

Business Combined Insurance Policy



Contents

1	Our agreement in general	2
2	Helplines	3
3	Section A - Contents	4
4	Section B - All Risks: Specified business equipment	11
5	Section C - Buildings	12
6	Section D - Computer breakdown	15
7	Coverage clauses (applicable to sections A, C and D)	17
8	Section E - Business interruption	22
9	Section F - Terrorism	26
10	Section G - Goods in transit	28
11	Section H - Personal accident	30
12	Section I - Employers' liability	32
13	Section J - Public and products liability	35
14	Section K - Legal expenses	41
15	General exceptions	49
16	Claim procedure	52
17	General conditions	54
18	General definitions and interpretation	58
19	Complaints	66

1 Our agreement in general

1.1 This agreement

This Business Combined Insurance Policy is a contract between **you** and **us** and the **statement of fact**, this document, its **schedule** and any attached endorsements is the **policy** which sets out this insurance. It is a legal contract so please read all of it carefully.

Words in bold type face used in this **policy** document, other than in the headings, such as **you** above, have specific meanings attached to them as set out in clause 18, the General definitions and interpretation section of this document.

1.2 Policy period and premium

We will, in consideration of the payment of the premium and for the **period of insurance**, provide insurance in accordance with the **sections** of the **policy** shown as 'operative' in the schedule, subject to the conditions, exceptions and endorsements of the **policy**.

1.3 Basis for the policy

The **statement of fact** made by **you** or on **your** behalf is the basis of the contract. It shall be a condition of the **policy** that all the information in the **statement of fact** is true so far as it is within **your** knowledge or could, with reasonable diligence, have been ascertained.

In the event of a breach of any provision of this clause, and without prejudice to any of **our** other rights, **we** may reject or reduce claims connected with the breach and continue the **policy** on such terms as **we** may determine.

1.4 Security of Premises

The **policy** contains a minimum security protections condition. Please refer to General condition 17.11 for full details. It is important that **you** do not alter door or window or other security devices unless allowed for within this condition.

1.5 Claims procedure

In the event of an incident resulting in a claim or one that may result in a claim, please read the claims procedure set out in clause 16.

For claims under all **sections** except **section K** please either:

1.5.1 contact your insurance broker; or

1.5.2 contact **us** by post to QBE Claims, Acclaim House, Central Park, New Lane, Leeds, LS11 5UF; and/or

1.5.3 telephone **us** on **0844 7369640**; or

1.5.4 email details to SMEnewclaims@uk.qbe.com

For claims under **section K** please contact **DAS** on **0117 9271924** or as set out in clause 2 and 16.3.

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

1.6 Signature

In evidence of our intention to be bound by this insurance, **we** print the signature of **our** Chief Operating Officer below.



2 Helplines

DAS provide these services 24 hours a day, seven days a week during the **period of insurance**. To help check and improve their service standards, **DAS** record all calls.

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

2.1.1 Eurolaw commercial legal advice

DAS will give **you** confidential legal advice over the telephone on any commercial legal problem affecting the **business**, under the laws of the member countries of the European Union, the Isle of Man, the Channel Islands, Switzerland and Norway.

2.1.2 Tax advice

DAS will give **you** confidential advice over the telephone on any tax matters affecting the **business**, under the laws of the United Kingdom.

2.1.3 Business assistance

In the event of an unforeseen emergency affecting **your business premises** which causes damage or potential danger, **DAS** will contact a suitable repairer or contractor and arrange assistance on **your** behalf. All costs of assistance provided are the responsibility of the **insured**.

To contact the above services, telephone on 0117 9271924 quoting **your policy** number.

2.1.4 Counselling

DAS will provide all employees (including any members of their immediate family who permanently live with them) of the **insured** with a confidential counselling service over the telephone including, where appropriate, onward referral to relevant voluntary and/or professional services.

To contact the counselling helpline, telephone on 0117 934 2121. These calls are not recorded.

2.1.5 Employment manual

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

2.1.6 DASbusinesslaw

At www.dasbusinesslaw.co.uk **you** will find a wide range of letters, articles and reference information, as well as interactive document builders, designed to help **you** run **your business**.

