make reasonable payments to **you** monthly on account during the **indemnity period**, provided always that if the total adjusted loss under this Clause differs from the total of the payments made under this Clause, then **you** or **we** agree to pay or return the difference accordingly.

7.5.5 Reinstatement of sum insured following loss

In consideration of this insurance not being reduced by the amount of any loss under this **Section**, **you** will pay such additional premium to **us** as **we** may require.

7.5.6 Salvage sale

If following **damage** giving rise to a claim under this **Section**, **you** hold a salvage sale during the **indemnity period**, the 'reduction in **turnover**' item of the '**Insurable Gross Profit**' CLAUSE will for the purpose of such claim read as follows:

'In respect of reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the sale) in consequence of the **damage** falls short of the **standard turnover** from which will be deducted the **insurable gross profit** actually earned during the period of the salvage sale.

7.5.7 Underinsurance

Our liability for each item of **business** interruption insurance described in this **Section** is, where 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 **insurable gross profit, gross fees, gross revenue** or **rent receivable** 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 profit, gross fees, gross revenue** or **rent receivable** (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 pay **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 **insurable gross profit, gross fees, gross revenue** or **rent receivable** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance**.

For example, say the **sum insured** for **insurable gross profit** is **£500,000**. However, **we** calculate the **insurable gross profit** 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 **insurable gross profit** 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 **insurable gross profit**. **We** would therefore only pay **56%** of the valid claim for **Business Interruption**.

7.6. Business Interruption - Conditions Precedent

PLEASE NOTE - **Your** compliance with the following requirements is a **condition precedent** to **our** liability in respect of a claim under this **Section**. However, the duties imposed apply only to those areas of the **premises** that operate under **your** direct control.

Subject to the above, if **we** are **not** satisfied that a **condition precedent** has been complied with in each and every respect, **we** will **not** cover **you** for any claim under this **Section** that might potentially have been avoided or reduced by compliance. However, **we** will cover **you** if **you** can establish that noncompliance could not have increased the risk of the **damage** that actually occurred in the circumstances in which it occurred.

We will *only* cover **you** under this **policy** if **you** comply with the following **Conditions Precedent**:

7.6.1 **Waste – CONDITIONS PRECEDENT**

You *must* ensure that waste and any other trade refuse will be:

- a) kept in closed metal receptacles outside working hours; *and/or*
- b) swept up daily and removed from the **premises** and not allowed to accumulate around the **premises**.

7.6.2 **Plant Battery Charging at the Premises outside Business Hours – CONDITIONS PRECEDENT**

The following terms apply wherever **you** charge plant and/or machinery batteries at the **premises** outside business hours. **We** will *only* cover **you** for Business Interruption loss resulting from a fire or explosion that originates from a battery being charged, or any related charging equipment, if **you** comply with the following:

- g) The charging area must be well ventilated to allow dispersal of any hydrogen fumes;
- h) The battery chargers must only be positioned on a non-combustible floor surface, or wall mounted on a non-combustible structure;
- i) Charging cables must be elevated off the floor at all times;
- j) A distance of at least **one (1) metre** must be maintained horizontally between any combustible materials in the battery charging area, including combustible elements of the buildings, and the forklift trucks or other battery powered plant and machinery or their charging units;
- k) No combustible materials shall be located above battery chargers and battery chargers shall not be located in storage racks; *and*
- l) All battery chargers, electrical cables, clips and associated equipment must be maintained in good condition and are inspected at least once per week by a competent person, with any damage rectified as soon as reasonably practicable and prior to any further use of the item or equipment.

8 TERRORISM SECTION

8.1 Terrorism coverage

8.1.1. Where this **Section** is shown in the **schedule** as “operative”, subject to the application of any applicable **excess**, **we** will cover **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**:

- a) occurs in the **territory** during the **period of insurance**; *and*
- b) 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 8.2.1(b)(iii) and 8.2.1(c) where the burden of proof will be upon **us**.

8.2 Limitations and exclusions applicable to this section

The exclusions contained within the ‘**General Exclusions**’ **Section** do not apply to this **Section**. Instead, the following are specifically excluded from the insurance under this **Section**:

8.2.1 **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:
 - A. any of the **specified losses**; *or*
 - B. the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of **property** and any additional costs or charges reasonably and necessarily paid by **you** to avoid or diminish such loss; *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*

iii) that damage or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data** because of the occurrence of one of more specified perils,

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**.

8.2.2 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.

8.3 Other terrorism terms and conditions

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

8.3.2 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.

8.3.3 Restricted terms

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

- a) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**; *or*
- b) coverage in respect of **premises** in locations outside England and Wales and Scotland,

will not apply to losses covered under this **Section**.

9. MONEY SECTION

9.1 Money – Main cover

9.1.1 Money Damage

We will cover **you** for the value of the **damaged money** provided that:

- a) the **damage** occurs within the **territorial limits**; *and*
- b) the **damage** occurs during the **period of insurance**.

The cover available under this Clause in any one **period of insurance** is limited to the **sum insured** amount displayed in **your schedule** for each category of **damage**. This limit applies to each **occurrence**.

9.1.2 Assault

If an **insured person** is **assaulted**, we will pay to **you** the applicable benefit below for the **assault** provided that:

- a) the **assault** occurs within the **territorial limits**;
- b) the **assault** occurs during the **period of insurance**;
- c) the **injury** was sustained within **twelve (12) months** of the date of the **assault**; *and*
- d) we will **not** pay **you** more than the amount stated below for each category of **injury** to the **insured person**:

Item	Injury	Benefit Amount
1	Death	£25,000
2	Total loss or permanent and total loss of use of one or more limbs occurring within two (2) years of sustaining the injury	£20,000
3	Total and irrecoverable loss of all sight in one or both eyes occurring within two (2) years of sustaining the injury	£20,000
4	For any period up to a maximum of two (2) years of total disablement from engaging in usual occupation	£150 per week
5	For any period up to a maximum of two (2) years of partial disablement from engaging in usual occupation	£50 per week

- e) benefits will not be payable under more than one of the items in the compensation table for the same **injury**; *and*
- f) the amount of benefit we pay **you** under item 4 in the benefit table will **not** exceed **eighty per cent (80%)** of the **insured person's** normal gross weekly remuneration.

9.2 Costs and expenses

We will cover **you** for the following costs and expenses that may be reasonably incurred following **damage**:

9.2.1. Clothing or personal effects

the cost incurred by the **insured person** to repair or replace with like kind and quality any clothing or personal effects where these items sustain damage directly **caused by** an **assault**. This amount will be paid directly to the **insured person**.

9.2.2. **Damage to safes**

the reasonable costs **you** incur **up to a maximum of £5,000** in repairing or replacing any safe, strongroom, bag, case or waistcoat used for the carriage of **money** or franking machine that is **damaged** during the theft or attempted theft of **money**.

9.2.3. **Dental costs**

dental costs for **you** or **your employees** as a direct result of **assault**, up to a limit of **£500** in respect of any one person. This amount will be paid directly to the **insured person** upon production of receipt(s) from a BDS approved dentist.

9.3 **Money - Limitations And Exclusions**

In addition to the limitations and exclusions in the '**Property related exclusions**' and '**General exclusions**' Sections applicable to this Section, we will **not** cover **you** or the **insured person** for:

9.3.1. **Indirect Loss**

loss or **damage** other than the **damage** expressly and specifically insured under this Section.

9.3.2. **Dishonesty**

loss or **damage** which is in any way caused or facilitated by, or in collusion with **you**, any of **your** directors or partners or **employees**. However, this exclusion does *not* apply where the dishonesty is reported to **us** within **fourteen (14) days** of the loss or **damage**.

9.3.3. **Unattended vehicles**

loss or **damage** to **money** contained in any **unattended vehicle**.

9.3.4. **Errors**

loss or **damage** to **money** occasioned by errors or omissions.

9.3.5. **Non-specific loss or damage**

loss or **damage** to **money** except as specifically stated as being insured in this section or the **schedule**.

9.3.6. **Security carrier**

loss or **damage** to **money** recoverable from a specialist security carrier.

9.3.7. **Security system withdrawal**

loss or **damage** to **money** on the **premises** subsequent to **you** receiving written notification from:

- a) the maintenance contractors of the security systems that the maintenance is suspended; *or*
- b) the relevant police service that alarm signals from the **premises** will no longer be answered where such **premises** is fitted with an approved intruder alarm equipped with a Unique Reference Number.

9.4 **CONDITIONS PRECEDENT APPLICABLE TO THIS SECTION**

PLEASE NOTE - **Your** compliance with the following requirements is a **condition precedent** to **our** liability in respect of a claim under this **section**. However, the duties imposed apply only to those areas

of the **premises** that operate under **your** direct control.

Subject to the above, if **we** are **not** satisfied that a **condition precedent** has been complied with in each and every respect, **we** will **not** cover **you** for any claim under this **section** that might potentially have been avoided or reduced by compliance. However, **we** will cover **you** if **you** can establish that noncompliance could not have increased the risk of the **damage** that actually occurred in the circumstances in which it occurred.

We will *only* cover **you** under this **policy** if **you** comply with the following **Conditions Precedent**:

9.4.1. **Carryings – CONDITIONS PRECEDENT**

Where the value of **negotiable money** in **transit** as described in the **schedule** exceeds **£3,000** **you** *must*:

- a) arrange for the **negotiable money** to be accompanied by *at least two (2) able bodied adults; and*
- b) ensure that no single person carries more than **£3,000**.

9.4.2. **Protections - CONDITIONS PRECEDENT**

You *must* ensure that:

- a) Any alarm system that is installed for the protection of the **premises** is:
 - i) installed in accordance with the manufacturer's specification;
 - ii) not altered, varied or affected by any structural alteration to the **premises** without **our** prior written consent;
 - iii) in full and efficient working order at all times;
 - iv) regularly serviced either under the manufacturer's maintenance contract or an National Security Inspectorate or Loss Prevention Certification Board approved contractor and in accordance with the manufacturer's specifications and any other maintenance requirements **we** may specify; *and*
 - v) tested and fully set whenever the alarmed portion of the **premises** is closed for **business** or not attended by **you** or any competent adult authorised by **you** to be responsible for the security of the **premises**;
- b) **we** are notified as soon as reasonably practicable:
 - i) upon discovery of any defects that arise in the alarm system, that such defects are remedied as soon as is practicable and that **we** are advised in writing once the alarm system is fully operational; *and/or*
 - ii) of any withdrawal, disconnection or failure of or downgrading of any civil authority response to the alarm system likely to leave any area unprotected;
- c) details of all available keyholders are notified to all appropriate services and such details are maintained and updated as necessary; *and*
- d) any safe containing money is securely locked and all keys or combination numbers to that safe are kept in a secure place away from the building or portion of the building containing the safe.

The cover under this **section** will not be invalidated by any defect in these devices and systems due to circumstances beyond **your** control. However, this only applies to defects

arising after the systems have been properly set, all servicing and maintenance required by this condition have been successfully carried out and no outstanding defects have been left unremedied.

10. FIDELITY GUARANTEE SECTION

10.1 Fidelity Guarantee Definitions

Notwithstanding the defined terms contained in the 'General Definitions' Section, the following definitions apply only to this section. These definitions replace any equivalent definition contained in the 'General Definitions' Section.

10.1.1 Discovery Period

means a period of **six (6) months** that begins after whichever of the following is terminated first:

- a) the **policy**;
- b) the insurance in respect of an **employee** specified by name or position; or
- c) the employment of any **employee**.

10.1.2 Loss

means direct financial loss sustained by **you**. **Loss** shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing or other **employee** benefits paid or payable by **you** or other **employee** benefit earned in the normal course of employment.

10.1.3 Superseded Insurance

means a policy of fidelity insurance arranged by **you**, which provided cover for losses insured by this **Section**, and which was in force immediately prior to the inception of this **policy**.

10.1.4 Tangible Securities

means all negotiable or non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security representing either **money** or **property**.

10.1.5 Theft

means any act of fraud, deliberately dishonest taking or obtaining of the property, money, tangible securities or goods belonging to **you**, or for which **you** are legally responsible, by any **employee** normally resident within the **territorial limits**. For the purposes of this definition, the **theft** must be committed with the intention of depriving **you** of such property, money, tangible securities or goods, and of obtaining an improper financial gain for themselves, or for any other person or organisation intended by the **employee** to receive such gain.

10.2 Fidelity Guarantee – Main Cover

We will cover **you** in accordance with the terms of this **Section** in respect of **loss** which arises directly from **theft** occurring during the **period of insurance**. This is provided that such **theft** is discovered within the **discovery period**.

10.3 Fidelity Guarantee - Additional Costs and Expenses

We will cover **you** for the following costs and expenses that may be incurred following a **loss** under this **Section**:

10.3.1 Auditors' fees

Auditors' fees incurred with **our** written consent solely to substantiate the amount of a **loss**, provided that **we** have agreed to pay **you** for the **loss** under this **Section**.

10.3.2 Cost of re-writing software

The reasonable cost incurred by **you** in re-writing or amending **electronic data** where such re-writing or amending is necessary to revise security controls following the use of **computer equipment** for **theft**, which is the subject of a **loss** that **we** have agreed to pay **you** for under this **Section**.

10.4 Fidelity Guarantee - Extensions

10.4.1 Previous insurance

We will cover **you** for any **loss** arising directly from **theft**, which is discovered during the **period of insurance** for this **policy** but committed during the period of insurance of a **superseded insurance** policy. **We** will *only* cover **you** under this Clause if:

- a) the **loss** is not recoverable under the **superseded insurance** solely because the period allowed for discovery has expired;
- b) the **superseded insurance** had been continuously in force from the time of the **loss** until inception of this **policy**; *and*
- c) the **loss** would have been insured by this **policy** had it been in force at the time of the **loss**.

10.4.2 For the purposes of the cover available under this Clause, **we** will pay **you** up to whichever is the lesser of the:

- i) amount recoverable under the **superseded insurance** at the time of the **loss**; *or*
- ii) **limit of indemnity** for this **Section** which would have applied to the **loss**.

10.4.3 **Our** total liability in respect of any one **loss** continuing through both the term of the **superseded insurance** and the continuation of this **policy** shall not exceed the applicable **limit of indemnity** for this **Section**.

10.5 Fidelity Guarantee - Limitations and Exclusions

In addition to the limitations and exclusions in the '**Property Related Exclusions**' and '**General exclusions**' **Sections**, **we** will **not** cover **you** for any **loss**:

10.5.1 Continued use of an employee

where **you** continue to entrust an **employee** with **money** or **goods** after discovering any circumstance that casts any material doubts on the integrity of the said **employee**.

10.5.2 Employees of legacy companies

caused by the acts of any **employee** of any firm or firms with whom **you** merge or whom **you** acquire during the **period of insurance**, unless **we** have agreed to provide such cover in writing and **you** have paid any additional premium **we** require.

10.5.3 Theft

- a) Where **you** discover any act of theft by an **employee**, **we** will **not** cover **you** for any other acts of **theft** by that **employee**;
- b) Where it is lawful to do so, **we** will reduce the amount **we** pay **you** under this Clause for any loss by the amount of money:
 - i) belonging to the **employee** that is in **your** possession at the time the **loss** is discovered; *and*
 - ii) that would have been due to the **employee** had they had not committed the **theft**.
- c) Any further monies which are recovered, net of any related recovery costs incurred, shall accrue in the following order:
 - i) to **you**: where **your loss** has exceeded the **limit of indemnity**, in order to reduce or extinguish the amount of **your** loss (but not the **excess**); then
 - ii) to **us**: in order to reduce or extinguish the amount of **our** loss, to the extent of the amount **we** have paid or agreed to pay **you** under this Clause; and then finally
 - iii) to **you**: in order to reduce or extinguish the amount of **your** loss in respect of the **excess** amount.

10.6 CONDITIONS PRECEDENT APPLICABLE TO THIS SECTION

PLEASE NOTE - You must operate or bring into force the minimum standards listed below. **You** must not make any change to them unless **you** have advised **us** and obtained **our** written approval to do so. **Your** compliance with the following requirements is a **condition precedent** to **our** liability in respect of a claim under this **Section**.

If **we** are *not* satisfied that a **condition precedent** has been complied with in each and every respect, **we** will **not** cover **you** for any claim under this **Section** that might potentially have been avoided or reduced by compliance. However, **we** will cover **you** if **you** can establish that non-compliance could not have increased the risk of the **damage** that actually occurred in the circumstances in which it occurred.

We will *only* cover **you** under this **policy** if **you** comply with the following **Conditions Precedent**:

10.6.1 Auditors

- a) **Your** accounts including those of **your subsidiary companies** must be examined by external auditors every **twelve (12) months**; *and*
- b) All recommendations or alternative/additional actions acceptable to the auditors shall be implemented without delay.

10.6.2 Cash and petty cash

Cash in hand and petty cash must be checked independently of **employees** responsible at least monthly and without warning every **six (6) months**.

10.6.3 Cash receipts

Employees receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day unless **we** otherwise agree.

10.6.4 **Payroll**

At least quarterly and independently of persons responsible for the payroll, the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.

10.6.5 **References**

- a) no **employee** shall be given responsibility for **money, goods**, accounts, computer operations or computer programming unless **you** have first obtained satisfactory references to confirm their honesty or have otherwise satisfied the requirements of this Clause;
- b) such references shall be obtained directly from former employers for the **three (3) years** immediately preceding engagement and before the **employee** is entrusted without supervision;
- c) references need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least **one (1) year** in another capacity before being entrusted with the duties referred to above;
- d) in respect of **employees** joining directly from school or government sponsored youth training schemes, one character reference shall be obtained;
- e) a written record of any verbal reference shall be made at the time it is obtained; *and*
- f) the original copy of each written reference and the record of any verbal reference shall be retained by **you** and made available for inspection by **us** on request.

11. GOODS IN TRANSIT SECTION

11.1 Goods in Transit – Main Cover

11.1.1 We will cover **you** for **damage** to **goods** in **transit** to destinations anywhere in or between the **United Kingdom** and **Eire**, whilst being carried by vehicles operated by **you**, hauliers, rail or post, provided that **damage** occurs during the **period of insurance**.

11.1.2 We will use the '**Basis of settlement**' conditions listed at **CLAUSE 11.5.2** to calculate the amount **we** pay to **you** for a claim under this **Section**.

11.1.3 The cover available under this **Section** in any one **period of insurance** is limited to the **sum insured** amount displayed in **your schedule** for each category of **damage**. These **sum insured** limits apply to each **occurrence**.

11.1.4 Cover under this Clause:

- a) commences when the **goods** are lifted immediately prior to loading and continues until arrival at destination including unloading;
- b) includes temporary housing in the course of **transit** whether on or off the means of conveyance and does not include temporary housing of property unloaded from a vehicle at any premises **you** own or rent; *and*
- c) includes incoming supplies and **goods** consigned to **you** from addresses within the **United Kingdom** and **Eire**, but only where the supplies and **goods** consigned to **you** are **your** responsibility.

11.1.5 Theft

Subject to the terms of the '**Theft**' exclusion at **CLAUSE 11.4.6**, the cover available under this Clause also covers **damage**, loss or interruption or interference caused by theft or attempted theft.

11.2 Goods in Transit - Costs and Expenses

We will cover **you** for the following costs and expenses that may be reasonably incurred following **damage** insured under this **Section**:

11.2.1. Transfer Expenses

We will also cover **you** for the reasonable and necessary costs and expenses incurred by **you** for:

- a) transferring the **goods** in **transit** to another vehicle;
- b) reloading the **goods** in **transit** onto the original vehicle for onward delivery or return to the point of origin; *or*
- c) the removal of debris of the **goods** in **transit** (but not the vehicle, the trailer or any part thereof),

if the vehicle carrying the **goods** in **transit** is involved in fire, explosion, collision or overturning.

11.3 Goods in Transit - Extensions

We will cover **you** for:

11.3.1. Employees' Effects

We will also cover **you** for the **actual value** of **employees'** personal **property** if **damaged** by fire, explosion, theft, collision or overturning of the carrying vehicle, when the **employee** is accompanying **goods** in **transit** provided that there is no cover available under any other more specific insurance.

The cover available under this Clause is subject to a **sub-limit** of **£1,000**. This **sub-limit** applies to each **occurrence**.

11.3.2. Ropes/Sheets

damage to ropes, sheets, tarpaulins, trolleys and the like while in **transit**.

11.4 Goods in Transit - Limitations and Exclusions

In addition to the limitations and exclusions in the '**Property Related Exclusions**' and '**General exclusions**' **Sections**, we will **not** cover **you** for the following:

11.4.1. Animals

damage or injury to animals, bloodstock, livestock or fishstock;

11.4.2 Food, change in temperature

deterioration of **goods** conveyed in a refrigerated, frozen, chilled or insulated condition, which results from variation in temperature unless as a result of an **accident** to the conveying vehicle.

11.4.3 Consequential or indirect loss

damage other than the **damage** expressly and specifically insured under this **Section**.

11.4.4 Dangerous goods

damage caused by or in respect of **property insured** that is subject to the **Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009**.

11.4.5 Inadequate packing

damage caused by or attributable to inadequate packing or stacking or protection against climatic conditions (other than by lightning) or incorrect addressing of any parcel or package.

11.4.6 Theft

damage, loss or interruption or interference caused by theft or attempted theft:

- a) from an **unattended vehicle** under **your** control, unless occurring during the work day, shift period or during a break taken during the **transit** *and*:
 - i) all doors have been securely locked and all windows and other openings securely and adequately fastened;
 - ii) any immobiliser and any alarm fitted to the said vehicle is correctly set to operate; *and*
 - iii) all keys are removed unless the vehicle is being operated as a tool of trade and such operation requires that the keys remain in the ignition so to provide power; *or*
- b) after the last **transit** of the work day or shift unless:

- i) all keys are removed until collected by the driver for the next **transit**; and
 - ii) the vehicle is housed in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates; *or*
- c) of **goods** carried in or on open sided/curtained vehicles, or on any vehicle that cannot be secured.

11.5 Other terms and conditions applicable to this section

11.5.1 Average (under-insurance)

If at the time of the commencement of any **damage** the total value of the **goods** in **transit** in or upon any vehicle exceeds the appropriate **limit**, then the amount **we** pay **you** will be proportionately reduced.

11.5.2 Basis of settlement

We may at **our** option repair, reinstate or replace the **goods** in **transit** or any part thereof on the same basis as the '**Basis of settlement**' CLAUSE contained in the '**Property**' Section, except that the '**Average (under-insurance)**' CLAUSE will apply in respect of claims under this Section.

If **you** elect, and **we** agree not to repair or reinstate any **goods** in **transit**, then the amount **we** pay **you** shall be limited to the **actual value** of the **damaged goods** in **transit**. Settlement on this basis shall be at **our** sole discretion.

11.5.3 Reasonable precautions

You will take all reasonable precautions in maintaining vehicles under **your** control in an efficient and roadworthy condition. **You** must ensure the suitability of the vehicles for the purpose used. Finally, **you** must employ competent and honest persons, who can be entrusted with the **goods** in **transit**, and with packaging, labelling and addressing the **goods** in **transit**.

11.5.4 Automatic reinstatement of sum insured

We will reinstate the limits shown in the **schedule** from the date of any loss (unless **we** give written notice to the contrary) provided that **you** pay such additional premium as **we** may require.

12 PROPERTY RELATED EXCLUSIONS

Where expressly stated, the exclusions below shall not exclude any subsequent **damage** resulting from any ensuing cause which is not otherwise excluded.

In addition to the '**General exclusions**', the '**Property**'; '**All risks – Specified Business Equipment**', '**Computer Breakdown**', '**Business Interruption**', '**Terrorism**', '**Money**', '**Fidelity Guarantee**', and '**Goods in Transit**' **Sections** of this **policy** exclude:

12.1 Aircraft travelling at supersonic speeds

damage, or loss or interruption or interference caused by pressure waves from aircraft, **unmanned aerial vehicles**, or any other aerial device travelling at supersonic speeds.

12.2 Boiler explosion and failure

- a) **damage**, or loss or interruption or interference caused by explosion, failure or collapse of a boiler (but not a boiler or economiser used for domestic purposes only), vessel, economiser, machine or pipe work at the **premises** in which internal pressure is due to steam only belonging to **you** or under **your** control; *and/or*
- b) **damage**, or loss or interruption or interference caused by joint leakage failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith.

This Clause will not apply to loss covered under the '**Business Interruption**' **Section**, if stated as being 'operative' in the **schedule**, and shall not exclude subsequent loss resulting from an ensuing cause which is not otherwise excluded.

12.3 Communicable disease

- a) **damage**, loss, interruption or interference, claim, cost, expense or other amount, directly or indirectly caused by, contributed to by, or arising out of or in connection with:
 - i) a **communicable disease**;
 - ii) the fear or threat (whether actual or perceived) of a **communicable disease**; *or*
 - iii) any action taken, restrictions imposed or advice or instructions given by any competent authority (including, but not limited to, the Police or other emergency services, local or national government, statutory bodies or professional or regulatory bodies) in connection with the investigation, suppression or prevention of either a **communicable disease** or the feared or potential spread of a **communicable disease**, regardless of any other cause or event contributing concurrently or in any other sequence thereto and subject to the provisions below.
- b) For the purposes of this exclusion, loss, **damage**, claim, cost, expense or other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - i. for a **communicable disease**; *or*

- ii. any **property insured** in the **policy** that is affected by such **communicable disease**.
- c) This exclusion will not apply to any claim or loss for which cover is expressly provided under the '**Specified disease, murder or suicide, food or drink or poisoning**' extension of the **policy**.

12.4 Defective design and faulty workmanship

damage, or loss or interruption or interference caused by defective design, latent defect, the use of defective materials, operator error or omission, faulty workmanship or other inherent flaw. However, this exclusion will **not** apply to **damage** or subsequent loss resulting from an ensuing cause which is not otherwise excluded.

12.5 Electrical or mechanical breakdown

damage, except as covered under the '**Computer breakdown**' Section or loss or interruption or interference caused by electrical or mechanical breakdown or failure or derangement including but not limited to overrunning, overheating or short-circuiting.

12.6 Excess

the amount of the **excess** as stated in the **schedule**, or in a particular Clause, it being noted that:

- a) if the **excess** is stated as a period of time, then the amount to be deducted will represent the monetary amount lost during the first period stated in the **schedule**, commencing from the time that **you** begin to incur financial loss following the **damage** or the event giving rise to the loss; *and*
- b) if any **damage** is covered under more than one **Section**, then the **excess** applied will be the highest applicable **excess**.

12.7 Fines and penalties

liability for payment of any fines or penalties imposed or ordered to be paid, or any contractual penalties claimed as damages for breach of contract for late or non-completion of orders, and in addition, any civil or criminal penalties of whatsoever nature, including loss, interruption or interference caused by non-payment of such liabilities.

12.8 Gradual or environmental changes

- a) **damage**, loss, interruption or interference caused by:
 - i) erosion, corrosion, deterioration, wear and tear, marring or scratching, change of temperature (except as provided by the '**Deterioration of stock**' extension);
 - ii) change of colour, texture or finish or inherent vice, rust, infestation, insects or vermin; *or*
 - iii) frost or freezing,but the exclusion in CLAUSE 12.8.a) does **not** apply to subsequent **damage** resulting from an ensuing cause which is not otherwise excluded; *or*
- b) **damage**, loss, interruption or interference caused by mould, mildew or other microorganism of any type, including but not limited to any substance whose presence poses an actual or potential threat to human health, unless the **damage**,

loss, interruption or interference is caused by mould, mildew or other microorganism of any type which results from an otherwise **defined peril** and is not otherwise excluded.

- c) The exclusion in CLAUSE 12.8.b) does **not** apply to the cover provided by the **'Specified disease, murder or suicide, food or drink poisoning'** extension of the **'Business Interruption' Section**.
- d) The exclusion in CLAUSE 12.8.b) applies regardless of whether there is any:
 - i) **damage to property insured**;
 - ii) insured peril or cause, whether or not contributing concurrently or in any sequence;
 - iii) loss of use, occupancy, or functionality; *or*
 - iv) action required, including but not limited to repair, replacement, removal, clean up, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

12.9 Marine impact

damage, or loss or interruption or interference caused by impact with any **property insured** by any waterborne vessel or craft.

12.10 Marine insurance cover

damage, or loss or interruption or interference caused by **damage** regarding import shipments until fully discharged or until marine insurance has ceased to cover, whichever last occurs.

12.11 Molten metal or glass

damage, or loss or interruption or interference caused by or consisting of the freezing, solidification or inadvertent escape of molten materials.

12.12 Non-specific loss or damage

damage, or loss or interruption or interference:

- a) caused by disappearance, or which is not identifiable by **you** with a specific **incident** or which is unexplained, and which has not been notified under the terms of the **'Claim Notification'** CLAUSE in the **'Duties in the event of a Claim or Potential Claim' Section**;
- b) revealed only during an inventory or stocktaking;
- c) caused by or arising from misfiling or misplacing of property, information or **data**; *or*
- d) caused to **money** except as specifically stated as being insured in the **policy**.

12.13 Pollution

- a) **damage**, or loss or interruption or interference directly or indirectly caused by **pollution** or contamination. However, this exclusion shall **not** apply to **damage**, or loss or interruption or interference caused by:
 - i) **pollution** or contamination which itself results from a defined peril;
 - ii) a defined peril which itself results from **pollution** or contamination.
- b) for the purpose of this exclusion, **defined peril** means fire, lightning, explosion, **earthquake**, aircraft or other aerial device or satellite or missile or articles dropped

therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, **storm, flood, inundation of water**, escape of water or oil from any tank or pipe, sprinkler leakage, theft or impact by any vehicle or animal, provided that such defined perils are not excluded under the **'Property' Section**.

12.14 Processing

damage, or loss or interruption or interference caused by the **property insured**:

- a) undergoing any process including but not limited to, cleaning, repairing, restoring, renovating, testing, commissioning or packaging; *and*
- b) itself undergoing any heating process or any process involving the application of heat;

but this will not exclude subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

12.15 Riot

damage, loss, interruption or interference or **injury** occurring in Northern Ireland caused by riot, civil commotion, strikes and strikers, locked-out workers, persons taking part in labour disturbances or malicious persons or any unlawful association.

12.16 Subsidence or collapse

in respect of **buildings**:

- a) subsidence, ground heave or collapse caused by:
 - i. the bedding down of new structures, by settlement;
 - ii. coastal or river erosion; *or*
 - iii. by the movement of ground or of any building erected on a mining site;
- b) **damage** caused by subsidence, ground heave or collapse to the **buildings** or any part thereof whilst in the course of erection or undergoing demolition or structural repairs;
- c) **damage** caused by subsidence, ground heave or collapse which commenced prior to **our** agreement to provide insurance cover or **damage** which originated prior to the inception of this **policy**; *or*
- d) **damage** caused by the **building's** own collapse or cracking, however **we** will cover **you** for such **damage** if it results from a cause which is not otherwise excluded.

This exclusion will **not** apply to subsidence caused by fire, explosion, **earthquake** or the escape of water from any tank, apparatus or pipe.

12.17 Theft and fraud

damage, or loss or interruption or interference caused by:

- a) theft or attempted theft from the **premises**, unless involving entry to or exit from the **premises** by forcible and violent means or by violence or threat of violence, provided that this exclusion will not apply to **damage** to the **buildings**;

- b) dishonesty of **your employees** except as insured under the '**Fidelity guarantee**' **Section**, if shown as 'operative' in the **schedule**; or
- c) any fraudulent or dishonest accessing, extraction, distortion, misappropriation or corruption of information or **data** contained in any computer or **electronic data** equipment or system.

12.18 Unoccupied buildings

damage to **buildings** (or the **contents** thereof) which are or become **unoccupied** during the **period of insurance**.

However, this exclusion shall **not** apply:

- a) to **damage** to an **unoccupied building** caused by fire, explosion, lightning, **earthquake**, aircraft, other aerial device, satellite, missile or articles which impact upon **unoccupied buildings** if **you**:
 - i) have given notice to **us** that the **building** is or will become **unoccupied**; and
 - ii) pay **us** any extra premium **we** may require to provide cover in respect of such **unoccupied buildings**; and
 - iii) ensure that:
 - A. all main services are turned off at the mains and water tanks drained to prevent **damage** caused by escaping water from any pipe, tank, water system or automatic sprinkler installation;
 - B. all combustible materials not forming part of the landlord's fixtures and fittings are removed from inside and outside the **buildings** in respect of **damage** by fire;
 - C. all ground floor windows and letterboxes are securely boarded over; and
 - D. all reasonable precautions are taken to secure the **buildings** against unauthorised entry.

12.19 Water table level

damage, or loss or interruption or interference caused by change in the **water table level**.

For the purpose of this exclusion **water table level** means the vertical distance from the surface of the earth to underground water being the surface at which the soil or rocks are permanently saturated with water.

12.20 Wear and tear

damage, or loss or interruption or interference caused by wear and tear, marring or scratching but this shall not exclude subsequent loss resulting from an ensuing cause which is not otherwise excluded.

13 PERSONAL ACCIDENT SECTION

13.1 Personal Accident Definitions

Notwithstanding the defined terms contained in the '**General Definitions**', the following definitions apply only to this **Section**. These definitions replace any equivalent definition contained in the '**General Definitions**' **Section** or elsewhere in the **policy**.

13.1.1 Accident

means a single sudden and unexpected event, which occurs at an identifiable time and place.

13.1.2 Annual salary

means the total gross annual salary including payments for overtime, commission or bonus payable by **you** to an **insured person** at the date **injury** is sustained. Overtime shall be based upon the **insured person**'s working pattern in the same period in the calendar year immediately prior to the date **injury** is sustained.

Commission or bonus shall be based upon the amount the **insured person** received in the calendar year immediately prior to the date **injury** is sustained.

For weekly paid **insured persons**, the annual salary will be calculated by taking the **weekly wage** of the **insured person** and multiplying this amount by **fifty-two (52)**.

13.1.3 Benefit

means the sum(s) specified in the **schedule** being the maximum amount(s) payable by **us**.

13.1.4 Deferment period

means 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.

13.1.5 Hazardous activity

means a physical activity with an increased risk of hazard including as follows:

- a) any motor sport;
- b) aviation-related activities including ballooning, parasailing, sky-diving or parachuting, hang-gliding or paragliding, piloting or being a passenger in a glider, microlight or nonpowered aircraft; piloting or being a passenger in any aircraft (except as a fare-paying passenger in a licensed passenger-carrying aircraft);
- c) caving or potholing;
- d) hunting on horseback;
- e) racing of any kind except foot;
- f) rock climbing, mountaineering with the use of specialised equipment such as rope carabiners, harnesses or crampons, base-jumping;

- g) scuba diving to a depth >15m; *or*
- h) winter sports including skiing, snowboarding, glacier-walking.

13.1.6 **Healthcare practitioner**

means a qualified licensed member of the medical profession as approved by the governing medical association of the country in which the **insured person** resides, and who is not an **insured person**, a member of the **insured person's** family, or otherwise **your employee** or director, partner or officer.

13.1.7 **Hemiplegia**

means the permanent and total loss of and/or total and irrecoverable loss of use limited to one side of the body which lasts **twelve (12) calendar months** and at the expiry of that period being beyond hope of improvement, as determined by a **healthcare practitioner**.

13.1.8 **Injury**

means a specific and identifiable physical injury which is caused by an **accident**.

13.1.9 **Loss of limb**

means, 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; and in the case of an upper limb, loss by physical severance of the entire four fingers through or above the metacarpophalangeal joints, or permanent and total loss of and/or total and irrecoverable loss of use of an entire arm or hand.

13.1.10 **Medical expenses**

means all reasonable medical costs necessarily incurred by an **insured person** for:

- (i) medical, surgical or other remedial treatment prescribed by a **Healthcare Practitioner**; *and/or*
- (ii) hospital, nursing home or ambulance charges.

13.1.11 **Normal occupation**

means the main occupation of the **insured person** performed by them at the date of the **accident**.

13.1.12 **Paraplegia**

means the permanent and total paralysis of the two lower limbs, bladder and rectum as determined by a **healthcare practitioner**.

13.1.13 **Permanent disablement**

means **hemiplegia**, **paraplegia**, **triplegia**, **quadriplegia**, the permanent and irrecoverable **loss of limb(s)** (including irrecoverable loss of use), the **total loss of hearing**, **total loss of sight** or **total loss of speech**.

13.1.14 **Permanent total disablement**

means irrecoverable disablement which permanently and totally incapacitates the **insured person** from participating in their **normal occupation** for a continuous period of **twelve (12) months**, and in relation to which the **insured person** is medically determined by a **healthcare practitioner**, and to **our** satisfaction, to have no likelihood of improvement sufficient to enable them to participate in their **normal occupation** ever again.

13.1.15 **Pre-existing condition**

means illness, malady, disease, or physical impairment, defect, degenerative process or infirmity of the **insured person** existing prior to the commencement of the **period of insurance**. For the purpose of this definition, an illness, malady, disease, or physical impairment, defect, degenerative process or infirmity exists prior to the commencement of the **period of insurance** if it has been diagnosed by a **health care practitioner** prior to the commencement of the **period of insurance** or, in the event that it has not been so diagnosed, then in the opinion of a **health care practitioner** the **insured person** could reasonably have been expected to be aware of its existence at the commencement of the **period of insurance**.

13.1.16 **Quadriplegia**

means the permanent and total paralysis of the two upper limbs and two lower limbs as determined by a **healthcare practitioner**.

13.1.17 **Recovery**

means the **insured person** having made a recovery when they are able to participate in their **normal occupation**, and perform the major duties thereof, even if they choose not to.

13.1.18 **Temporary partial disablement**

means temporary disablement, which is medically determined by a **healthcare practitioner**, and to **our** satisfaction, to prevent an **insured person** from undertaking **sixty percent (60%)** of their **normal occupation**.