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

3 Section A - Contents

3.1 Property insured

Items 1 to 4 below and specified in the schedule all pertaining to the **business** and contained within the buildings at the **premises** but excluding any property otherwise insured, money, merchandise, gold and silver articles plate jewellery and furs.

Item 1 Plant machinery and all other contents

Contents within the **premises** being **your** property or held by **you** in trust for which **you** are responsible including:

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

excluding vehicles licensed for road use (and their accessories) and property described by Items 2, 3 and 4 of this **section**.

Item 2 Computers and ancillary equipment

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

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

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

Item 3 Stock and materials in trade

Stock and materials in trade within the **premises** being **your** property or held by **you** in trust for which **you** are responsible.

Item 4 Frozen and refrigerated contents

Frozen and refrigerated contents within the **premises** being **your** property or held by **you** in trust for which **you** are responsible.

3.2 Coverage - Insured perils

We will indemnify **you** against **damage** to the property insured specified in the schedule caused by the under noted perils:

3.2.1 Fire (including subterranean fire), explosion, lightning or earthquake;

3.2.2 Storm or flood excluding:

- a) **damage** caused by frost subsidence ground heave or landslip;
- b) **damage** attributable solely to change in water table level;
- c) **damage** to moveable property in the open;
- d) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;

- 3.2.3 Escape of water from any tank apparatus or pipe excluding
- a) **damage** to the contents of any building which is **empty** or not in use;
 - b) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- 3.2.4 Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
- a) **damage** arising from cessation of work;
 - b) as regards **damage** (other than fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) **damage** by theft;
 - ii) **damage** in respect of the contents of any building which is **empty** or not in use;
 - iii) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- 3.2.5 Impact with the building by aircraft or other aerial devices or articles dropped from them or by any vehicle train animal falling branch aerial or mast or satellite dish;
- 3.2.6 Theft or any attempt thereat (including damage to the building for which **you** are responsible) involving entry to or exit from the building by forcible and violent means excluding:
- a) **damage** to the contents of any building which is **empty** or not in use;
 - b) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- 3.2.7 Theft by violence or threat of violence to the **insured, your** family or **employees** excluding the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- 3.2.8 Leakage of oil from any fixed heating installation;
- 3.2.9 Any other accidental **damage** occurring in the building excluding:
- a) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
 - b) **damage** caused by or resulting from:
 - i) wear and tear the action of light or atmosphere moths vermin insects;
 - ii) any process of cleaning, dyeing, restoring, adjusting or repairing;
 - iii) corrosion, dampness, dryness, wet or dry rot, marring, scratching, bruising or deterioration;
 - c) **damage** to any machine or apparatus arising from mechanical electrical or electronic breakdown or derangement or from adjustment maintenance or repair;
 - d) **damage** specifically excluded in insured perils 3.2.1 to 3.2.8 and 3.2.10;
 - e) **damage** specifically excluded in clause 15 - General exceptions;
 - f) normal maintenance or repair;
 - g) erasure or distortion of information on computer systems or other record;
 - h) **damage** to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether **your** property or not where such **damage** is caused by programming or operator error **virus or similar mechanism** or **hacking**;
 - i) any disappearance or shortage revealed only at the time of stock taking or the making of any inventory or due to error or omission;
 - j) **damage** by confiscation or detention by customs or other officials or authorities;
 - k) **damage** following dishonesty or fraudulent action by **your employees** or any person lawfully in the building;
 - l) **damage** caused by or resulting from theft or any attempt thereat;
 - m) **damage** caused by or resulting from subsidence ground heave or landslide;
- 3.2.10 Subsidence or ground heave of any part of the site on which the **premises** stands or landslide excluding:

- a) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- b) **damage** to yards car parks roads pavements walls gates and fences unless also affecting a building insured hereby;
- c) **damage** caused by or consisting of:
 - i) the normal settlement of bedding down of new structures;
 - ii) settlement or movement of made-up ground;
 - iii) coastal or river erosion;
 - iv) defective design or workmanship or the use of defective materials;
 - v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe;
- d) **damage** which originated prior to the inception of this cover;
- e) **damage** resulting from:
 - i) demolition construction structural alteration or repair of any property; or
 - ii) groundworks or excavation;
 - at the premises.

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

- a) **you** shall notify **us** immediately they become aware of any demolition, groundworks excavation or construction being carried out on any adjoining site;
- b) **we** shall then have the right to vary the terms of or cancel the cover by this clause.

3.3 Contents - Cover extensions

3.3.1 Deterioration of Stock

This cover extension does not apply or operate unless **your** schedule states that this clause is 'included'.

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

- a) the refrigerated contents are **your** property or held in trust for which **you** are responsible;
- b) the deterioration, putrefaction or contamination occurs during the **period of Insurance**;
- c) in respect of each occurrence of deterioration, putrefaction or contamination **our** liability under this clause will not exceed the sum specified against Item 4 Frozen and refrigerated contents in the schedule.

3.3.2 Exhibitions

We will indemnify **you** for **damage** (caused by any of the insured perils 3.2.1-3.2.9) to contents up to an amount of £10,000 whilst at any exhibition within the **United Kingdom**.

3.3.3 Fidelity Guarantee

This cover extension does not apply or operate unless **your** schedule states that this clause is 'included'.

- a) **We** will indemnify **you** for loss of **your money** or goods or **money** or goods for which **you** are legally responsible caused by any act of theft committed during the **period of insurance** by an **employee** normally resident within the **territorial limits** and discovered not later than six (6) months after the termination of:
 - i) this insurance;
 - ii) the insurance in respect of an **employee** specified by name or position;
 - iii) the employment of any **employee**;
 whichever occurs first.

- b) **We** will indemnify **you** for auditors fees incurred with our written consent solely to substantiate the amount of the claim.
- c) **We** will indemnify **you** for the reasonable cost of re-writing or amending the software programmes or systems where such re-writing or amending is necessary to correct the programmes or amend the security codes following the fraudulent use of computer hardware or software programmes or computer systems the subject of a claim for which liability is admitted under the **policy**.
- d) If this insurance immediately supersedes a fidelity insurance effected by **you** (the 'superseded Insurance') **we** will indemnify **you** in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the superseded insurance if the loss is not recoverable thereunder solely because the period allowed for discovery has expired provided that:
 - i) such insurance had been continuously in force from the time of the loss until inception of this insurance;
 - ii) the loss would have been insured by this insurance had it been in force at the time of the loss;
 - iii) **our** liability shall not exceed whichever is the lesser of the:
 - I) amount recoverable under the insurance in force at the time of the loss
 - II) limit of indemnity under this insurance.

Our total liability in respect of any one claim continuing through both the term of the superseded insurance and the continuation of this insurance shall not exceed the limit of indemnity applicable under this insurance.

- e) **Our** liability under this extension will not exceed the limit of indemnity of £2,500.
- f) **We** shall not be liable under this clause for:
 - i) loss of interest or consequential loss of any kind;
 - ii) the first £250 in respect of each and every claim;
 - iii) further acts of theft by an **employee** immediately following **your** discovery of any act of theft by such an **employee**.
- g) It is further agreed that:
 - i) any money of the **employee** in **your** hands upon discovery of any loss and any money which but for the **employee's** theft would have been due from **you** to the **employee** shall be deducted from the amount of the loss before a claim is made under this insurance;
 - ii) any further monies which are recovered less any costs incurred in recovery shall accrue:
 - I) in the event that **your** claim has exceeded the limit of indemnity firstly to **your** benefit to reduce or extinguish the amount of **your** loss (but not the excess);
 - II) to **our** benefit to the extent of the claim paid or payable;
 - III) to **your** benefit where the excess had been deducted from the claim.

3.3.4 **Glass breakage**

This cover extension does not apply or operate unless **your** schedule states that this clause is 'included'.

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

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

3.3.5 Landscaped gardens

The cost of restoring any **damage** done to landscaped gardens for which **you** are responsible by the Emergency Services in attending the **premises** as a result of any of the insured perils 3.2.1-3.2.9 up to a maximum of £10,000 in any one **period of insurance**.

3.3.6 Lock replacement

In the event of the keys of the **premises** being stolen from the **premises** or from the private residence of any director partner or **employee** authorised to hold such keys **we** will pay to **you** an amount not exceeding £2,500 in any one **period of insurance** for the replacement of equivalent locks at the **premises**.