13.1.19 **Temporary total disablement**

means temporary disablement, which is medically determined by a **healthcare practitioner**, and to **our** satisfaction, to prevent the **insured person** from participating in the whole of their **normal occupation**, but not being **permanent total disablement**.

13.1.20 **Total loss of hearing**

means permanent and total loss of hearing caused by **injury** which lasts **twelve (12) calendar months** from the date of **accident** or loss of hearing (if later), and at the expiry of that period is beyond hope of improvement.

13.1.21 **Total loss of sight**

Means:

- a) permanent and total loss of sight in both eyes caused by **injury** 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 caused by **injury**, if the degree of sight remaining after correction is 3/60 or less of the Snellen Scale (seeing at **three (3) metres** what an **insured person** should see at **sixty (60) metres**),

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.

13.1.22 **Total loss of speech**

means permanent and total loss of speech caused by **Injury** 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.

13.1.23 **Triplesia**

means the permanent and total paralysis of three limbs as determined by a **healthcare practitioner**.

13.1.24 **Weekly wage**

means the average gross basic weekly wage of the **insured person** for the **thirteen (13) weeks** prior to sustaining **injury**.

13.2 **Personal Accident – Main Cover**

- a) **We** will pay **you** the **benefits** listed in the **schedule** if an **insured person** sustains an **injury**, which solely, independently and directly causes the **insured person's**:
- i) death within **twelve (12) months** of the **injury**;
 - ii) **permanent total disablement** or **permanent disablement** within **twelve (12) months** of the **injury**; or
 - iii) **temporary total disablement** or **temporary partial disablement** (which continue without interruption beyond the **deferment period**) within **twelve (12) months** of the **injury**.
- b) Payments for **temporary total disablement** or **temporary partial disablement** will be made on a weekly basis up to the maximum number of weeks listed in the **schedule**.
- c) **We** will *only* cover **you** under this Clause if the **accident** giving rise to the **injury** occurs during the **period of insurance**, within the **territorial limits** and within the **cover basis**.
- d) **We** will **not** pay **you** under this Clause for any amount which is the subject of a claim under the '**Assault**' Clause in the '**Money**' **Section** of this **policy**.

The cover available under this Clause in any one **period of insurance** is limited to the **benefit** amount displayed in **your schedule** for each category of **injury benefit**. This limit applies to each **injury**.

13.3 **Costs and Expenses**

We will also cover **you** for the following costs and expenses where they are reasonably incurred after an **insured person** sustains an **injury**:

13.3.1 Funeral Expenses

If a claim is agreed by **us** under the '**Personal Accident – Main Cover**' CLAUSE of this **Section** for death, **we** will pay **you** on behalf of the **insured person** for reasonable and necessary funeral expenses.

The cover available under this Clause is subject to a **sub-limit** of **£10,000** in respect of any one **insured person**.

13.3.2 Emergency Travel Expenses

- a) If an **insured person** requires hospital treatment as an inpatient as a direct result of an **injury**, **we** will pay **you** on behalf of the **insured person** up to a maximum of **£1,000** for the costs of:
- i) accommodation and emergency travel for up to two close relatives to remain with the **insured person**; *and/or*
 - ii) transporting the **insured person** to their home address following discharge from hospital if it is not possible to travel by the intended means.
- b) **We** will *only* cover **you** under this Clause if these costs are not recoverable from any other source, including any other insurance policy.

13.3.3 Medical

- a) If **we** accept a claim under this **Section** following an **injury** to an **insured person**, **we** will pay **you**, or the **insured person** or their personal representative for medical expenses incurred up to a sum equivalent to **fifteen percent (15%)** of the amount payable under CLAUSE 13.2.a)(i) or (ii) above.
- b) **We** will *only* cover **you** under this Clause if these costs are not recoverable from any other source, including any other insurance policy.

The cover available under this Clause is subject to a **sub-limit** of **£15,000** in respect of any one **injury**.

13.4 Personal Accident - Limitations and Exclusions

13.4.1 Exclusions

In addition to the limitations and exclusions in the '**General exclusions**' **Section**, **we** will **not** cover **you** for death or **permanent total disablement** directly or indirectly resulting from, consequent upon, caused or contributed to by:

- a) **sickness** or natural causes;
- b) the **insured person** engaging in air travel as a pilot or crew member;
- c) intentional self-inflicted **injury** or **injury** caused by the **insured person's** own reckless act (except in an attempt to save human life or in the course of the **insured person's** employment);
- d) the **insured person** engaging in or taking part in
 - i) naval, military or air force service or operations; *or*
 - ii) **hazardous activities**;
- e) **nuclear hazards**;
- f) suicide or attempted suicide;

- g) intentional self-inflicted **injury** including self-inflicted **injury** arising from mental illness or the **insured person** being in a state of insanity; *or*
- h) **war** in the **insured person's** country of domicile.

13.4.2 Accumulation limit

The cover available under this **Section** is subject to an Accumulation Limit. The Accumulation Limit applies where a single **accident**, or series of **accidents** in a **twenty (20) kilometre** radius originates from the same occurrence and where:

- a) within **twenty-four (24)** consecutive hours of the event; *or*
- b) within **twenty-four (24)** consecutive hours of the first event in the series of events;

the **accident**, or series of **accidents**, causes **injury** to more than one **insured person**. In these circumstances, the maximum amount of **benefits we** will pay under '**Personal Accident**' **Section** in connection with all **injuries** arising from the **accident** or series of **accidents** is **£1,000,000** ('the accumulation limit'). The Accumulation Limit applies irrespective of the number of **insured persons** to which a claim relates.

Where the aggregate value of **benefits** claimed under '**Personal Accident**' **Section** in connection with **injuries** arising from an **accident** or series of **accidents** exceeds the Accumulation Limit, the amount claimed in relation to each **insured person** will be reduced in proportion to the ratio that the accumulation limit bears to the total amount claimed.

13.4.3 Schedule of Benefit Restrictions

a) **Claims admissible under more than one item of benefit:**

- i) If it is possible to claim under more than one **benefit**, 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**;
- ii) If an **injury** within the **cover basis** during the **period of insurance** causes the death of the **insured person** prior to the final settlement of the **benefit** claim for **permanent disablement** or **permanent total disablement**, **we** will pay the beneficiary the **benefit** for death in the **schedule** if the death was directly, solely and independently caused by the **injury**. If death is not insured, no **benefit** will be payable under this insurance;
- iii) If the death of the **insured person** involves **sickness** prior to the final settlement of the **benefit** claim for **permanent disablement**, no **benefit** will be payable under this insurance unless, in the opinion of an independent medical practitioner, the **sickness** resulted directly from the **injury** that caused the **permanent disablement**.

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

- i) The **temporary total disablement benefit** payable under this **policy** will not exceed the **insured person's** gross weekly wage or 1/52 of the **insured person's annual salary**; such basis to be determined by the **insured person's** contractual remuneration pattern.

- ii) **We** will make interim payments for **temporary total disablement** or **temporary partial disablement benefit** to the **insured person** monthly on account during the period of disability, provided always that:
 - A. the aggregate amount of such payments shall not exceed the **sum insured** under the item for which the claim is being paid hereunder; *and*
 - B. if the total claim amount for **temporary total disablement** or **temporary partial disablement benefit** differs from the amount of the payments made under this Clause, then the parties mutually agree to pay or return the difference accordingly.
- iii) 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**.

13.4.4 **Temporary Total Disablement benefit Payments**

Payment of the **temporary total disablement benefit** will cease when whichever of the following occurs first:

- a) the **insured person** has made a recovery from **temporary total disablement**;
- b) the total maximum **benefit** is exhausted;
- c) the **insured person** dies; *or*
- d) the **insured person** is deemed to suffer **permanent total disablement**.

13.4.5 **Previous disability**

If the **insured person** has a **pre-existing condition** or physical disability that makes the consequences of an **accident** worse, the amount of benefits **we** will pay under this **Section** will be adjusted to reflect the amount **we** reasonably consider would have been payable if the accident consequences had not been aggravated by the **pre-existing condition** or physical disability.

13.5 **Other terms and conditions applicable to this section**

If **we** make a payment to **you** of a **permanent total disablement benefit**, but in the event the **insured person** subsequently recovers sufficiently to resume their **normal occupation** or a similar occupation with a comparable remuneration package, then **you** will immediately refund to **us** any **permanent total disablement benefit sums** paid to **you** under this insurance.

14 EMPLOYERS' LIABILITY SECTION

Our liability under this **section** in connection with any one **occurrence**, including interest, claimant costs and **defence costs**, will not exceed the **limit of indemnity** specified in the **schedule**. Unless **we** expressly state otherwise, cover granted by extension clauses to this **section** forms part of, and does not increase, the **limit of indemnity** specified in the **schedule**. Similarly, unless **we** expressly state otherwise, any **sub-limits** stated form part of, and are not additional to, the **limit of indemnity** specified in the **schedule**.

14.1 Employers' Liability – Main Cover

14.1.1 **We** will cover **you** for legal liability to pay damages and claimant costs for **personal injury** sustained by an **employee** arising out of their employment by **you** in the course of **your business** and **caused by** an **occurrence** taking place during the **period of insurance** and within the **United Kingdom**.

14.1.2 **We** will *only* cover **you** for an **occurrence** outside of the **United Kingdom** if the injured **employee**:

- a) is ordinarily employed by **you** within the **United Kingdom**;
- b) is working abroad for a contracted period not exceeding **twelve (12) months**; *and*
- c) is due to return at the end of the period.

14.1.3 For any temporary overseas employment undertaken in **North America**, **we** will *only* cover **you** for an **occurrence** if the injured **employee** was undertaking clerical, promotional, sales conference attendance and other similar non-manual work.

14.1.4 **We** will also cover **you** for **defence costs caused by** an **occurrence**, subject to the following:

- a) all **defence costs** form part of the **limit of indemnity**; *and*
- b) where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

14.2 Employers' Liability - Extensions

Subject to the terms, conditions, limitations and exclusions of this **Section**, **we** will also cover **you** for:

14.2.1 Contractual liability

Where any contract or agreement entered into by **you** so requires, **we** will cover **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**. This is provided that the terms and conditions of this insurance will apply as far as may be practicable.

The '**North American Territory**' and '**North American Jurisdiction**' exclusions apply to claims under this extension.

14.2.2 Cross liabilities

If more than one entity is referred to as 'the insured' in the **policy schedule**, this **Section** shall apply to each one as if a separate **policy** had been issued to each. This is provided that the

total amount payable to all parties in respect of damages shall not exceed the **limit of indemnity**.

14.2.3 Data Protection

- a) legal liability to pay damages and claimant costs and **defence costs** for a breach of duty to an **employee** in the course of **your business** of:
- i) Sections 168 and 169 of the **DPA**; or
 - ii) Article 82 of the **GDPR**.

We will only cover you if the breach first occurs during the **period of insurance** and **you** notify any breach to **us** in accordance with the **policy's** claim notification requirements during the **period of insurance** or **extended reporting period**.

- b) **We will not cover you** under this extension for legal liability which comprises or is **contributed to by**:
- i) an unauthorised, malicious or criminal act, or series of related unauthorised, malicious or criminal acts, or the threat or hoax of such acts, involving the use or operation of, or access to, any **computer system** or **data**;
 - ii) a deliberate act or omission of any party entitled to cover under the **policy**, the effect of which would knowingly or foreseeably result in liability under the **DPA** or the **GDPR**;
 - iii) a breach notified to a previous insurer or which is known to **you** at the commencement of the **period of insurance**;
 - iv) liability which is covered wholly or partly by another insurance policy;
 - v) liability for claims or proceedings brought against **you** outside the **United Kingdom**;
 - vi) distress or loss of control over personal data unless also involving **personal injury**;
 - vii) the recording, processing or provision of data for reward or to determine the financial status of a person;
 - viii) the cost of replacing, reinstating, rectifying or erasing any personal data; or
 - ix) the cost of investigating or reporting a data breach to an authority or to data subjects.

We will not cover you under this extension unless **you** have registered, **you** are exempt from registration or **you** applied to register with the **Information Commissioner's Office** and **your** application has not been refused or withdrawn.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

14.2.4 Indemnity to other insured parties and principals

- a) If **you** would have been entitled to cover under the **policy** had the claim been made against **you**, **we** will also cover any **other insured party** and any party, including any principal, which **you** have agreed to indemnify, but only to the extent:
- i) required by such agreement;

- ii) of the cover provided by this **Section**; *and*
 - iii) that liability is **caused by** the work performed for such party by or on **your** behalf.
- b) **We** will *only* cover the parties referred to under CLAUSE 14.2.4.a) if they observe, fulfil and comply with the applicable terms of the **policy** as though they were **you**.
 - c) **our** liability under this Clause shall in no way operate to increase the **limit of indemnity** under this **Section**.

14.2.5 **Injury to working partners**

If **you** are a working partner, the cover will apply as though **you** were an employed person, as long as:

- a) **your personal injury** is sustained while **you** are working in connection with the **business**;
- b) **your personal injury** is caused by another partner or employed person while working in connection with the **business**; *and*
- c) **you** have a valid right of action for negligence against the other partner or employed person.

14.2.6 **Manslaughter and Statutory Defence Costs**

- a) the reasonable and necessary costs incurred by **you** or any **other insured party** to defend a prosecution for:

Manslaughter Defence Costs

- i) the manslaughter, corporate manslaughter, culpable homicide, or corporate homicide of an **employee**; *or*

Statutory Defence Costs

- ii) breach of statutory duty (not involving manslaughter, corporate manslaughter, culpable homicide, or corporate homicide), which causes **personal injury** to an **employee**;

caused by an **occurrence** taking place during the **period of insurance** and in the course of **your business**.

- b) In relation to any such prosecution **we** will also cover **you** or any **other insured party** for:
 - i) the costs of pursuing an appeal against a conviction if, in the opinion of Counsel (appointed by mutual consent), such an appeal is more likely to succeed than not; *and*
 - ii) an order to pay costs.
- c) **We** will **not** cover **you** or any **other insured party** under this extension for any amount which is:
 - i) covered wholly or partly by another insurance policy; *or*
 - ii) covered elsewhere in the **policy**.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), is subject to a **sub-limit** of **£2,000,000**. The **sub-limit** applies to each **occurrence**.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

14.2.7 Unsatisfied court judgments

damages or costs awarded to an **employee** who has obtained a judgment for damages during the **period of insurance** which remains unsatisfied in whole or in part **six (6) months** after the date of such judgment, and in a court of law except a court operating under the laws of **North America**.

We will *only* cover **you** if:

- a) the damages awarded are for a **personal injury** to the **employee** that arises out of his employment by **you** in the course of **your business**;
- b) the damages are awarded against a person operating from premises in the **United Kingdom** or European Economic Area;
- c) there is no appeal outstanding; *and*
- d) the judgment relates to **personal injury** which would otherwise be covered by this **Section**.

At **your** request, **we** will also pay the amount of damages or costs awarded to the **employee** or their personal representatives.

We will be entitled to take over and prosecute for **our** own benefit any claim against any other person, and **you**, the **employee** or the personal representatives of the **employee** must give **us** all the information and assistance **we** may require.

14.2.8 War and terrorism

- a) legal liability to pay damages and claimant costs for **personal injury caused** to an **employee** by an act of **war** or **act of terrorism** during the **period of insurance**.
The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages and claimant costs is subject to a **sub-limit** of **£5,000,000**. The **sub-limit** applies to each **occurrence**.
- b) **We** will also cover **you** for **defence costs** relating to any claims made under this extension in connection with an **occurrence**, subject to the following:
 - i) **defence costs** are in addition to and do not form part of the applicable **sub-limit**; *and*
 - ii) **our** maximum liability under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs**, will not exceed the **limit of indemnity** for the **'Employer's Liability' Section** specified in the **schedule**.

Where a firm other than a panel firm is appointed, the **non-panel firm defence costs sub-limit** will apply.

14.2.9 **Medical treatment**

- a) legal liability to pay damages and claimant costs for treatment:
 - i) given to any person under a contract of service or apprenticeship with **you**; and
 - ii) provided by any qualified medical practitioner or health care practitioner employed by **you**.

Any such qualified medical or health care practitioner must comply with the applicable terms of the **policy**.

- b) **We will not cover you** where there is any other valid or collectible insurance available to **you**, the qualified medical or health care practitioner. Nor will **we** contribute to any other valid or collectible insurance.

14.3 **Employers' Liability - Exclusions**

Save as necessary to comply with the minimum requirements of the law of the **United Kingdom** relating to the compulsory insurance of **your** liability to **your employees**, **we will not cover you** for liability which comprises or is **contributed to by**:

14.3.1 **Employment practices disputes**

employment practice disputes involving **your employees** 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 or failure to promote a suitably qualified applicant; *and*
- d) coercion, demotion, evaluation, relocation, punishment, slander, humiliation, harassment, bullying or discrimination.

14.3.2 **Fees for intervention**

any payments raised under the **Health and Safety and Nuclear (Fees) Regulations 2022** 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**

liability for payment of any judgment, award, payment or settlement, including any punitive, multiple or exemplary damages, made under the laws of **North America**. This also includes any order made anywhere in the world to enforce such judgment, award, payment or settlement, either in whole or in part.

14.3.5 **Offshore**

liability which arises directly or indirectly out of or **caused by** visits, work or activities undertaken **offshore**.

14.3.6 **Road Traffic Legislation and Motor Accidents Abroad**

personal injury sustained by an **employee** who is:

- a) carried in or upon a vehicle;

- b) entering or getting on to, or alighting from, a vehicle;
- c) using a vehicle where:
 - i. such injury is **caused by**, or arises out of, **your** use of a vehicle on a road;
 - ii. cover is provided by any motor insurance or fleet insurance policy held in the name of the **insured**; or
 - iii. insurance is necessary 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 Fifth Council Directive 2005/14/EEC of 14/05/1990 relating to insurance against civil liability in respect of the use of motor vehicles or similar legislation in any country outside the European Union.

The expression 'road', 'use' and 'vehicle' have the same meanings as in Part VI of the Road Traffic Act 1988.

14.3.7 **Manslaughter and Statutory Defence Costs**

defence costs connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter, culpable homicide or corporate homicide.

This exclusion will **not** apply in respect of and to the extent of the cover provided by the '**Manslaughter and Statutory Defence Costs**' Clause.

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 policy or obligation to maintain healthcare, social security or similar funding.

This exclusion will not apply to payments required to be made under statute to the Compensation Recovery Unit or its successor.

14.4 **Other Terms and Conditions Applicable to the Employers' Liability Section**

The following terms apply to this **Section** in addition to those contained within the '**General Terms and Conditions**' **Section**.

14.4.1 **Employers' Liability (Compulsory Insurance) Act 1969**

The cover granted by this **Section** is deemed to comply with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers Liability (Compulsory Insurance) Regulations 1998 or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands.

We will pay an **employee** where any term of the **policy** is prohibited by the legislation or regulations cited above, provided that **you** must repay to **us** that part of any payment for which **we** would not otherwise have been liable under the **policy**.

14.4.2 Tracing Office database

We will add **your** details and those of any **subsidiary companies** to the Employers' Liability Tracing Office database where **we** pay **you** under the '**Employers' Liability' Section** of this **policy**.

You must supply **us** with **your** details and those of any **subsidiary companies** as required by the Employers' Liability Tracing Office at inception of the **policy** and promptly thereafter following any acquisition, disposal or creation of any **subsidiary company**.

15. PUBLIC LIABILITY SECTION

Our liability under this **section** in connection with any one **occurrence**, including interest, claimant costs and **defence costs**, will not exceed the **limit of indemnity** specified in the **schedule**. Unless **we** expressly state otherwise, cover granted by extension clauses to this **section** forms part of, and does not increase, the **limit of indemnity** specified in the **schedule**. Similarly, unless **we** expressly state otherwise, any **sub-limits** stated form part of, and are not additional to, the **limit of indemnity** specified in the **schedule**.

15.1 Public and Pollution Liability Cover – Main Covers

15.1.1 Public Liability

We will cover **you** for legal liability to pay damages and claimant costs for:

- a) **personal injury**;
- b) **damage**;
- c) nuisance, trespass, interference with any easement, right of air, light, water or way; *or*
- d) false arrest, malicious prosecution, unlawful detention or imprisonment, or wrongful entry into or eviction of a person from a room, dwelling or premises that the person occupies, of the right of privacy, or libel, slander and defamation if also involving **personal injury** or **damage**,

caused by an **occurrence** taking place during the **period of insurance**, and which arises out of or in connection with the conduct of **your business**.

This is provided that any temporary overseas work undertaken outside the **United Kingdom** or other member states of the European Union applies only to clerical, promotional, sales conference attendance and other similar non-manual activities.

The cover available under this Clause is subject to the **limit of indemnity** specified in the **schedule**. This limit applies to any one **occurrence**.

15.1.2 Pollution Liability

- a) **We** will cover **you** for legal liability to pay damages or compensation, including claimant costs, recoverable from **you** in respect of any claim(s) for:
 - i) **personal injury**;
 - ii) **damage**; *and/or*
 - iii) denial of access or nuisance,

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

- b) **Owned or previously owned premises**

We will **not** cover **you** for liability for **damage**, denial of access or nuisance caused by **pollution** to land or **premises** (including land or water within or below the boundaries of such land or **premises**) that **you**:

- i) presently; *or*
- ii) at any time previously,

owned, lease, hired or tenanted, or that is or was otherwise in **your** care, custody or control.

c) **Pollution in North America**

We will **not** cover **you** for liability in respect of or arising from **pollution** occurring within **North America**.

The cover available under this Clause is subject to the **limit of indemnity** specified in the **schedule**. This limit applies to any one **occurrence** *and* in the aggregate.

15.1.3 Public Liability Section - Defence Costs

a) **All Jurisdictions Other than North America**

We will cover **you** for **defence costs** provided that:

- i) unless otherwise expressly stated below, **defence costs** are payable in addition to and do not form part of the **'Public Liability' Section limits of indemnity**;
- ii) where a firm other than a **panel firm** is appointed, **we** will pay for **defence costs** in addition to the applicable **'Public Liability' Section limits of indemnity** but only up to the amount of the **non-panel firm defence costs sub-limit**; *and*
- iii) where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, the amount **we** pay **you** for **defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.

b) **North America**

Any **defence costs** which are:

- a) incurred within **North America**, or countries which operate under such laws; *or*
- b) **caused by** an **occurrence** taking place in **North America** or countries which operate under such laws,

form part of and are not in addition to the **'Public Liability' Section limit of indemnity**.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

15.2 Public Liability - Extensions

Subject to the terms, conditions, limitations and exclusions of this **Section**, **we** will also cover **you** for:

15.2.1 Data Protection

- a) legal liability to pay damages and claimant costs and **defence costs** for a breach in the course of **your business** of:

- i) **Sections 168 and 169** of the **DPA**; *or*
- ii) **Article 82** of the **GDPR**,

provided that the breach first occurs during the **period of insurance** and **you** notify any breach to **us** in accordance with the **policy's** claim notification requirements during the **period of insurance** or **extended reporting period**.

- b) At **your** request **we** will cover any director, partner or **employee**.
- c) **We** will **not** cover **you** under this extension for legal liability which comprises or is **contributed to by**:
 - i) an unauthorised, malicious or criminal act, or series of related unauthorised, malicious or criminal acts, or the threat or hoax of such acts, involving the use or operation of, or access to, any **computer system** or **data**;
 - ii) a deliberate act or omission of any party entitled to cover under the **policy**, the effect of which would knowingly or foreseeably result in liability under the **DPA** or the **GDPR**;
 - iii) a breach notified to a previous insurer or which is known to **you** at the commencement of the **period of insurance**;
 - iv) liability which is covered wholly or partly by another insurance policy;
 - v) liability for claims or proceedings brought against **you** outside the **United Kingdom**;
 - vi) distress or loss of control over personal data unless also involving **personal injury**;
 - vii) the recording, processing or provision of **data** for reward or to determine the financial status of a person;
 - viii) the cost of replacing, reinstating, rectifying or erasing any personal **data**; or
 - ix) the cost of investigating or reporting a **data** breach to an authority or to **data** subjects.

We will **not** cover **you** under this extension unless **you** have registered, **you** are exempt from registration or **you** applied to register with the Information Commissioner's Office and **your** application has not been refused or withdrawn.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), is subject to a **sub-limit** of **£1,000,000**. The **sub-limit** applies to each **occurrence** and in the aggregate.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

15.2.2 Defective Premises Act 1972

- a) legal liability to pay damages and claimant costs and **defence costs** for **personal injury** or **damage** under **section 3** of the **Defective Premises Act 1972** or **section 5** of the **Defective Premises (Northern Ireland) Order 1975**.
- b) **We** will **not** cover **you** under this extension for liability which is **contributed to by** any of the following:
 - i) **premises** which **you** own, lease, occupy or possess;
 - ii) the costs of remedying a **defect** or alleged **defect** in premises; or
 - iii) liability which is covered wholly or partly by another insurance policy.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

15.2.3 Environmental Statutory Liability

- a) Legal liability to pay or incur any sum, including a statutory debt, for the remediation of **pollution** which is **caused by** a sudden, specific and identifiable **occurrence** and place during the **period of insurance**.
- b) **We** will also pay **preventative costs**.
- c) **We** will **not** cover **you** for:
 - i) liability in connection with **damage**;
 - ii) costs of the removal of the risks of any significant risks of an adverse effect on human health, to or on land, **premises**, watercourse or body of water, whether owned, leased, hired, tenanted by **you** or otherwise in **your** care, custody or control;
 - iii) costs of improving or altering the condition of the land, atmosphere, watercourse or body of water beyond that required under any applicable law or regulation at the time remediation commences; *or*
 - iv) **pollution** which takes effect outside the **United Kingdom**, and/or member state of the European Union.
- d) The '**Pollution**' exclusion does not apply to claims under this Clause.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), is subject to a **sub-limit** of **£1,000,000**. The **sub-limit** applies to each **occurrence** *and* in the aggregate.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

15.2.4 Overseas Personal Liability

- a) legal liability to pay damages and claimant costs and **defence costs** in connection with a temporary **business** trip by any of **your** directors, partners or **employees** (including their family or persons normally resident with them) provided that:
 - i) legal liability is incurred in a personal capacity whilst outside their country of **domicile**;
 - ii) such a temporary **business** trip outside their country of **domicile** does not exceed **twelve (12) months**; *and*
 - iii) such liability is not **caused by** the ownership or occupation of land or buildings.
- b) At **your** request, **we** will also cover the director, partner or **employee** who has incurred liability.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

15.3 Public Liability – Limitations and Exclusions

In addition to the exclusions set out in '**Public and Products Liability Exclusions**' and the '**General Exclusions**' Sections, **we** will **not** cover **you** under this Section for:

15.3.1 **Materials prior to installation**

damage to materials, parts or equipment furnished in connection with performance of the **work away**, but this limitation shall not be applied to **products** previously supplied under any previous contract.

15.3.2 **Products**

liability arising from **personal injury, damage**, denial of access or nuisance arising out of or from or in connection with a **product**.

16. PRODUCTS LIABILITY SECTION

Our liability under this **section** in connection with any one **occurrence**, including interest, claimant costs and **defence costs**, will not exceed the **limit of indemnity** specified in the **schedule**. Unless **we** expressly state otherwise, cover granted by extension Clauses to this **Section** forms part of, and does not increase, the **limit of indemnity** specified in the **schedule**. Similarly, unless **we** expressly state otherwise, any **sub-limits** stated form part of, and are not additional to, the **limit of indemnity** specified in the **schedule**.

16.1 Products Liability cover

We will cover **you** for legal liability to pay damages and claimant costs for:

- a) **personal injury**;
- b) **damage**; *and/or*
- c) nuisance, trespass, interference with any easement, right of air, light, water or way,

caused by an **occurrence** involving a **product**. This is provided that the **occurrence** takes place during the **period of insurance** and within the **territorial limits**.

The cover available under this Clause is subject to the **limit of indemnity** specified in the **schedule**. This limit applies to any one **occurrence** *and* in the aggregate.

16.2 Products Liability - Defence Costs

16.2.1 Defence Costs - All Jurisdictions *Other* than North America

We will cover **you** for **defence costs** provided that:

- a) unless otherwise expressly stated below, **defence costs** are payable in addition to and do not form part of the '**Products Liability**' **Section limits of indemnity**;
- b) where a firm other than a **panel firm** is appointed, **we** will pay for **defence costs** in addition to the applicable '**Products Liability**' **Section limits of indemnity** but only up to the amount of the **non-panel firm defence costs sub-limit**; *and*
- c) where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, **our** liability for **defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.

16.2.2 Defence Costs – North America

Any **defence costs** which are:

- a) incurred within **North America** or countries which operate under such laws; *or*
- b) **caused by** an **occurrence** taking place in **North America** or countries which operate under such laws,

form part of and are not in addition to the **limit of indemnity**.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

16.3 Products Liability - Limitations and Exclusions

In addition to the exclusions set out in the **'Public and Products Liability Exclusions'** and the **'General Exclusions' Sections**, we will **not** cover you under this **Section** for:

16.3.1 **Aircraft**

liability arising from any **product** or part thereof which, with **your** knowledge, is intended to be incorporated into the structure, machinery or controls of any aircraft or other aerial device or satellite; and is related to the flight safety of the aircraft.

16.3.2 **Costs of Recall or Guarantee**

- a) costs, whether incurred by **you** or others, for the withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement of any **product** or part thereof (or any other product or part thereof of which forms **your product**, or is intended to form or is a part or ingredient of **your product**) and/or financial loss consequent upon the necessity for such withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement.
- b) legal liability which attaches by virtue of an express warranty, indemnity or guarantee given or entered into by **you** in connection with any **products** supplied and which would not have attached in the absence of such warranty or guarantee.

16.3.3 **North America Sales**

bodily injury, damage or **pollution** caused by or in connection with **Products** which to **your** knowledge are directly or indirectly exported to **North America**.

17 PUBLIC LIABILITY & PRODUCTS LIABILITY SECTIONS - COVERAGE EXTENSIONS

The cover available under the 'Public Liability' and 'Products Liability' Sections is extended to include the additional coverage extensions below, and are subject to the terms, conditions, limitations and exclusions of these Sections.

17.1 Advertising Liability

17.1.1 legal liability to pay damages and claimant costs and **defence costs** for claims made against **you** and notified to **us** during the **period of insurance** or the **extended reporting period** arising in the course of **your business** from unintended:

- a) libel, slander, plagiarism or defamation;
- b) infringement of intellectual property rights other than copyright, patent or trade secret;
- c) piracy, or idea misappropriation under an implied contract; *or*
- d) invasion of the rights of privacy;

committed or alleged to have been committed during the **period of insurance** in any medium and **caused by you** advertising **your products**.

17.1.2 **We will not** cover **you** under this extension for liability **contributed to by**:

- a) breach of contract (other than liability for unauthorised misappropriation of advertising ideas based upon breach or alleged breach of an implied contract);
- b) infringement of registered trademarks registered designs, service marks or trade name (other than infringement of titles or slogans);
- c) the failure of **products** or services to conform with advertised quality, description or performance;
- d) exaggerating the environmental credentials or benefits of **products** or services;
- e) incorrect description or mistake in advertised price of **products** or services sold, offered for sale or advertised;
- f) advertising activities undertaken by **you** for a fee or not on behalf of another party engaged in the business of advertising;
- g) promotional activities of any kind undertaken through social media;
- h) the oral, broadcast, telecast digital, online or written publication of material whose first publication took place before the inception of the **policy**; *or*
- i) any act or omission committed by **you** if **your business** is advertising, broadcasting, publishing or telecasting.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), is subject to a **sub-limit** of **£1,000,000**. The **sub-limit** applies to each **occurrence** *and* in the aggregate.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

17.2 Contingent Motor Liability

- 17.2.1 legal liability to pay damages and claimant costs and **defence costs** for **personal injury** or **damage** during the **period of insurance caused by** a motor vehicle that **you** do not own, provide, loan, lease, hire or rent being used by an **employee** in the course of **your business**.
- 17.2.2 **We** will **not** cover **you** for liability which is in any way **contributed to by** any of the following:
- the use of a motor vehicle outside the **United Kingdom**;
 - damage** to the motor vehicle or **property** carried in or on it;
 - an accident involving a driver using the motor vehicle with **your** general consent who, to **your** knowledge, does not hold a licence to drive the motor vehicle; *or*
 - liability which is covered wholly or partly by another insurance policy or for which insurance is required under the Road Traffic Act 1988.

Where a firm other than a **panel firm** is appointed, the **non-panel firm legal costs sub-limit of indemnity** will apply.

17.3 Contractual liability

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

- 17.3.1 cover **you** against liability to pay damages and claimant costs for **personal injury** or **damage** insured under these **Sections** under any agreement entered into by **you** provided such liability would have arisen in the absence of such agreement; *and*
- 17.3.2 waive rights of **subrogation** against any party specified in the contract or agreement, provided that:
- you** arrange for any other parties that 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; *and*
 - we** shall retain the sole conduct and control of all claims.

17.4 Cross liabilities

Where the **insured** referred to in the **schedule** comprises more than one legal entity, **we** will cover each entity as if it has been issued with its own separate policy, except that such obligations will not serve to increase **our limit of indemnity**.

17.5 Indemnity to other parties

At **your** request, **we** will separately cover each **other insured party** provided that:

- you** would have been entitled to cover under this **policy** had the claim or suit been made against **you**;
- we** have the sole conduct and control of any claim;
- the **other insured party** shall as though he were the **insured** observe, fulfil and be subject to the terms and conditions of this **policy** in so far as they can apply; *and*
- our** liability under this Clause shall in no way operate to increase the **limit of indemnity** or any applicable **sub-limit of indemnity** under this **Section**.

17.6 Local Democracy, Economic Development and Construction Act 2009

We will cover **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.

17.7 Motor Liability

legal liability to pay damages and claimant costs and **defence costs** for **personal injury** or **damage caused by**:

- a) the use or movement of a motor vehicle as a tool or plant;
- b) the loading or unloading of a motor vehicle or trailer when carried out beyond the limits of any carriageway or thoroughfare but **we** will not cover **you** for **damage** to any property being loaded or unloaded;
- c) the movement of motor vehicle not owned, hired or borrowed by or leased to **you** or any **other insured party** on or under any **premises** occupied by **you** where such vehicle is causing an obstruction and interfering with the performance of **your business**;
- d) **damage** to visitors' or **employees'** motor vehicles (including contents and accessories) while parked within any car park for which **you** are responsible or on any **premises** occupied by **you** provided that:
 - i) such vehicle is not lent or hired to **you**; *and*
 - ii) the **damage** to an **employee's** vehicle is not **caused by** the maintenance, operation or use of a motor vehicle by that **employee**;
- e) the unauthorised use of any motor vehicle by an **employee** provided that **you** have taken all reasonable precautions to prevent the **employee** from using the motor vehicle; *and*
- f) **damage** to a bridge, weighbridge, road or anything beneath **caused by** the weight of a motor vehicle or trailer or of the load carried thereon.

The '**Ownership or use of mechanically propelled vehicles**' exclusion does not apply to claims under this extension.

We will **not** cover **you** for liability which is covered wholly or partly by another insurance policy or for which insurance is required under the Road Traffic Act 1988.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

17.8 Manslaughter and Statutory Defence Costs

- a) reasonable and necessary costs incurred by **you** or any **other insured party** to defend a prosecution for:

Manslaughter Defence Costs

- i) manslaughter, corporate manslaughter, culpable homicide, or corporate homicide; *or*

Statutory Defence Costs

- ii) breach of statutory duty (not involving manslaughter, corporate manslaughter, culpable homicide, or corporate homicide) which causes **personal injury**;

caused by an occurrence taking place during the **period of insurance** and in the course of **your business**.

- b) In relation to any such prosecution, **we** will also cover **you** or any **other insured party** for:
 - i) the costs of pursuing an appeal against a conviction if, in the opinion of Counsel (appointed by mutual consent), such an appeal is more likely to succeed than not; *and*
 - ii) an order to pay costs.
- c) **We** will **not** cover **you** or any **other insured party** under this extension for any amount which is:
 - i) covered wholly or partly by another insurance policy; *or*
 - ii) covered elsewhere in the **policy**.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), is subject to a **sub-limit** of **£2,000,000**. The **sub-limit** applies to each **occurrence** *and* in the aggregate.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

17.9 Tenants Liability

If **you** rent, lease, let or hire **your premises**, the '**Property in your care, custody or control**' exclusion shall not apply in respect of **your premises**, provided that the cover under this Clause 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; *or*
- c) **damage** caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by **you** or on **your** behalf.

In addition, **we** will cover **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.

17.10 Terrorism

legal liability to pay damages and claimant costs and **defence costs** for **personal injury** or **damage, caused by an act of terrorism** taking place during the **period of insurance**.

The cover available under this Clause during the **period of insurance** for all claims in connection with any one **occurrence**, including interest, damages, claimant costs and

defence costs (or other as applicable), is subject to a **sub-limit** of **£2,000,000**. The **sub-limit** applies to each **occurrence** *and* in the aggregate.

Where a firm other than a **panel firm** is appointed, the **non-panel firm defence costs sub-limit** will apply.

18 PUBLIC LIABILITY & PRODUCTS LIABILITY SECTIONS - EXCLUSIONS

In addition to the 'General Exclusions', the following exclusions also apply to the 'Public Liability' and 'Products Liability' Sections (including, where applicable, any of their respective extensions) of this policy.

We will **not** cover **you** for liability which comprises or is **contributed to by**:

18.1 Advice design or plans irrespective of a fee being charged

The provision of any professional services including but not limited to advice, design, plans, specifications, formulae, surveys or directions prepared or given by **you** or any **other insured party**, but this will not exclude such liability caused by **products** supplied.

18.2 Aircraft and watercraft

liability arising out of or from the ownership, possession or use of any aircraft or other aerial device or satellite, spacecraft or any watercraft.

18.3 Asbestos

the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection, accidental discovery of, testing of or exposure to **asbestos**.