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

3.3.7 Loss of metered water

The unit cost of metered water at the current rate per cubic metre consumed as a direct result of **damage** (caused by any of the insured perils 3.2.1-3.2.9) up to an amount of £10,000 in respect of any one claim.

3.3.8 Money

This cover extension does not apply or operate unless **your** schedule states that this clause is 'included'.

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

- a) whilst in transit within the **United Kingdom** or in a bank night safe up to a maximum amount of £5,000 for any one loss;
 - b) whilst at the private residence of any principal or your authorised **employee** up to a maximum amount of £500 for any one loss;
 - c) from the **premises** during **business** hours up to a maximum amount of £5,000 for any one loss;
- except that when the **premises** are closed to **business**:
- d) liability for **money** not contained within a locked safe is limited to £500;
 - e) liability for **money** within a locked safe is limited to £2,500.

It is further agreed as a condition precedent to our liability under this clause that

- f) keys and/or combination codes to safes are not left on the **premises** unless the **premises** are still attended by **you** or **your** authorised **employee** in which case such keys and/or combination codes shall be deposited in a secure place not in the vicinity of any safe.
- g) whenever money in transit exceeds £3,000 at any one time:
 - i) the **negotiable money** will be accompanied by not less than two (2) responsible adult persons; and
 - ii) no more than £3,000 will be carried by any one (1) person.

You will be indemnified against loss from any cause of **non-negotiable money** held in connection with the **business** up to a maximum amount of £500,000 for any one loss.

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

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

3.3.9 Personal Accident (Assault)

This cover extension does not apply or operate unless **your** schedule states that this clause is 'included'.

- a) If you or any of your **employees** between the ages of sixteen (16) and seventy (70) years shall suffer **bodily injury** caused solely or directly as a result of robbery or any attempt thereat in the course of the **business we** will pay compensation on the basis of the following table:
- | | |
|--|---------------|
| i) Death | £20,000 |
| ii) Total loss or permanent and total loss of use of one or more limbs occurring within two (2) years of sustaining the bodily injury | £20,000 |
| iii) Total and irrecoverable loss of all sight in one or more eyes occurring within two (2) years of sustaining the bodily injury | £20,000 |
| iv) For any period up to a maximum of two (2) years of total disablement from engaging in usual occupation | £100 per week |
- b) Provided that:
- i) compensation will not be payable under more than one of the items in the compensation table for the same **bodily injury**; and
 - ii) no liability will attach to **us** for **bodily injury** arising from or influenced by any existing physical defect or infirmity or the medical condition of any person entitled to compensation hereunder or resulting from pregnancy or childbirth.
- c) The insurance by this clause is extended to pay for damage to cash carrying devices or clothing and personal effects belonging to **you** or any of **your employees** up to a limit of £1,000 in respect of any one person.

3.3.10 Rent

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

3.3.11 Signs

You will be indemnified against **damage** to signs up to a maximum amount of £2,000 in any one **period of insurance**.

3.3.12 Temporary removal of documents and contents

The insurance by item 1 of the property insured extends to cover **damage** caused by any of the insured perils 3.2.1-3.2.9 whilst temporarily removed from the **premises** but remaining within the **United Kingdom** up to a maximum of ten (10%) percent of the **sum insured** by Item 1.

3.4 Contents other terms and conditions

3.4.1 Basis of claim settlement

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

- e) All claims will be settled without deduction in respect of any increases in the **declared value** at risk between the cover date and the time of the damage provided that:
- i) the **declared value** at the inception of this insurance is not less than the cost of reinstatement at inception
 - ii) **you provided us** annually at renewal a revised **declared value**
 - iii) **you** comply with general condition 17.4 - Confirmation of values at risk otherwise **our** liability for any loss is limited to the proportion of the loss that the **declared value** at inception bears to the cost of reinstatement at inception.

3.4.2 **Condition of average**

(Only applicable where claims are not paid under the terms of the Reinstatement Clause)

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.

3.4.3 **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**

3.4.4 **Limit of liability**

Subject to the provisions at clause 7.7 - Automatic reinstatement of sum insured, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the schedule for the contents of the **premises** adjusted in accordance with clause 3.4.3 - index linking.