18.4 Excess

the amount of the **excess** as applicable and stated in the **schedule**.

18.5 Financial loss

financial loss except that this exclusion does not apply to claims under the 'Data Protection' at CLAUSE 15.4.1.

18.6 Hazardous work

liability for any loss arising in connection with any work:

- a) 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.
- b) of construction, alteration or repair of bridges, dams, docks, harbours, towers, steeples, spires, chimney shafts, blast furnaces, viaducts, mines or collieries;
- c) 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;
- d) involving railway track, signal, rolling stock or where trains continue to operate where work is ongoing (red zoneworking);
- e) of pile driving, tunnelling or quarrying; *or*
- f) involving the use of explosives for any purpose.

18.7 Liability from employment

personal injury to any **employee** arising out their employment by **you** in **your business**.

18.8 Limit of indemnity

liability in excess of the **limit of indemnity** stated in the **schedule**, except for payment of any **defence costs** **we** expressly describe as being payable in addition to the **limit of indemnity**.

18.9 Liquidated damages

any loss arising out of or from any liquidated damages Clauses or penalty Clauses or performance warranties in any contract or agreement which **you** or any **other insured party** has entered into unless it is proven that, and then only to the extent that, liability would have attached in the absence of such Clauses or warranties.

18.10 North American Jurisdiction

18.10.1 any judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of **North America** (or any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part) unless otherwise stipulated in the **schedule**.

18.10.2 This exclusion will not apply to temporary visits made in the course of **your business** to undertake non-manual work, including but not limited to clerical work, sales and promotional activities and conference attendance. However, **we** will **not** cover **you** for liability:

- a) under any agreement that would not have attached in the absence of such agreement;
- b) in connection with the ownership, maintenance, operation or use of any mechanically propelled vehicle or watercraft;
- c) **contributed to by pollution**; or
- d) to pay punitive, multiple or exemplary damages.

We will **not** cover any entity based in, operating in or domiciled in **North America**. For the purposes of this sub-Clause (18.10.2), **defence costs** are inclusive and form part of the **limit of indemnity**.

18.11 North American Territory

- a) **personal injury, damage**, denial of access or nuisance occurring within **North America**, but this exclusion shall not apply to temporary non-manual visits as specified in the '**North American Jurisdiction**' exclusion above.
- b) liability in respect of or arising from **pollution** occurring within **North America**.

18.12 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 are represented by a party domiciled in such **territory** or by a party holding **your** Power of Attorney.

18.13 Ownership or use of mechanically propelled vehicles

the ownership, maintenance, operation or use of any mechanically propelled vehicle by **you** or any **other insured party**.

This exclusion does not apply to claims under the 'Contingent Motor Liability' and/or 'Motor liability' extensions.

18.14 Property in your care, custody and control

damage to property which is owned, leased, hired or held on trust by **you** or hired, purchased or on loan to **you** or held otherwise in **your** care, custody or control. However, this exclusion does **not** apply to:

- a) **damage** to the personal effects of **employees** and visitors (including mechanically propelled vehicles);
- b) **damage** to **premises** (including landlord's fixtures and fittings) rented to **you** in the course of **your business**. However, **we** will **not** cover **you** for liability:
 - i) under any agreement that would not have attached in absence of such agreement; *or*
 - ii) for which cover is provided to **you** under any other insurance or in any other way; *or*
- c) **damage** to **premises** or their contents which are temporarily occupied by **you** for **work away**. However, **we** will not cover **you** for liability for **damage** to:
 - i) that part of the property on which the **insured** is working and which is **caused by** such **work away**; *or*
 - ii) any **property** required to be insured in joint names under a contract.

18.15 Statutory and Manslaughter defence costs

defence costs connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter or corporate homicide.

This exclusion will not apply in respect of and to the extent of the cover provided by the 'Manslaughter and Statutory Defence Costs' extension.

18.16 Your product

damage to **your product** or any part thereof **caused by** a **defect** or unsuitability thereof and economic loss or other loss of any kind arising therefrom.

18.17 Pollution

pollution, unless **caused by** a sudden, identifiable, unintended and unexpected **occurrence** that takes place in its entirety at a specific place and moment in time, and arising out of the **business** specified in the **schedule** or escape of **legionella**.

18.18 Rectification of defective work

- a) damage to; *or*
- b) any expenditure incurred by **you** for the removal, repair, adjustment, alteration, reinstatement, withdrawal, inspection or disposal of,

any property (including any part of the property) furnished in connection with performance of the **business** as a result of any defect (suspected or known) therein or any unsuitability for its intended purpose.

19 PUBLIC LIABILITY & PRODUCTS LIABILITY – CONDITIONS PRECEDENT

PLEASE NOTE - Your compliance with the following requirements is a **condition precedent** to our liability in respect of a claim under the **'Public Liability'** and **'Products Liability'** Sections.

Subject to the above, if **we** are **not** satisfied that a **condition precedent** has been complied with in each and every respect, **we** will **not** cover **you** for any claim under this **section** that might potentially have been avoided or reduced by compliance. However, **we** will cover **you** if **you** can establish that noncompliance could not have increased the risk of the **damage** that actually occurred in the circumstances in which it occurred.

We will *only* cover **you** under the **'Public Liability'** and **'Products Liability'** Sections of this **policy** if **you** comply with the following **Conditions Precedent**:

19.1 Subcontractor's Insurance Check – CONDITIONS PRECEDENT

When work is undertaken on **your** behalf by independent subcontractors, **you** *must* obtain and keep suitable evidence that these subcontractors have effected public liability insurance (including details of the insurer and policy number), which:

- a) covers the work to be undertaken by them;
- b) is subject to a sum insured equivalent to the **'Public Liability'** section limit of indemnity displayed in **your schedule** or **£5,000,000**, whichever is the lesser; *and*
- c) includes an 'indemnity to principals' Clause.

This evidence *must* be obtained prior to work commencing. It *must* also be revalidated **every 12 months** or **12 weeks** after the expiry of the most recent policy, whichever is the earlier, throughout the duration of **your** contract with the independent subcontractors.

19.2 Adjudication – CONDITIONS PRECEDENT

Where a claim made against **you** is referred to adjudication in accordance with an adjudication Clause contained in a contract ('the Contract') to comply with the **Local Democracy, Economic Development and Construction Act 2009**, **you** *must*:

- a) notify **us** within **two (2) business days** of receipt of any 'notice of intention to adjudicate' or of the service by **you** of any 'notice of intention to adjudicate', in circumstances which will lead to, or are likely to lead to, a claim against **you** being dealt with as a part of the adjudication;
- b) promptly supply **us** with all details relating to any reference to adjudication, including copies of all documentation made available to **you** or subsequently by **you** to the adjudicator;
- c) allow **us** to appoint advisers and to have conduct of the adjudication as they deem appropriate, and to co-operate with **us** in the conduct of the adjudication; any appointments made by **us** shall be at **our** expense but subject always to the application of the **excess**;
- d) meet any request, direction or timetable of the adjudicator;
- e) satisfy **us** that any liability incurred under an adjudicator's decision for which **you** are claiming under the **'Public Liability'** and **'Products Liability'** Sections of this **policy** is as a direct result of negligence by **you** in the conduct of **your** professional activities;
- f) not disclose to anyone the existence of this **policy** without **our** consent;
- g) institute legal proceedings or arbitration in accordance with the terms of the original contract to challenge or reopen or stay the enforcement of such adjudicator's decision, if reasonably

- requested to do so by **us**, and to allow **us** to appoint appropriate advisers as **we** may deem necessary to have conduct of such proceedings, and, if appropriate, any such steps taken by **you** shall be at **our** expense but subject always to the application of the **excess**;
- h) not agree to accept the decision of the adjudicator as finally determining the dispute without **our** prior written consent; *and*
- i) ensure that the adjudication provisions in the Contract shall:
- i) provide that the adjudicator must be independent of the parties to the dispute;
 - ii) not allow for the adjudicator's decision to finally determine the dispute;
 - iii) not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial considerations; *and*
 - iv) ensure that the Contract does not place any conditions upon the timing of commencement of legal or arbitration proceedings (for the sake of clarity, this does not apply to adjudication proceedings).

19.3 Heat Away From Premises – CONDITIONS PRECEDENT

- a) Where work involving use of a naked flame or other heat source, including but not limited to, oxyacetylene, electric arc or similar welding, cutting, grinding, or other spark emitting equipment, blow lamps, or otherwise applying heat by any person (whether a third-party contractor, an **employee** or other) is carried out away from any **premises** owned or occupied by **you**, then:
- i) **you** and **your employees** *must* take all 'reasonable precautions' to prevent **damage**; *and*
 - ii) **you** *must* ensure that as a minimum any subcontractors or persons acting on **your** behalf comply with the 'reasonable precautions' set out below.
- b) The term 'reasonable precautions' shall include but not be limited to the following:
- i) Before Starting Work:
 - A. a person shall be made responsible for fire safety and for ensuring that reasonable precautions are taken;
 - B. all persons shall be made aware of the location of the site's fire alarms and firefighting equipment; *and*
 - C. the responsible person shall examine all property within a radius of **six (6) metres** (or as reasonably practicable in the circumstances) from where the heat is being applied and where possible remove all combustible material. Failing which, otherwise cover and protect by overlapping sheets or screens of non-combustible material.
 - ii) During the Process of Work:
 - A. the precautions and systems of work shown on the designated hot work permit must be complied with at each stage of the work;
 - B. a person shall work alongside the operator of the equipment to look out for an outbreak of fire and there shall be available for immediate use a hose connected to the nearest hydrant with water turned on and controllable at the nozzle of the hose. If water is not available or unsuitable then **two (2)** fully charged and serviced fire extinguishers maintained in accordance with the manufacturer's guidelines must be available. If either of those devices are not available, then all heat away must cease;

- C. the lighting of equipment shall be in accordance with manufacturer's instructions; *and*
- D. gas cylinders not required for immediate use shall be kept at least **six (6)** metres from where the heat is being applied.

iii) After Ceasing Work:

A continuous monitoring for **one (1) hour** shall be made of the area within a radius of **six (6) metres** (or as reasonably practicable in the circumstances) from where the heat has been applied to ensure that there is no risk of fire.

19.4 Burning Debris – CONDITIONS PRECEDENT

Where **you** or any person acting on **your** behalf burn debris, the following precautions must be taken:

- a) all necessary permits and/or licences must be obtained from the relevant regulatory bodies and comply with the applicable laws and regulations relating to the burning of debris;
- b) the area around the fire must be cleared to a minimum distance of at least **ten (10) metres** or as far as reasonably practicable in the circumstances from any property;
- c) any fire is not to be left unattended at any time;
- d) a fully charged and serviced fire extinguisher maintained in accordance with the manufacturer's guidelines and to be kept available for immediate use; *and*
- e) fires to be extinguished at least **one (1) hour** prior to leaving site at the end of each working day.

20. LEGAL EXPENSES

20.1 Legal expenses cover

20.1.1 Insuring Clause

This **Section**, subject to the terms and conditions, exclusions and limitations set out in this **Section**, will cover **you** (or where specified the **person insured**) in respect of any insured incident arising in connection with the **business**, subject to the terms and conditions, exclusions and limitations set out in this **Section**, provided that:

- a) **reasonable prospects** exist for the duration of the claim;
- b) the **date of occurrence** of the insured incident is:
 - i) during the **period of insurance**, or
 - ii) 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 notified a claim previously as **you** could not have reasonably been aware of the insured incident
 - III) cover has been continuously maintained in force
 - IV) any claim that should have been covered under a previously operative legal expenses insurance policy will not be covered by **us**, and
 - V) the available limit of indemnity shall be limited to the lesser of the sums payable under this or **your** previous policy
- c) any legal proceedings will be dealt with in the **territorial limits** by:
 - i) a court, or
 - ii) employment tribunal or employment appeal tribunal; or
 - iii) arbitration where parties to a dispute appoint an arbitrator to determine the evident and issue a decision which is recognised by and enforceable through a court; or
 - iv) the Equality and Humans Rights Commission, Equality Commission for Northern Ireland; or
 - v) any other body which replaces any of the above or which **we** agree to, and
- d) the insured incident happens within the **territorial limits**.

20.1.2 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 shown as the limit of indemnity in the **schedule**
- b) the most **we** will pay for the total of all compensation awards under insured incident Employment disputes and compensation awards 20.2.2 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 on **your** behalf) 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

- i) for an enforcement of judgment to recover money and interest due to **you** after a successful claim under this policy, **we** must agree that **reasonable prospects** exist
- ii) 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 **legal expenses costs** is the value of the likely award, and;
- iii) in respect of insured incident Legal defence **20.3.6 Jury service and court attendance**, the maximum **we** will pay is the **person insured's** net salary or wages for the time that the **person insured** is attending court or tribunal, less any amount **you**, the court or tribunal pays.

20.1.3 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.

20.2 Employment disputes and compensation awards

20.2.1 Employment disputes

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.

20.2.2 Compensation awards

20.2.2.1 In respect of a claim **we** have accepted under insured incident Employment disputes and compensation awards 20.2.1 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:

- c) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
 - i) followed the ACAS Code of Practice on 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)

- d) 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)
- e) 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)
- f) 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**.

Please note that the total amount payable by **us** for all compensation awards and any sums of money in settlement of a dispute, in aggregate and in any one **period of insurance** is £1,000,000.

20.2.3 Employee civil legal defence

Costs and expenses to defend the **person insured's** (other than **you**) legal rights if:

- a) an event arising from their work leads to civil action being taken against them under legislation for unlawful discrimination; or
- b) civil action is taken against them as a trustee of a pension fund set up for the benefit of **your employees**.

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

20.2.4 Service occupancy

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

20.3 Legal defence

Costs and expenses to defend the **person insured's** legal rights:

(provided that for each of the following **Sections** of **Legal defence** cover 20.3.1-6 **you** request **us** to provide cover for the **person insured**).

20.3.1 Criminal pre-proceedings cover

Prior to the issue of legal proceedings, when dealing with the Police, or other body with criminal investigatory powers, where it is alleged that the **person insured** has or may have committed a criminal offence.

Provided that:

for claims relating to the Health and Safety at Work etc Act 1974 the **territorial limits** shall be any place where the Act applies.

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

20.3.2 Criminal prosecution defence

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

for claims relating to the Health and Safety at Work etc Act 1974 the **territorial limits** shall be any place where the Act applies.

Please note **we** will only cover criminal investigations which arise in direct connection with the activities of the **business**. Please see 20.1.

20.3.3 Data Protection

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) Another 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 20.3.3(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 General legal expenses limitations and exclusions 20.10.3.

20.3.4 Wrongful arrest

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

20.3.5 Statutory Notice Appeals

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

20.3.6 Jury service and court attendance

A person insured's absence from work:

- a) to perform jury service; or
b) to attend any court or tribunal at the request of the **appointed representative in relation to a claim that is an insured incident under this Section of the policy**.

The maximum **we** will pay is the **person insured'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 **person insured** for that time, less any amount they have been paid by, or can recover from, the court or tribunal.

20.4 Statutory licence appeal

Costs and Expenses for:

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.

20.5 Property protection

20.5.1 Costs and expenses

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 physical property; or
b) a legal nuisance
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.

20.5.2 Personal injury

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

20.5.3 Tax protection

Costs and expenses for:

- 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** shown in the policy **schedule**. Please see clause 20.1.

20.6 Contract disputes

Costs and expenses for a contractual dispute arising in an agreement or an 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:

the amount in dispute exceeds £250 (incl **VAT**). If the amount in dispute exceeds £5,000, **you** will be responsible for the first £500 of legal costs in each and every 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*

- a) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250 (incl **VAT**).
- b) 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.

20.7 Lease disputes

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

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.

20.8 Specific Legal expenses limitations and exclusions

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

20.8.1 Employment disputes and compensation awards

a) Employment disputes

A claim relating to the following:

- i) any dispute where the originating cause of action arises within the first ninety (90) days of the start of this **Section**;
- ii) any dispute with an employee who was subject to a written or oral warning (formal or informal) within one hundred and eighty (180) days immediately preceding the inception date of this **Section** if the date of occurrence was within the first one hundred and eighty (180) days of the start of this **Section** and the dispute relates directly to the same matter(s) which gave rise to that warning;
- iii) any notice of redundancy or alleged redundancy or unfair selection for redundancy which occurs within the first one hundred and eighty (180) days of the start of this **Section**

unless, in respect of i) to iii) above, equivalent legal expenses insurance was continuously in force before:

- iv) any claim in respect of **damages** for **personal injury**
- v) Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations
- vi) employee internal disciplinary or grievance procedures
- vii) pursuing **your** legal rights.

b) Compensation awards

A claim relating to the following:

- i) 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 the National Minimum Wage legislation
 - iv) any compensation award or increase in a 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**

A claim relating to the following:

- i) defending **your** legal rights other than defending a counter-claim that is an insured incident under this **Section**

20.8.2 Legal defence

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:

19.1.1.b.1 the loss, alteration, corruption or distortion of, or damage to stored personal data, or

19.1.1.b.2 ii) a reduction in the functionality, availability, or operation of stored personal data

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 (please refer to insured incident Statutory licence appeal)
- ii) a statutory notice issued by a **person insured's** regulatory or governing body.

- e) **Jury service and court attendance**
Any claim if **you** or the **person insured** are unable to prove the loss.

20.8.3 Statutory licence appeal

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.

20.8.4 Property protection

Any claim relating to the following:

- a) a contract **you** have entered into (please refer to insured incident 20.7 Contract disputes)
- b) physical property which is in transit or which is lent or hired out
- c) physical property at premises other than those occupied by **you** unless the physical property is at the premises for the purpose of installations or use in work to be carried out by **you**
- d) defending **your** legal rights other than the defence of a counter-claim that is an insured incident under this **Section**
- e) a motor vehicle owned or used by, or hired or leased to a **person insured** (other than damage to motor vehicles where **you** are in the business of selling motor vehicles)

20.8.5 Personal injury

Any claim relating to the following:

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

20.8.6 Tax protection

A claim relating to the following:

- a) a tax avoidance scheme
- b) any failure to register for Value Added Tax or Pay As You Earn
- c) any investigation, enquiry, or prosecution relating to suspected or alleged dishonesty or suspected or alleged criminal offences
- d) import or excise duties and import **VAT**

20.8.7 Contract disputes

A claim relating to the following:

- a) a dispute arising from an agreement entered into prior to the start of this **Section** if the **date of occurrence** is within the first ninety (90) days of the start of this **Section**, unless equivalent legal expenses insurance was in force immediately before b)
 - i) a dispute relating to an insurance policy, other than when **your** insurer refuses **your** claim
 - ii) a lease, licence, or tenancy of land or buildings, or the sale or purchase 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

- d) 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 20.2 Employment disputes and compensation awards.)
- e) 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.
- f) the recovery of money and interest due from another party, other than disputes where the other party indicates that a defence exists.