4 Section B - All Risks: Specified business equipment

4.1 Specified business equipment coverage

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

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

4.2 Specified business equipment - Cover extensions

4.2.1 Reinstatement

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

4.2.2 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.

4.2.3 Index linking

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

4.2.4 Automatic reinstatement of sum insured

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

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

4.2.5 Limit of liability

Subject to the provision at clause 4.2.4 – Automatic reinstatement of sum insured, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the schedule for **section B - All Risks - Specified business equipment** adjusted in accordance with clause 4.2.3 - Index linking.

5 Section C - Buildings

5.1 Property insured

Item 1 Buildings

The fixed permanent structure at the **premises** including outbuildings landlords fixtures and fittings therein and thereon walls gates and fences yards car parks and pavements piping ducting cables wires and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of **your** responsibility

Item 2 Tenants improvements

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

Item 3 Rent payable / receivable

We will pay **you** an amount for rent if a **sum insured** is specified in the schedule as being but only if the buildings are, or any part thereof is, unfit for occupation in consequence of accidental **damage** which is covered under clause 5.2 provided that **our** liability will not exceed such proportion of the **sum insured** on rent as the period necessary for reinstatement bears to the number of months of rent insured stated in the schedule.

5.2 Coverage - Insured perils

We shall indemnify **you** against **damage** to the property insured caused by the under noted perils:

- 5.2.1 Fire (including subterranean fire), explosion, lightning or earthquake;
- 5.2.2 Storm or flood excluding:
 - a) **damage** caused by frost, subsidence, ground heave or landslip;
 - b) **damage** attributable solely to change in water table level;
 - c) **damage** to moveable property in the open;
 - d) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.
- 5.2.3 Escape of water from any tank, apparatus or pipe excluding:
 - a) **damage** to contents of any building which is **empty** or not in use;
 - b) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.
- 5.2.4 Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
 - a) **damage** arising from cessation of work;
 - b) as regards **damage** (other than fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) **damage** by theft;
 - ii) **damage** in respect of the contents of any building which is **empty** or not in use;
 - iii) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.
- 5.2.5 Impact with the building by aircraft or other aerial devices or articles dropped from them or by any vehicle, train, animal, falling branch, aerial or mast or satellite dish.
- 5.2.6 Theft or any attempt thereat (including **damage** to the building for which **you are** responsible) involving entry to or exit from the building by forcible and violent means excluding
 - a) **damage** in respect of the contents of any building which is **empty** or not in use;
 - b) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.

5.2.7 Theft by violence or threat of violence to **your** family or **employees** excluding the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.

5.2.8 Leakage of oil from any fixed heating installation.

5.2.9 Any other accidental **damage** occurring in the building excluding:

- a) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average.
- b) **damage** caused by or resulting from:
 - i) wear and tear the action of light or atmosphere moths, vermin or insects;
 - ii) any process of cleaning, dyeing, restoring, adjusting or repairing;
 - iii) corrosion, dampness, dryness, wet or dry rot, marring, scratching, bruising or deterioration;
- c) **damage** to any machine or apparatus arising from mechanical electrical or electronic breakdown or derangement or from adjustment maintenance or repair;
- d) **damage** specifically excluded in insured perils 5.2.1-5.2.8 and 5.2.10
- e) **damage** specifically excluded in the clause 15 - General exceptions;
- f) normal maintenance or repair;
- g) erasure or distortion of information on computer systems or other records;
- h) **damage** to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property is **yours** or not or where such **damage** is caused by programming or operator error, **virus or similar mechanism or hacking**;
- i) any disappearance or shortage revealed only at the time of stock taking or the making of any inventory;
- j) **damage** by confiscation or detention by Customs or other officials or authorities;
- k) **damage** following dishonesty or fraudulent action by **your employees** or any person lawfully in the building;
- l) any shortage due to error or omission;
- m) **damage** by theft or any attempt thereat;
- n) **damage** by subsidence ground heave or landslip.

5.2.10 Subsidence or ground heave of any part of the site on which the **premises** stands or landslip excluding:

- a) the amount of the excess stated in the schedule in respect of each and every loss as ascertained after the application of any condition of average;
- b) **damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby;
- c) **damage** caused by or consisting of:
 - i) the normal settlement of bedding down of new structures;
 - ii) the settlement or movement of made-up ground;
 - iii) coastal or river erosion;
 - iv) defective design or workmanship or the use of defective materials;
 - v) fire subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
- d) **damage** which originated prior to the inception of this cover.
- e) **damage** resulting from:
 - i) demolition construction structural alteration or repair of any property; or
 - ii) groundworks or excavation at the **premises**.

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

- a) **you** shall notify **us** immediately when **you** become aware of any demolition groundworks, excavation or construction being carried out on any adjoining site;
- b) **we** shall then have the right to vary the terms or cancel the cover.

5.3 Buildings - Other terms and conditions

5.3.1 Basis of claim settlement

- a) Claims for the total loss, destruction or **damage** to buildings will be settled on the basis of rebuilding or replacement of destroyed property or the repair or restoration of the damaged portion of the property in each case in a condition equal to but not better or more extensive than its condition when new provided that:
- i) the buildings are maintained in good repair;
 - ii) no payment beyond the amount which would have been payable under this **section** if this provision had not been incorporated therein shall be made until the cost of reinstatement has actually been incurred.
- b) All claims will be settled without deduction in respect of any increases in the **declared value** at risk between the inception date and the time of the **damage** provided that:
- iv) the **declared value** at the inception of this insurance is not less than the cost of reinstatement at inception;
 - v) **you** provided **us** annually at renewal a revised **declared value**
 - vi) **you** comply with General condition 17.4 - Confirmation of values at risk otherwise **our** liability for any loss is limited to the proportion of the loss that the **declared value** at inception bears to the cost of reinstatement at inception.

5.3.2 Condition of average

(Only applicable where claims are not paid under the terms of the Reinstatement clause 7.2)

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 Damage to cables and underground pipes

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

5.3.4 Index linking

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

5.3.5 Limit of liability

Subject to the provisions at clause 7.7 - Automatic reinstatement of sum insured, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the schedule for buildings of the **premises** adjusted in accordance with clause 5.3.4 - Index linking.

5.3.6 Trace and access

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

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

6 Section D - Computer breakdown

6.1 Computer breakdown coverage

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

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

6.2 Computer breakdown cover extensions

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

6.2.1 Increased cost of working

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

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

provided that **our** liability does extend beyond the number of months specified in the schedule and does not exceed the **sum insured** stated in the schedule for each of a) and b) above in any one **period of insurance**.

6.2.2 Incompatibility of computer records

the costs of:

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

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

6.2.3 Additional rental

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

6.2.4 Loss of income

loss as a result of interruption of or interference with the business following **damage**, as defined by clause 6.1.1 above to the computer equipment or computer records against loss of **gross income** in accordance with the terms and definitions stated in clause 8, by paying for the **indemnity period** (number of months stated in the schedule) the amount by which the **gross income** during the **indemnity period** shall fall short of the **gross income** during the equivalent period immediately before the **damage** provided that **our** liability does not exceed the **sum insured** stated in the schedule.

6.3 Computer breakdown exclusions

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

6.3.1 **damage** to the property insured:

- a) occasioned by its own breakdown unless there is in force an approved maintenance agreement providing a minimum service of on call remedial and or corrective maintenance at inclusive costs;

- b) for which any manufacturer supplier agent or maintenance undertaking is responsible under the terms of a guarantee or maintenance agreement;
- c) for which **you** are relieved of responsibility under any rental hire or lease agreement;
- d) caused by any of the insured perils defined under clause 3.2;
- e) caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions but this exclusion shall not apply to subsequent **damage** which itself results from a cause not otherwise excluded;
- f) caused by a deliberate act of a supply undertaking in withholding the supply of electricity or telecommunication services unless for the sole purpose of safeguarding life;
- g) caused by the inability of the supply undertaking to maintain the supply system due to industrial action by its employees;
- h) caused by the use of telecommunications equipment which is not approved by the telecommunications authority;
- i) caused by it undergoing any process of production, packaging, treatment, testing, commissioning, servicing or repair;
- j) caused by the use of unproven software which has not been finalised or which has not passed all the testing procedures or which has not been successfully proven;
- k) caused by programming errors or design defects in software.