20.9 General legal expenses limitations and exclusions

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

- 20.9.1 A claim where the person insured has failed to notify **us** of the insured incident within a reasonable time of it happening and where this failure adversely affects the reasonable prospects of a claim or **we** consider **our** position has been prejudiced.
- 20.9.2 Costs and expenses incurred before **our** expressed acceptance.
- 20.9.3 Fines, penalties, compensation or damages which the person insured is ordered to pay by a court or other authority other than compensation awards as covered under clause 20.2.2 Compensation awards and clause 20.3 Legal defence.
- 20.9.4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 20.9.5 Any claim relating to rights under a franchise or agency agreement entered into by **you**.
- 20.9.6 Any wilful act or omission of a person insured deliberately intended to cause a claim under this **Section**.
- 20.9.7 Any claim under this policy for a dispute with **ARAG** or QBE UK Limited. For disagreements with **us** about the handling of a claim refer to clause 20.10.8 Arbitration.
- 20.9.8 Any claim relating to a shareholding or partnership share in the **business**.
- 20.9.9 Costs and expenses arising from or relating to judicial review, coroner's inquest or fatal accident inquiry.
- 20.9.10 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.
- 20.9.11 Any claim where a person insured is not represented by a law firm, barrister or tax expert.
- 20.9.12 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) part or all of **your** affairs or property are in the care or control of a receiver or administrator.
- 20.9.13 Any defamation claim brought by or against **you** or a person insured.
- 20.9.14 Legal action a person insured takes which **we** or the appointed representative have not agreed to, or where the person insured does anything that hinders **us** or the appointed representative.

20.10 Legal expenses other terms and conditions

20.10.1

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

20.10.2 A **person insured** must:

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

20.10.3

- a) A **person insured** 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 a **person insured** does not accept a reasonable offer to settle a claim, **we** will not pay further **costs and expenses**.
- c) **We** may decide to pay a **person insured** the reasonable value of the claim that the **person insured** is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances a **person insured** must allow **us** to take over and pursue or settle a claim in their name. A **person insured** must allow **us** to pursue at **our** own expense and for **our** benefit, any claim for compensation against any other person and a **person insured** must give **us** all the information and help **we** need to do so.

20.10.4 A **person insured** must:

- a) instruct the **appointed representative** to have **costs and expenses** taxed, assessed or audited if **we** ask for this; and
- b) 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.

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

20.10.6

- a) If a **person insured** 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.
- 20.10.7 If there is a disagreement between a **person insured** and **us** on the merits of the claim or proceedings, or on a legal principle, **we** may suggest the **person insured** 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 **person insured** 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 **person insured** will recover damages (or obtain any other legal remedy that **we** have agreed to) or make a successful defence. This does not affect the **person insured's** rights under 20.10.8.
- 20.10.8 **Financial Ombudsman Service and Arbitration**
- If there is a disagreement about the handling of a claim and it is not resolved through **our** internal complaints procedure the Financial Ombudsman Service may be able to help. This is a free complaint resolution service for eligible complaints. (Details available from www.financialombudsman.org.uk)
- Alternatively, there is a separate arbitration process available that can be used to settle any dispute with **us**. The arbitrator will be a jointly agreed barrister, solicitor or other suitably qualified person. 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 parties or one party may pay all the costs
- 20.10.9 A **person insured** must:
- a) keep to the terms and conditions of this **Section**;
- 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.
- 20.10.10 **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 **person insured** 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.
- 20.10.11 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.
- 20.10.12 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.
- 20.10.13 This policy 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.

20.11 Data Protection

When **you** purchase and use an **ARAG** product **we** will process personal information about **you** and anyone else whose details are provided to **us** to provide **you** with a service or a claim.

We process **your** personal information in accordance with **our** Privacy Notice. **You** can find **our** Privacy Notice online at www.arag.co.uk/privacy. Alternatively **you** can make a request for a printed copy to be sent to **you** by contacting dataprotection@arag.co.uk

21 GENERAL EXCLUSIONS

The following **General Exclusions** apply to all **Sections** and **sub-sections** of this **policy** including any extensions, unless otherwise expressly provided either in this **Section** or in another **Section** of the **policy**.

In some cases, a **General Exclusion** has particular relevance to the cover provided under an extension and so it is highlighted in the extension. However, in such cases (i) the extension in question remains subject to all other general exclusions and (ii) the exclusion so highlighted remains applicable to all other parts of the **policy** and not just the extension where it is highlighted.

Defined terms (in bold text) in the **sub-sections** below may be found within the '**General Definitions**' **Section** and/or within the specific definitions within other **Section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the '**General Definitions**' **Section** and/or in one or more other **Sections**, the specific definition relevant to the **Section** will prevail.

Unless expressly provided otherwise, **we** will **not** cover **you** for any loss or liability, which is caused or contributed to by any of the following:

21.1 Alteration of risk

Unless such alteration is accepted by **us** in writing, any alteration in risk, after the commencement of this insurance:

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

21.2 Cyber Risks – Casualty Coverage Sections

21.2.1 in respect of the '**Casualty Coverage**' **Sections** only:

- a) a **cyber act** or **cyber incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**; or
- b) loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft 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.

21.2.2 Clause 21.2.1.a) above will **not** apply in respect of any actual or alleged liability for:

- a) any ensuing third party bodily injury, death, physical illness or disease; or
- b) any ensuing physical damage to or destruction of third party property;

caused by a cyber incident, unless that **cyber incident** is **contributed to by a cyber act**.

21.2.3 This exclusion will **not** apply to:

- a) the '**Data Protection**' extensions in the '**Employers' Liability**' and '**Public Liability**' **Sections**; or
- b) any consequent **personal injury** or **damage caused by an act of terrorism**, for which cover is expressly provided elsewhere in the **policy**.

21.2.4 We will **not** cover you for any action taken in controlling, preventing, suppressing or remediating a **cyber incident** or a **cyber act**.

21.3 Cyber Risks – Property, All Risks – Specified Business Equipment, Business Interruption, Money, Fidelity Guarantee, Goods in Transit, Property Related Exclusions & Personal Accident

21.3.1 in respect of the ‘**Property**’, ‘**All Risks – Specified Business Equipment**’, ‘**Business Interruption**’, ‘**Money**’, ‘**Fidelity Guarantee**’, ‘**Goods in Transit**’, ‘**Property Related Exclusions**’ and ‘**Personal Accident**’ Sections:

- a) **cyber loss** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber loss**; and
- b) damage, loss resulting from the interruption of or interference with the **business**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, or 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.

21.3.2 However:

- a) Clause 21.3.1.a) above will **not** apply to any **damage** to **property insured** and resulting business interruption under this **policy** caused by any fire or explosion directly and solely caused by a **cyber event**, although Clause 21.3.1.a) will continue to apply where the **cyber event** is itself caused by a **cyber act**;
- b) Clauses 21.3.1.a) and b) above will **not** apply to any claim, loss or **damage** for which we would otherwise cover you under the ‘**Computer Breakdown**’ Section in this **policy**, although Clause 21.3.1.a) and b) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**.

21.3.3 Clause 21.3.1.b) above will be subject to the proviso that, should **data processing media** owned or operated by you suffer **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.

21.3.4 This exclusion will **not** apply to any claim or loss for which cover is expressly provided under the ‘**Terrorism**’ Section of in the **policy**.

21.4 Nuclear Hazards and Weapons

21.4.1 a) **nuclear hazards**, but in respect to the ‘**Property**’ and ‘**Business Interruption**’ Sections the exclusion of the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried,

stored or used for commercial, agricultural, medical, scientific or industrial purposes in accordance with all applicable laws and regulations governing such matters; *or*

- b) any chemical, biological, biochemical or electromagnetic weapons,
whether directly or indirectly regardless of any other cause or event contributing concurrently or in any other sequence thereto.

21.4.2 This exclusion does **not** apply to the:

- a) the **'Terrorism' Section**, to the extent of such cover;
b) **'Legal Services' Section** which contains a separate exclusion in relation to nuclear risks;
or
c) **'Employers' Liability' Section**, to the extent that the excluded risks arise in the course of the **employment** of **employees** by **you**.

21.5 War and Terrorism

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

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

If **we** allege, on reasonable grounds, in any action, suit or other proceedings, that **your** claim under this **policy** is **not** covered due to this exclusion, the burden of proving that **your** claim is covered will rest with **you**.

21.5.2 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** by the **'War and Terrorism' CLAUSE**, to the extent of such cover; *or*
c) The cover provided in the **'Public and Pollution liability' Section** by the **'War and Terrorism' CLAUSE**, to the extent of such cover.

21.6 War, Cyber War and Cyber operation

21.6.1 save where otherwise specifically provided, this **policy** does **not** cover any loss, **damage**, liability, cost or expense of any kind (together 'loss') resulting:

- a) directly or indirectly from **war** (this exclusion does not apply to the **'Legal Services' Section** which contains a separate exclusion in relation to war);
b) from a **cyber operation** that is carried out in the course of **war**; *or*
c) from a **cyber operation** that causes a sovereign state to become an **impacted state**.

Provided, however, Clause 21.6.1.c) shall not apply to the direct or indirect effect of a **cyber operation** on a **computer system** used by **you** or **your** third party service providers where **you** are not physically located in an **impacted state** but **you** are affected by a **cyber operation**.

21.6.2 In determining attribution of a **cyber operation**, **you** and **we** will have regard to whether the government of the **impacted state** formally or officially attributes the **cyber operation** to another sovereign state or those acting at its direction or under its control.

In the absence of attribution by the **impacted state**, **we** may rely upon a reasonable inference as to attribution of the **cyber operation** to another sovereign state or those acting at its direction or under its control after considering the evidence that is available to **us**.

In the event that the government of the **impacted state** either takes an unreasonable length of time to, or does not, or is unable to attribute the **cyber operation** to another sovereign state or those acting at its direction or under its control, it shall be for **us** to prove attribution by reference to such other evidence as is available.

21.7 Deliberate Acts

- a) any **injury**, **personal injury** or **bodily injury**, **damage**, claim, loss, liability, expenses, costs, **defence costs** or any other sums whatsoever deliberately caused by or on behalf of **you** or any **insured person** (other than **employees**); *but*
- b) this exclusion does **not** apply to damage resulting from the use of reasonable force to protect persons or property against a peril not excluded by this **policy**;
- c) this exclusion also does **not** apply to the extent of the cover (if any) provided by:
 - i. the **'Fidelity Guarantee' Section** in respect of acts of dishonesty committed by or in collusion with **your employees**; *or*
 - ii. the **'Employers' Liability' Section**.

21.8 Fines, penalties or multiplication of compensatory damages

any fines, penalties, punitive damages, exemplary damages, aggravated damages, treble damages or any other increase in damages resulting from the multiplication of compensatory damages.

21.9 Fees for intervention

the recovery or attempted recovery of costs by the Health and Safety Executive under the **Health and Safety and Nuclear (Fees) Regulations 2022** relating to 'fees for intervention'.

22 GENERAL TERMS AND CONDITIONS SECTION

Defined terms (in bold text) in the **sub-sections** below may be found within the ‘**General Definitions**’ **Section** and/or within the specific definitions within other **Section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the ‘**General Definitions**’ **Section** and/or in one or more other **Sections**, the specific definition relevant to the **Section** will prevail.

Unless expressly stated elsewhere in this **policy** the conditions and requirements of this **Section** apply to all **Sections** of this **policy**. If non-compliance with the conditions of this **Section** increases the amount **we** may be liable to pay for a claim under this **policy**, **we** may not pay the amount of the claim that is increased by the non-compliance with this **Section**.

22.1 Applicable law and jurisdiction

This policy 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 & 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.

Any dispute or legal proceedings between **you** and **us** in connection with the **policy** will be subject to the exclusive jurisdiction of the courts of England & Wales.

22.2 Arbitration

If there is a disagreement about the handling of a claim and it is not resolved through **our** internal complaints procedure, the **Financial Ombudsman Service** may be able to help. This is a free arbitration service for eligible complaints. (Details available from www.financial-ombudsman.org.uk).

Alternatively, there is a separate arbitration process available. The arbitrator will be a jointly agreed barrister, solicitor or other suitably qualified person. 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 parties or one party may pay all the costs.

22.3 Confirmation of values at risk

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

22.4 Conflict of interest

In the event of a conflict of interest between:

- a) **insureds**;
- b) for the purpose of the ‘**Property**’ **Section**, **you** and any **insured person** as defined in that **Section**;
- c) **for the purpose of** the ‘**Casualty Coverage**’ **Sections**, **you** and any **other insured party**; *and/or*
- d) for the purpose of the ‘**Legal Expenses**’ **Section**, **you** and any **insured person** as defined in that **Section**,

covered by this insurance, separate representation will be arranged for each party.

22.5 Contract (Rights of Third Parties) Act 1999 and Contract (Third Party Rights) (Scotland) Act 2017

This **policy** does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017 by any person who is not named as the **insured**. Both **you** and **we** may amend, cancel or terminate this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

22.6 Discharge of liability

We may pay **you** up to the **limit of indemnity**, or any lesser amount for which any claim or claims against **you** can be settled. **We** will then 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.

22.7 Expert Opinion

If there is a disagreement between **you** and **us** on the merits of the claim or proceedings, or on a legal principle, **we** may suggest **you** obtain an opinion on the matter from an independent and appropriate expert, at **your** own expense. The expert must be approved in advance by **us** and the cost expressly agreed in writing between **you** 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 **you** will recover damages (or obtain any other legal remedy that **we** have agreed to) or make a successful defence. This does not affect **your** rights under the '**Financial Ombudsman Service & Arbitration**' CLAUSE in the '**Legal Expenses**' Section.

22.8 Material changes during the policy period

You must notify **us** within **thirty (30) days** of any material change to **you, your business** or the risks insured if **you** want **us** to extend the cover available under this **policy** in relation to any such change.

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

22.9 Minimisation of Risk

You must take all reasonable steps at **your** own expense to prevent an **incident**, accident, event, **occurrence**, loss or **damage** arising or continuing. **You** must take such steps at **your** own expense where and to the extent that cover under the **policy** has not been confirmed by **us**.

Where an **occurrence** happens and at all times thereafter, **you** must act as a prudent uninsured. **You** must and take all reasonable measures as are appropriate to avoid or minimise any claims which arise or may arise.

Any failure by **you** to take such steps will reduce or extinguish **our** liability to cover **you** under the **policy** to the extent that such failure has increased the claim under this **policy**.

22.10 Other insurance

In respect of the '**Property**', '**Business Interruption**', '**Fidelity Guarantee**' and '**Terrorism**' Sections, if at the time of any claim made under this **policy** there is any other valid and collectible insurance covering the same claim or any part thereof, **we** will not be liable for more than its rateable proportion of loss. If other insurance provides that it will operate in excess of this **policy**, then, unless it is purchased as and stated specifically to be a **policy** operating in excess of this **policy**, this **policy** will also operate in excess of such other insurance.

In respect of the 'Personal Accident', 'Employers' Liability', 'Public Liability', 'Products Liability' and 'Legal Expenses' Sections, **we** will **not** make any payment in respect of any claim, or part thereof, which at the time of any claim made under this **policy** is covered by any other valid and collectible insurance. Further, **we** will **not** contribute to any claim with any such valid and collectible insurance.

This **policy** shall under no circumstances be made subject to the terms, limitations, conditions and definitions of any other insurance. However, if any other insurance is subject to any condition of average, then the insurance provided by any **Section** under this **policy**, if not already subject to a condition of average, will be subject to average in the same manner.

For the purposes of this condition, other insurance shall not cease to be regarded as 'valid and collectible' merely because **you** failed to comply with any notification or other claim conditions which apply to such other insurance.

This condition is subject to any contrary provision within the specific **Sections**.

22.11 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 **our** option, to either:
 - i) repair or replace the property or any part of the property for which **we** may be liable under this **policy**; or
 - ii) make payment in 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 to discharge **our** obligations under this **policy** to pay **you** in respect of this **damage**.

22.12 Premium adjustments following cover amendments

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** will be adjusted in accordance with the terms of the **policy**.

22.13 Representation

Where more than one entity is designated as 'insured', the first named insured will act on behalf of all insureds and other parties covered under the **policy** with respect to the giving and receiving of any notices from **us** or their representatives, including any notice of cancellation. The payment to the first named insured of any return premium that **we** may pay under the **policy** will satisfy **our** obligations to return premium to any other party covered by this **policy**.

22.14 Sanction limitation and exclusion

We will not provide cover nor pay you for 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 our group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

22.15 Application of Sum Insureds

22.15.1 Property Damage, Business Interruption, Extensions to Property Damage and Business Interruption Sections and Terrorism sections

- a) Where a **sum insured** is stated in the **policy** or **schedule** to apply on a first loss basis, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of a loss arising from a single **occurrence** at a single **premises**. Where a **sum insured** applies on a first loss basis, it will not be available in respect of additional loss at the same **premises** arising out of a different **occurrence**, or loss at any additional **premises** regardless of whether or not such loss arises from the same single **occurrence**;
- b) where a **sub-limit** is stated in the **schedule** or within this document against an insured cause of **damage** or loss, or against an extension or **sub-section**, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims connected with the same single **occurrence** regardless of the number of **premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**. However, if in the **schedule** or in this document a **sub-limit** is described as applying per **occurrence** and in the aggregate, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims during the **period of insurance** regardless of the number of **occurrences**, **premises** or other locations or departments giving rise to claims or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**;
- c) any **sub-limit** for a specified cover included in the **schedule** is deemed to be part of and not in addition to the applicable **sum insured** unless expressly stated otherwise in the **Sections** or **schedule**;
- d) if more than one entity makes a claim under the **policy** in connection with the same **occurrence**, **our** maximum liability will not exceed the **sum insured** or **sub-limit** which would apply if the claim were made by a single entity;
- e) where a single **occurrence** gives rise to a claim or claims under two or more extensions which are subject to a **sub-limit**, **our** maximum liability for the **occurrence** will not exceed the single largest applicable **sub-limit**;
- f) where a single **occurrence** gives rise to a claim or claims under more than one extension under the 'Business Interruption Optional Extensions' **sub-section**, the total amount for which **we** will indemnify **you** will not exceed the single largest **sublimit** of the applicable extensions. In no circumstances will **we** indemnify **you** for more than one **sub-limit** under the 'Business Interruption Optional Extensions' **sub-section** in relation to claims arising from the same single **occurrence** regardless of the number of **premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of extensions or the number of entities, persons or interested parties making the claim or claims under this **policy**.

22.15.2 **General Liability and Extensions to Employers' Liability and General Liability sections only in respect of the General Liability section**

- a) If an **occurrence** gives rise to a claim or claims under two or more extensions which are subject to a **sub-limit**, **our** maximum liability for the **occurrence** will not exceed the single largest applicable **sub-limit**.
- b) If more than one entity makes a claim under the **policy** in connection with the same **occurrence**, **our** maximum liability will not exceed the **limit of indemnity** or **sublimit** which would apply if the claim were made by a single entity.

Any **sub-limit** shall form part of, and is not in addition to, the **limit of indemnity** unless expressly stated otherwise in the **Sections** or **schedule**.

22.15.3 **Employers' Liability section**

- a) **our** total liability under this **Section** shall not exceed the **limit of indemnity** specified in the **schedule**;
- b) the **limit of indemnity** shall apply to all **occurrences** arising out of the same event, cause or circumstance.

22.15.4 **Fidelity section**

- a) **our** total liability under this **Section** for any single **loss** shall not exceed the **limit of indemnity** specified in the **schedule**;
- b) for the avoidance of doubt, the **limit of indemnity** is the maximum payable by **us** regardless of the number of insured parties, persons or organisations bringing claims or suits, or claims or series of claims against **you**, or claims or series of claims made by **you**;
- c) all **loss** arising from the same or related acts shall be treated as one single **loss** under this **policy** such that only one **limit of indemnity** will apply.

22.15.5 **ARAG Commercial Legal Expenses**

- a) **Our** total liability under this **Section** shall not exceed the **limit of indemnity** specified in the **schedule**.
- b) A single **limit of indemnity** shall apply to all **claims**, loss, liability, expenses and costs recoverable under this **Section** insofar as they arise from the same original cause, event or circumstance.

22.16 **Application of Excess**

- a) Where an **excess** applies, this amount shall not be deducted from the applicable **limit of indemnity**, **sum insured** or **sub-limit** in order to calculate the amount of the indemnity **we** will pay **you** under the **policy**.
- b) Where an **excess**, except an aggregate **excess**, is stated in the **schedule** to apply in respect of a **Section** or **Sections** of this **policy**, that **excess** will apply once to any losses or claims under that **Section** or **Sections**:
 - i) in the **'Property Coverage'**, **'Casualty Coverage'** and **'Terrorism' Sections**, arising from one **occurrence**;
 - ii) in the **'Fidelity' Section**, arising from the same or related acts;

- iii) In the **'Legal Expenses' Section**, arising from the same original cause, event or circumstance;
- c) where more than one **excess** could be applied to one claim or **occurrence** under any **Section** or **Sections**, only the single highest **excess** will be applied. However, all applicable non-ranking **excesses** will continue to apply; *and*
- d) where **you** make a claim under an extension where the applicable **sub-limit** is less than the **excess** that applies to that **Section** or **Sections** of the **policy**, no amount will be payable by **us** under that extension unless a more specific monetary **excess** applies to the extension.

22.17 Waiver of Subrogation

- a) to the extent **you** are required by any agreement to waive **your** rights to recover from any other party, **we** agree to waive any rights of subrogation to which **we** might have been entitled. However, this waiver of subrogation will not apply to any contractor or sub-contractor undertaking works at the **premises** where the total value of the contracts under which the works are being undertaken exceeds **£100,000**, unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require; *and*
- b) **we** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation, following an **occurrence**, against any one of **your subsidiary companies**.

23. GENERAL DEFINITIONS SECTION

Where the context so admits or requires, words importing the singular will include the plural and vice versa. 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**.

Where a definition below is said to apply for the purposes of a specific coverage **Section** or **Sections**, that definition also applies to any applicable terms, conditions, extensions and/or exclusions in the **policy** for that coverage **Section** or **Sections**.

Where **we** refer to the '**Casualty Coverage**' **Sections** below, **we** mean the '**Employer's Liability**', '**Public Liability**' and '**Products Liability**' **Sections**, along with their related terms, conditions, extensions and exclusions.

Where **we** refer to the '**Property Coverage**' **Sections** below, **we** mean the '**Property**', '**All risks – Specified Business Equipment**', '**Computer Breakdown**' and '**Business Interruption**' **Sections**, along with their related terms, conditions, extensions and exclusions.

For the '**Business interruption**' **Section** 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 the '**Business interruption**' **Section** will be exclusive of such tax.

23.1 Accident / accidental

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

23.2 Act of terrorism

In respect of all **Sections** other than the '**Terrorism**' **Section**:

a) **For all territories other than England, Wales and Scotland**

act of terrorism means 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:

- i) endangers life other than that of the person committing the action;
- ii) involves violence against one or more persons;
- iii) involves damage to property;
- iv) creates a risk to health or safety of the public or a section of the public;
and/or
- v) is designed to interfere with or to disrupt an electronic system.

b) **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*.

23.3 Actual value

means the amount it would cost to repair or replace **property insured**, on the date of loss, with material of like kind and quality, with deduction for obsolescence and physical depreciation.

23.4 All other contents

means the following contents within the **premises** being **your** property or held by **you** in trust for which **you** are responsible up to the **sub-limits** shown against each (which shall be regarded as part of and not additional to the **sum insured**):

- a) plans, deeds, briefs, manuscripts, books, documents and office records limit any one item **£2,500**;
- b) computer discs and tapes limit any one item **£2,500**;
- c) to the extent that they are not insured elsewhere, personal effects belonging to **you**, or **your** directors, partners, **employees** or visitors for an amount not exceeding **£1,000** in respect of any one person;
- d) wines, spirits, cigarettes and tobacco held for entertainment purposes up to a limit of **£2,500** any one **occurrence**;
- e) works of art, rare books, sculptures, curios and collections for an amount not exceeding **£5,000** any one **occurrence**; *and*
- f) signs, not forming a part of the **buildings** up to a maximum amount of **£2,000** in any one **period of insurance**.

23.5 Annual gross fees

means the **gross fees, trend adjusted**, during the twelve months immediately before the date of the **damage**.

23.6 Annual gross revenue

means the **gross revenue, trend adjusted**, during the twelve months immediately before the date of the **damage**.

23.7 Annual rent receivable

means the **rent receivable, trend adjusted**, during the twelve months immediately before the date of the **damage**.

23.8 Annual turnover

means the **turnover** excluding **VAT, trend adjusted**, during the twelve months immediately before the date of the **damage**.

23.9 Appointed representative

For the '**Legal Services**' Section, **Appointed representative** means the **preferred law firm**, law firm, tax consultancy, accountant or other suitably qualified person **we** will appoint to act on the **person insured's** behalf.

23.10 ARAG

means **ARAG Legal Expenses Insurance Company Limited**, whose Head office and registered address is:

Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW.

Home State - United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration Number 202106.

23.11 ARAG Standard Terms of Appointment

For the 'Legal Services' Section, **ARAG Standard Terms of Appointment** means, 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.

23.12 Asbestos

means asbestos, asbestos fibres, asbestos dust or asbestos-containing materials.

23.13 Assault/assaulted

means **injury** occurring to an **insured person** directly due to theft or attempted theft of **money**.

23.14 Benefit

means the sum(s) stated in the **schedule** being the maximum amount payable by **us**.

23.15 Bodily injury

means death, disease, illness, physical or mental injury of or to an individual.

23.16 Book debts

means 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**.

23.17 Buildings

for the purposes of the 'Property Coverage' Sections, **Buildings** mean the fixed permanent structures within the boundaries of the **premises** belonging to **you** or for which **you** are responsible, including:

- a) walls, gates, fences, yards, roadways, pavements, drains and sewers;
- b) landlords' fixtures and fittings, annexes and outbuildings;
- c) foundations, landscaping, ponds/pools/ water features, fixed glass, solar panels or other electricity generating equipment;
- d) security, fire or monitoring devices;
- e) pipes, cables and wires and associated control gear, instruments and accessories including any part of any such pipes, cables or wires and associated control gear, instruments and accessories extending beyond the boundary of the **premises** but only to the lesser of either:
 - i) the public mains and which partly or wholly serves to supply the **premises**; or
 - ii) up to fifty (50) metres beyond the perimeter of the **premises**; and

- f) underground storage tanks

23.18 Business

- a) For all **Sections** other than '**Casualty Coverage**' **Sections** and '**Legal Expenses**' **Section**, **business** means **your** activities set out in the **schedule** at the **premises**, including maintenance of **property insured** and the **premises**;
- b) For the purposes of the '**Casualty Coverage**' **Sections**, **business** means **your** activities set out in the **schedule**, including maintenance of property and premises owned or occupied by **you**;
- c) For SUB-CLAUSES 23.17.a) and b), **business** also means:
 - i. the provision and management of catering, social, sports and welfare organisations for the benefit of **employees** or volunteers;
 - ii. **your** first aid, security, fire and ambulance services;
 - iii. participation in exhibitions trade fairs conferences and the like;
 - iv. provision of gifts and promotional material incidental to the **business**; but in respect of a) not including receipt of rent unless this activity is specifically included in the **schedule** as part of **your business**;
 - v. private work carried out within the territorial limits by an **employee** for any of **your** directors or senior executives;
 - vi. the organisation of charitable events or similar fund-raising activities;
 - vii. sponsorship of events, organisations, entities and individuals; *or*
 - viii. employment of sub-contractors for performance of work on **your** behalf
- d) For the purposes of the '**Legal Expenses**' **Section**, **business** means the business named as the **insured** in the **schedule** and declared to **us** and covered by the **policy** to which that **Section** attaches.

23.19 Change of temperature

Change of temperature means the rise or fall in temperatures as a result of:

- a) 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;
- b) non-operation of the thermostatic or automatic controlling devices forming part of the unit; *or*
- c) accidental failure of the public electricity supply not occasioned by the deliberate act of any utility undertaking.

23.20 (to) Cause / caused by

For the purpose of the '**Casualty Coverage**' **Sections**, **cause/caused by** means to result directly and solely in an **occurrence**, event or liability, which would otherwise not have taken place.

23.21 Communicable disease

means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

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

- 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, loss of marketability or loss of use of **property insured** by the **policy**,

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

23.22 Computer equipment

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

23.23 Computer system

- a) For all **Sections** *other* than the '**Terrorism**' **Section** and the '**War, Cyber War and Cyber operation**' exclusion within the '**General Exclusions**' **Section**, **computer system** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, 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, owned or operated by **you** or any other party at the **premises** or elsewhere.
- b) For the '**War, Cyber War and Cyber operation**' exclusion within the '**General Exclusions**' **Section**, **computer system** means any computer, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, or wearable device), server, cloud infrastructure 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.
- c) For the '**Terrorism**' **Section**, **Computer system** means a computer or other equipment or component or system item which processes stores transmits or receives **data**.

23.24 Contents

means:

- a) **target stock** up to the limit stated in the **schedule**;
- b) **stock and materials in trade** up to the limit stated in the **schedule**;
- c) **stock in open** up to the limit stated in the **schedule**;
- d) **office computers** and **software** up to the limit stated in the **schedule**; *or*
- e) office equipment, furniture, fixtures, fittings, **machinery, plant and all other contents**.

23.25 (to) Contribute to / contributed to by

For the purpose of the '**Casualty Coverage**' **Sections**, **contribute to** or **contributed to by** means to:

- a) result directly or indirectly in an **occurrence**, event or liability;
- b) contribute wholly or partly to an **occurrence**, event or liability; *and/or*
- c) increase the risk of an **occurrence**, event or liability.

23.26 Costs and Expenses

For the '**Legal Services**' **Section**, costs and expenses means:

- 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 person insured has been ordered to pay them, or the person insured pays them with **ARAG's** agreement.

23.27 Cover basis

means the period of time during which an **insured person** is covered by the '**Personal accident**' **Section** of insurance as stated in the **schedule**.

23.28 Customers

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

23.29 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 thereof involving access to, processing of, use of or operation of any **computer system**.

23.30 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**.

23.31 Cyber incident

means:

- 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*
- b) 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**.

23.32 Cyber loss

means any loss, **damage**, liability, claim, cost or expense of whatsoever nature 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**.

23.33 Cyber operation

means the use of a **computer system** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a **computer system** of or in another sovereign state.

23.34 Damage/damaged

means:

- a) For the **'Property Coverage' Sections**, physical loss of, physical destruction of or physical damage to tangible property;
- b) for the **'Casualty Coverage' Sections**, physical loss of, physical destruction of or physical damage to tangible property which is **caused by an occurrence**.

23.35 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**.

23.36 Data processing media

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

23.37 Data Protection Law

means all applicable data protection and privacy legislation, regulations and guidance in any country, province, state, territory or jurisdiction which govern the use, confidentiality, security and protection of **personally identifiable information** and any guidance or codes of practice issued by any applicable **data protection regulator** or governmental entity from time to time including **Regulation (EU) 2016/679** (the "**General Data Protection Regulation**" or the "**GDPR**") and **Data Protection Act 2018** (the "**DPA**"), the **GDPR** as it forms part of the laws of the **United Kingdom** by virtue of **section 3** of the **European Union (Withdrawal) Act 2018**, all legislation enacted in the **United Kingdom** in respect of the protection of personal data, and the **Privacy and Electronic Communications (EC Directive) Regulations 2003**; and any guidance or codes of practice issued by any **data protection regulator** from time to time (all as amended, updated or re-enacted from time to time).

23.38 Data Protection Regulator

means the **Information Commissioner's Office**, the **Article 29 Working Party** and the **European Data Protection Board** and any other supervisory authority with jurisdiction over **you**, and in each case any successor body from time to time.

23.39 Date of Occurrence

For the **'Legal Services' Section**, **date of occurrence** means:

- a) for civil cases (other than as specified under CLAUSES 23.38.3 – 23.38.5 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 event, 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 a person insured first became aware of it);
- b) for criminal cases, the date the person insured began, or is alleged to have begun, to break the law;
- c) for insured incident - **'Statutory licence appeal'**, 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 or **British Standard Certificate of Registration**.
- d) for insured incident – **'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.
- e) for insured incident – **'Legal defence'** - statutory notice appeals, the date when the person insured is issued with the relevant notice and has the right to appeal.

23.40 Declared value

means **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; *and/or*
- c) additional cost of **reinstatement** to comply with European Community and Public Authority requirements.

23.41 Defence costs

- a) For the **'Casualty Coverage' Sections**, **defence costs** mean the reasonable and necessary costs and expenses which **you** incur for:
 - i) the investigation, adjustment, defence or settlement of a **claim** which is insured by these **Sections** of the **policy**;
 - ii) legal representation at a **Coroner's Court** or **Fatal Accident Inquiry** in respect of death which could give rise to a claim under the **policy**; *and*
 - iii) attendance at court as a witness at **our** request, payable at the following rates per day on which attendance is required:
 - A. a director or partner – **£500**; or
 - B. **other insured party** (other than a director or partner) – **£250**.
- b) **We** will **not** cover **you** for costs and expenses which:
 - i) are recoverable from **you** by any claimant or investigating or prosecuting authority;
 - ii) are **contributed to by** the deliberate act or omission of **you** or an **employee**;
 - iii) relate to improvement or prohibition notices, remedial or publicity orders or steps required to be taken by such orders;
 - iv) relate to attendance or representation at a public inquiry; *or*
 - v) are covered wholly or partly by another insurance policy.
- c) **Non-Panel Firm Defence Costs**

Defence costs for **non-panel firms** are subject to a **sub-limit**. If **you** appoint a firm of solicitors that is not a **panel firm**, then **we** will pay **you** up to a maximum of **£250,000** in respect of **defence costs**.

For claims under the **'Employers' Liability' Section** and any related extensions, this **sub-limit** applies to any one **occurrence**.

For claims under the **'Public Liability'** and **'Products Liability' Sections** and any related extensions, this **sub-limit** applies to any one **occurrence** *and* in the aggregate.
- d) **Defence costs** do not include, and there is no cover for **your** own internal costs and expenses, management time or employee time or any adjusters' fees.

23.42 Deferment period

means 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 **policy**.

23.43 Denial of service attack

For the **'Terrorism' Section**:

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**.

23.44 Domicile

means the country where the person is liable to pay income tax or social security fund payments (or similar such tax or payments).

23.45 Earthquake

means earth movement, including landslide, mudflow, tsunami, volcanic eruption, earth sinking, earth rising or shifting, including collapse, cracking or shifting of buildings, structures or their parts, as a direct and immediate result of a sudden release of energy in the earth's crust creating seismic waves and including **damage** resulting directly from **earthquake**.

23.46 Electronic data

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

23.47 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.

23.48 Employee

means any of the following while working for **you** in connection with the **business**:

- a) person under a contract of service or apprenticeship with **you**;
- b) person who is hired to or borrowed by **you**;
- c) person engaged in connection with a work experience or training scheme;
- d) labour master or any person supplied by them;
- e) person engaged by labour only sub-contractors;
- f) self-employed person working on a labour only basis under **your** control or supervision;
- g) voluntary helper;
- h) prospective employee who is being assessed by **you** as to their suitability for employment

- i) person working under the **Sentencing Act 2020**, or the **Criminal Procedure (Scotland) Act 1995** or similar legislation.

23.49 Employer compliance dispute

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

23.50 Essential service

means a service that is essential for the maintenance of vital functions of a sovereign state including but not limited to financial institutions and associated financial market infrastructure, health services or utility services.

23.51 Excess

means the first amount to be paid by **you**, or the first period of time that is uninsured, in respect of each and every claim or any one occurrence (as stated in the **schedule**), potential claim or potential occurrence as ascertained after the application of all other terms and conditions of this insurance.

Where more than one **excess** could be applied to any one claim or occurrence or claim as applicable, the highest **excess** only will be applied.

23.52 Extended Reporting Period

means an additional period of **thirty (30) days** commencing on the date of expiry of the **policy** within which **you** are entitled to notify **us** of a claim or claims **caused by** an **occurrence** that commenced before the end of the **period of insurance**. This definition will not increase the **limit(s) of indemnity** or extend the **period of insurance**, and any claim(s) notified to **us** during this period will be deemed to have been notified on the last day of the **period of insurance**.

23.53 Financial loss

means an economic loss which is *not* **caused by personal injury** or **damage**.

23.54 Flood

means the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, including run-off of water or flash flooding during or after a **storm**; rising water, surface water or waves; tidal waves or tidal water (but not tsunami); overflow of streams, rivers lakes, ponds, or other bodies of water; spray from any of the foregoing; all whether driven by wind or not.

23.55 Goods

means **your** goods and tools or for which **you** are responsible and relating to the **business**.

23.56 Gross fees

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

23.57 Gross revenue

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

23.58 Gross weekly wage

the average gross basic weekly wage of the **insured person** for the **thirteen (13) weeks** prior to sustaining **injury**.

23.59 Hacking

- a) For all **Sections other** than the '**Terrorism**' Section, **hacking** means 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.
- b) For the '**Terrorism**' Section **hacking** means unauthorised access or legitimate access resulting in unauthorised acts to any **computer system**, whether **your** property or not.

23.60 Impacted state

means a sovereign state where a **cyber operation** has had a major detrimental impact on:

- a) the functioning of that sovereign state due to disruption to the availability, integrity or delivery of an **essential service** in that sovereign state; *and/or*
- b) the security or defence of that **state**.

23.61 Incident

For the purpose of the '**Property**' and '**Business Interruption**' Sections only, **incident** means:

- a) accidental **damage** occurring during the **period of insurance** to property used by **you** at the **premises** for the purpose of the **business** within the **territorial limits**; or
- b) damage to other property, or any other contingency not involving **damage**, but in both cases only if expressly covered under an extension to the '**Business Interruption**' Section and occurring during the **period of insurance**.

23.62 Indemnity period

means the period beginning with the occurrence of the **damage** or the period beginning after the expiry of any time **excess** following the **damage** and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** will be affected in consequence of the **damage**.

23.63 Injury

means 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**.

23.64 Insurable gross profit

means the amount by which the combined amount of the **turnover**, the closing stock and work in progress exceeds the combined amount of the opening stock, work in progress and the amount of the **specified working expenses**.

23.65 Insured incident

means and refers to insuring Clauses in the '**Legal Services**' Section.

23.66 Insured person

means:

- 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 (75) years** of age nor being under **sixteen (16) years** of age;
- c) but for the '**Personal accident**' Section, **insured person** means the individual or group (category of person) specified in the Personal Accident part of the **schedule** to whom **injury** must occur before **we** are liable to make any payment of **benefit**.

23.67 Inundation of water

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

23.68 Legal costs

means legal costs, charges, fees, expenses and advances in respect of the same (other than salaries, commissions, expenses or other benefits of **insureds**).

23.69 Legionella

means any discharge release or escape of legionella bacteria from water tanks, water systems, air-conditioning plants, cooling towers and the like.

23.70 Limit of indemnity

means:

- a) the amount stated in the **schedule** which is the maximum amount **we** will pay **you** for any **one (1) occurrence** regardless of the number of:
 - i) **insureds** or **other insured parties**;
 - ii) persons or organisations bringing claims or suits; *or*
 - iii) claims against **you** or series of claims against **you** or claims or series of claims made by **you**;
- b) where a **limit of indemnity** is stated as in the aggregate, that aggregate is the maximum **we** will pay **you** for all insured events during the **period of insurance**;
- c) any **sub-limit of indemnity** applies as if it were the **limit of indemnity** for the claims specified for that **sub-limit of indemnity** and is deemed to be part of and not in addition to the **limit of indemnity** specified in the **schedule** unless **we** expressly state otherwise; *and*
- d) where cover is available under **two (2)** or more **Sections** of this **policy**, then the maximum **we** will pay for any insured event to which such **Sections** apply in combination, shall not exceed the greater **limit of indemnity** of the **Sections** in question.

23.71 Loss of limb

means:

- a) 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; *and*
- b) in the case of an upper limb loss by physical severance of the entire four fingers through or above the metacarpophalangeal joints or permanent and total loss of and/or total and irrecoverable loss of use of an entire arm or hand.

23.72 Machinery, plant and all other contents

means machinery and plant and other contents, including:

- a) fixtures and fittings, office equipment and **computer equipment**;
- b) any tenants' improvements and alterations;
- c) other contents or equipment, *and/or*
- d) so far as the same are not otherwise insured, personal property of **your** principals, **employees**, partners or directors or visitors,

at the **premises** which are owned by **you** or held by **you** on trust or for which **you** have otherwise accepted responsibility.

23.73 Maximum indemnity period

means the number of months shown in the **schedule**.

23.74 Money

means both **negotiable money** and **non-negotiable money**.

23.75 Negotiable money

means cash, bank and currency notes, uncrossed cheques or orders, or cash/sales/debit vouchers for use by **you** or any of **your** partners, **directors** or **employees** in connection with **your business**, all belonging to **you** or for which **you** have accepted responsibility.

23.76 Non-negotiable money

means crossed warrants or cheques or other money orders/drafts/bonds or invoices, all belonging to **you** or for which **you** have accepted responsibility.

23.77 North America

means the United States of America or its territories or possessions, or Canada.

23.78 North American Jurisdiction

means any judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which form part of **North America** or which operate under the laws of such countries or any states, provinces or territories forming part of them (or to any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part) then following any event which is or may be the subject of indemnity under the laws of **North America**.

23.79 Nuclear hazard

means:

- 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;
- c) any weapon or device employing nuclear fission or fusion or other similar reaction or radioactive force or matter, or any combination of these; *and/or*

- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

23.80 Nuclear Installation

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

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

23.81 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.

23.82 Occurrence

- a) For the purpose of the **'Casualty Coverage' Sections**:
 - i) **occurrence** means an accident. With the exception of **pollution** incidents, this includes continuous and repeated exposure to substantially the same general harmful conditions, which gives rise to liability insured by a **Section** of the **policy**;
 - ii) all accidents attributable to one original source or cause will be considered as a single **occurrence**.
- b) For the purpose of the **'Property Coverage' Sections**, **occurrence** means a single loss or series of losses directly or indirectly caused by, arising out of or in connection with a single event or a single original cause.
- c) In respect of the **'Terrorism' Section**, **occurrence** means a single loss or series of losses arising out of and directly occasioned by a single event or a single original cause. However, the duration and extent of any single **occurrence** shall be limited to all individual losses arising in respect of a continuous period of **seventy-two (72) hours** of which the proximate cause is the same **act of terrorism**.

You may choose the date and time when any such period of **seventy-two (72) hours** shall commence provided that no two periods overlap and no period commences earlier than the date and time of the happening of the first recorded individual loss to **you** as a result of the **act of terrorism**.

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**.

23.83 Office computers and software

means **computer equipment** and software used for electronic processing communication and storage of data including all current and back up computer records (excluding fixed discs and

paper records of any description) incorporating stored programs and/or information stored thereon.

23.84 Offshore

means:

- a) work in or on any offshore rig or platform or support or accommodation vessel for any offshore rig or platform; *and*
- b) transiting to, from or between any offshore rig or platform or support or accommodation vessel.

Offshore activity commences at the moment of embarkation onto a conveyance at the point of departure from land and continues until disembarkation at the point of return to land.

23.85 Other insured party(ies)

For the purposes of the 'Casualty Coverage' Sections, **other insured party(ies)** means any of the following:

- a) **your** directors, partners, **employees** or former **employees**;
- b) officers, members' committee and/or **employees** and voluntary helpers of **your** welfare and social organisations (including nursery, crèche or child-care facilities, sports and social organisations);
- c) officers and members of **your** security and emergency services or medical organisations (other than any qualified medical practitioner working in their professional capacities);
- d) **your** directors or partners or executives in respect of private work undertaken by any **employee** for **your** directors, partners or executives; *and/or*
- e) officers or trustees of **your** pension scheme(s), in their respective capacities as such.

23.86 Outstanding debit balances

means the money owed to **you** by **your customers** at the date of the **damage** but adjusted to take account of:

- a) bad debts;
- b) 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 date to which said last statement relates and the date of the **damage**; *and*
- c) any abnormal conditions of trade which had or could have had a material effect on the **business**,

so that the figure thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the **damage** had the **damage** not occurred.

23.87 Panel Firm / Non-Panel Firm

- a) **Panel firm** means any law firm that is formally appointed to **our** claims panel. Where there is no panel firm formally appointed to service the jurisdiction in which the claim is being pursued, any law firm appointed with **our** written consent. Such consent shall not unreasonably be withheld.
- b) **Non-Panel Firm** means any law firm that is not a **panel firm**.

23.88 Personal injury

For the purpose of the '**Casualty Coverage**' Sections, **personal injury** means:

- a) **bodily injury**;
- b) death and resulting losses which become payable under the Fatal Accidents Act 1976 and the Damages (Scotland) Act 2011;
- c) physical illness and disease; *or*
- d) medically diagnosed psychiatric condition,

which is **caused by** an **occurrence**.

23.89 Period of insurance

means the period shown as such on **your Schedule**, both days inclusive which time is taken as Greenwich Mean Time unless otherwise stated.

23.90 Person insured

For the '**Legal expenses**' Section, **person insured** means:

- a) **you** and the 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.

23.91 Phishing

means any access or attempted access to data or a **computer system** made by means of misrepresentation or deception, whether effected by or to a human, a **computer system**, an AI system or by whatever means.

23.92 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.

23.93 Pollution

means:

- a) the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) at any time but not including any discharge release or escape of airborne or waterborne pathogens from water tanks, water systems, air conditioning plants, cooling towers or similar except in respect of **legionella**; *and*
- b) any cost, expense, claim or suit arising out of any request, demand or order arising from actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) 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 such pollutants.

23.94 Preferred law firm

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

23.95 Premises

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

23.96 Preventative costs

means costs which **you** necessarily and reasonably incur to avoid or mitigate the impact of an imminent threat of **pollution**, which is likely to give rise to a claim under the **policy**.

23.97 Principal

means any company, partnership, public authority or individual for whom **you** have agreed to carry out work under the terms of a contract.

23.98 Product

means any property (including integral software provided on a tangible medium, 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 **you** or on **your** behalf.

The term '**product**' excludes property rented to or located for use by third parties.

23.99 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.

- b) 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**.
- c) For the purposes of CLAUSE 8.2.1, **property** shall exclude:

- i) 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*
- ii) any **data**

23.100 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.

23.101 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

23.102 Rate of gross profit

means the rate of gross profit earned, **trend adjusted**, on the **turnover** during the financial year immediately before the date of the **damage**.

23.103 Reasonable prospects

For the '**Legal Services**' **Section**, reasonable prospects means:

- a) For civil cases: that the prospects the **person insured** 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%**. **ARAG** or a **preferred law firm** or tax consultancy on their behalf, will assess whether there are **reasonable prospects**.
- b) For criminal cases: there is no requirement for there to be prospects of a successful outcome.
- c) For civil and criminal appeals: the prospects of a successful outcome must be at least **51%**.

23.104 Reinstate/Reinstatement

means the repair or replacement of the **property insured** that has sustained **damage** as specified in the '**Basis of settlement**' Clauses.

23.105 Rent

means the **money** paid by **you** for rent and other charges and for services rendered in the course of the **business** at the **premises**.

23.106 Rent receivable

means the money which is contractually payable to **you** for rent and other charges and for services rendered in relation to the occupation or tenancy of buildings at the **premises**.

23.107 RIDDOR

means the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

23.108 State

means sovereign state.

23.109 Schedule

means the document which details **your** insurance, the limits of cover and any endorsements that apply.

23.110 Specified states

means China, France, Germany, Japan, Russia, UK or USA.

23.111 Section / sub-section

means a section of this **policy** or sub-section of a **schedule** that forms part of the insurance contract but only if stated as 'Operative' in the **schedule**.

23.112 Sickness

means any known physical illness, disease or malady which first manifests itself during the **period of insurance** and is diagnosed by a qualified health care practitioner.

23.113 Specified losses

means:

- a) the cost of **reinstatement**, replacement or repair in respect of **damage** to or destruction of **property insured** by **you**; *or*
- b) the amount of business interruption loss suffered directly by **you** 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 **you** to which access is affected.

23.114 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**.

23.115 Specified working expenses

means

- a) purchases (less discounts received);
- b) discounts allowed; *and/or*
- c) carriage, packing and freight.

23.116 Standard gross fees

means 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**.

23.117 Standard gross revenue

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

23.118 Standard rent receivable

means the **rent receivable** during the period in the **twelve (12) months** immediately before the date of the **damage** which corresponds with the **indemnity period**, which will be **trend adjusted**.

23.119 Standard turnover

means the **turnover** excluding **VAT**, **trend adjusted**, during that period in the **twelve (12) months** immediately before the date of the **damage** which corresponds with the **indemnity period**.

23.120 Stock and materials in trade

means stock and materials in trade including work in progress and contents of storage tanks at the **premises**, which are **your** property or held by **you** in **your** trust or on commission and for which **you** are responsible. **Stock and materials in trade** shall not include **Target stock**.

23.121 Stock in open

means **Stock and materials in trade** whilst stored in the open at the **premises**.

23.122 Storm

means rainstorm, windstorm, hurricane, tornado, tempest, cyclone and typhoon, but not including **flood** and **earthquake**.

23.123 Sub-limit

means the sum stated in the **policy** or on the **schedule** as the maximum amount for which **we** will cover **you** under an extension of the **policy**.

The operation of the **sub-limits** is set out in the '**General Terms and Conditions**' **Section**.

23.124 Subrogation

means **our** right when **we** have agreed to pay **you** for a claim under this **policy** to take over any recovery rights **you** may have against third parties liable for the same loss.

23.125 Subsidiary company

means any company being subsidiary to **you** within the meaning of the **Companies Act 2006**.

23.126 Sum insured

means the maximum amount **we** will pay **you** under this **policy** in respect of all claims during the **period of insurance** for the item of **property insured** or **Section** of the **policy** against which the **sum insured** is stated in the **schedule**, regardless of the number of **premises** or other locations or departments to which the claims relate, or the number of territories or divisions or subdivisions of territories to which the claims relate, or the number of entities, persons or interested parties making the claim or claims under this **policy**.

Where **property insured** has a **declared value** then the **sum insured** will be the **declared value** plus the additional uplift displayed in **your** Statement of Facts. If **you** have any questions about how **your sums insured** are calculated, **you** should contact **your** broker.

The operation of the **sums insured** is set out in the **'General Terms' Section**.

23.127 Target stock

means **Stock and materials in trade** specifically described in the **schedule** which is **your** property or held by **you** in **your** trust or on commission and for which **you** are responsible whilst at the **premises**.

23.128 Tax Enquiry

For the **'Legal Services' Section**, **tax enquiry** means 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.

23.129 Territorial limits

- a) For the **'Property'**, **'Business Interruption'**, **'Computer Breakdown'**, **'Money'** and **'Fidelity Guarantee' Sections**, **territorial limits** means the **United Kingdom**.
- b) For the **'Personal Accident' Section**, **territorial limits** means worldwide.
- c) For the **'All Risks: Specified Business Equipment' Section**:
 - i) territorial limit EU means **United Kingdom** and member states of the European Union, Albania, Andorra, Bosnia Herzegovina, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.
 - i) territorial limit Worldwide means **United Kingdom** and elsewhere in the world;
 - ii) territorial limit UK means **United Kingdom**.
- d) For the **'Employers liability' Section**, **territorial limit** means:
 - i) anywhere within the **United Kingdom** other than **offshore**;
 - ii) elsewhere in the world other than **offshore** and **North America**;
 - iii) **North America** but only in respect of clerical, promotional, sales conference attendance and other similar non-manual activities.
- e) For the **'Public Liability' Section**, **territorial limit** means:
 - i) anywhere within the **United Kingdom** other than **offshore**;
 - ii) anywhere within other member states of the European Union, Albania, Andorra, Bosnia and Herzegovina, Gibraltar, Iceland, Liechtenstein, -, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland and Turkey, other than **offshore**;
 - iii) elsewhere in the world other than **offshore** but only in respect of clerical, promotional, sales conference attendance and other similar non-manual activities.
- f) For the **'Products Liability' Section**, **territorial limit** means:
 - i) anywhere within the **United Kingdom** other than **offshore**;
 - ii) elsewhere in the world.
- g) For the **'Legal Services' Section**, **territorial limit** means:
 - i) For insured incidents Legal defence (excluding Statutory notice appeals) and Bodily injury:

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; *and*

ii) For all other insured incidents:

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

23.130 Territory

- a) For all **Sections** other than the '**Terrorism**' **Section**, **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; *and*
- b) For the '**Terrorism**' **Section**, **territory** means the land mass of England and Wales and Scotland (including the Channel Tunnel up to the frontier with the Republic of France) 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 nor the Republic of France.

23.131 Transit

means being carried within the **territorial limits** to a destination, but outside the **premises**, by any vehicle, including trailers and containers, and whether or not **your** vehicle, or by road haulage, post, or parcel post or rail, including:

- a) conveyance by canal craft on inland waterways;
- b) conveyance of the vehicle on sea going vessels where such conveyance does not exceed **twelve (12) hours**;
- c) loading and unloading; *and*
- d) while temporarily housed in the course of being carried to a destination.

23.132 Trend adjusted

means adjustments made to figures to provide for variations in or circumstances affecting the **business** either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred, so that the adjusted figures represent the results which but for the **incident** would have been obtained.

23.133 Turnover

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

23.134 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.

23.135 Unmanned aerial vehicle

means unmanned aerial systems (or any part thereof) and radio-controlled helicopters.

23.136 United Kingdom

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

23.137 Unoccupied

means any **building** that is:

- a) not physically occupied by **you** or **your employees** during **your** normal **business** working hours;
- b) not used for the purpose of the **business**; and/or
- c) empty, vacant, disused, untenanted and/or unfurnished regardless of any contents remaining;

for a period in excess of **thirty (30) consecutive days**.

23.138 Valuables

means gold, silver, jewellery, watches, curiosities/curios, furs, precious metals, precious stones, rare books, sculptures and works of art, or other individual items with an aesthetic quality.

23.139 VAT

means Value Added Tax under the Value Added Tax Act 2008.

23.140 VAT dispute

For the **'Legal Services' Section**, **VAT dispute** means 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.

23.141 Virus or similar mechanism

- a) For all **Sections other** than the **'Terrorism' Section**, **Virus or similar mechanism** means a computer program, 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. The definition of **virus or similar mechanism** includes but is not limited to any file virus, boot sector virus, macro virus, hostile applet, trojan horse program, java virus, ActiveX virus, worms, logic bombs or other executable program which contains instructions to initiate an event on the infected computer, causing modification of or damage to data, memory or data media or otherwise adversely affecting the operation of any information and communications technology system;
- b) For the **'Terrorism' Section**, **Virus or similar mechanism** means program code, programming instruction or any set of instructions constructed with the purpose and ability, or generated or operated by an AI system, 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.

23.142 War

- a) For all **Sections other** than the **'War, Cyber War and Cyber operation'** exclusion within the **'General Exclusions' Section, war** means:
- i) the use of physical force by a **state** against another **state** or as part of a civil war, rebellion, revolution, insurrection; *and/or*
 - ii) military or usurped power or confiscation or expropriation nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority,
- whether war be declared or not, but not including an **act of terrorism**.
- b) For the **'War, Cyber War and Cyber operation'** exclusion within the **'General Exclusions' Section, war** means the use of physical force by a sovereign state against another sovereign state, or as part of a civil war, rebellion, revolution, insurrection, or military or usurped power, whether war be declared or not.

23.143 **We / us / our / Insurer**

means:

- a) For all **Sections other** than the **'Legal Services' Section:**
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).
- b) For the **'Legal Services' 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
Authorised by the **Prudential Regulation Authority** and regulated by the **Financial Conduct Authority** (FRN202106) and the **Prudential Regulation Authority**.

23.144 **Work away**

means work, operations, installation or services performed by **you** or on **your** behalf outside the boundary of any **premises** owned or occupied by **you**.

23.145 **You / your / insured**

means for all **Sections** the company or other organisation shown as insured in the **schedule**, including its **subsidiary companies** which are in existence at the inception date of this **policy** and have been declared to **us** until such time as they may be sold or otherwise disposed of (but not excluding any liabilities incurred prior to disposal).

24 How to Complain

24.1 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 71055988

24.2 Complaints to ARAG

For complaints relating to the '**Legal Services**' **Section**, write to:

Customer Relations Department, ARAG Legal Expenses Insurance Company Limited, Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW

Email: customer-relations@arag.co.uk

Telephone: 0344 893 9013 Online: www.arag.co.uk/complaints

24.3 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/consumers/how-to-complain>.

You can contact the UK FOS via its website or write to:

The Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Tel: 0800 023 4567

24.4 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.

You can write to:

The Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

A large, abstract graphic composed of numerous overlapping triangles in various shades of blue, creating a complex, crystalline or molecular-like structure that occupies the lower right portion of the page.

QBE European Operations

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