6.3.2 any payment beyond the number of months stated in the schedule.

6.3.3 the first £250 of each and every loss.

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

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

6.4 Computer breakdown other terms and conditions

6.4.1 Condition of average

Where any claim not paid under the terms of the Reinstatement clause 7.2 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.

6.4.2 Index linking

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

6.5 Limit of liability

Subject to the provisions of Clause 7.7 - Automatic reinstatement of sum insured the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for the contents of the **premises** adjusted in accordance with clause 6.4.2 - Index linking.

7 Coverage clauses (applicable to sections A, C and D)

7.1 European Community and Public Authorities (including undamaged property)

7.1.1 Subject to clause 7.1.2, the insurance by the **section** extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European Community legislation; or
- b) Building or other regulations under or framed in pursuance of any act of Parliament or bye-laws of any public authority (hereafter referred to as 'the stipulations') in respect of:
 - i) the **damaged** property thereby insured;
 - ii) undamaged portions thereof.

but excluding:

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

7.1.2 Special conditions

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

7.2 Reinstatement

7.2.1 In the event of the property insured under **section A** (Items 1 and 2), **C** and **section D** being **damaged** the basis upon which the amount payable hereunder is to be calculated shall be the reinstatement of the property **damaged**.

7.2.2 For this purpose 'reinstatement' means

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

7.2.3 Special conditions

- a) **Our** liability for the repair or restoration of property **damaged** in part only shall not exceed the amount which would have been payable had such property been wholly destroyed;
- b) If at the time of reinstatement the sum representing eighty five (85%) percent of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this clause exceeds its **sum insured** at the commencement of any **damage our** liability shall not exceed that proportion of the amount of the **damage** which the said **sum insured** shall bear to the sum representing the total cost of reinstating the whole of such property at that time;
- c) No payment beyond the amount which would have been payable in the absence of this clause shall be made:
 - i) unless reinstatement commences and proceeds without unreasonable delay;
 - ii) until the cost of reinstatement shall have been actually incurred;
 - iii) if the property insured at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- d) All the terms and conditions of the **policy** shall apply:
 - i) in respect of any claim payable under the provisions of this clause except insofar as they are varied hereby;
 - ii) where claims are payable as if this clause had not been incorporated.

7.3 Architects, surveyors, legal and consulting engineers fees

Such fees as are necessarily incurred in the reinstatement or repair of the property insured consequent upon its **damage** but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total its **sum insured**.

7.4 Removal of debris

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

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

We shall not pay for any costs or expenses:

- a) incurred in removing debris except from the site of such property **damaged** and the area immediately adjacent to the site;
- b) arising from pollution or contamination of property not insured by **sections A, C** and **D**.

7.4.2 **Our** liability under this clause and **sections A, C** and **D** in respect of any item shall in no case exceed the **sum insured** thereby.

7.5 Temporary removal

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

7.6 Capital additions

- 7.6.1 The insurance by **sections A, C and D** is extended to cover any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) and contents insofar as the same are not otherwise insured; and
- a) alterations additions and improvements to buildings and contents but not in respect of any appreciation in value anywhere in the United Kingdom provided that:
- i) at any one situation this cover shall not exceed ten (10%) percent of the **sum insured** or £50,000 whichever is the greater;
 - ii) **you** undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability;
 - iii) the provisions of this clause shall be fully maintained notwithstanding any specific insurance effected under clause 7.6 1 a) ii).

7.7 Automatic reinstatement of sum insured

- In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:
- 7.7.1 pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;
- 7.7.2 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.

7.8 Notice of unoccupancy

We must be notified in writing immediately the **premises** become unoccupied and a suitable extra premium paid if required.

7.9 Amount excluded aggregation clause

Where a claim is to be dealt with under **sections A, C and D** and under the terms of the **policy**, **you** are responsible for the first £250 of **damage** under each **section**. **We** agree that **you** will only be responsible for the first £250 of the claim in aggregate under **sections A and B**.

7.10 Acquisitions

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

7.11 Change of tenancy

You must advise **us** of all changes in tenancy or occupation within the **premises** in accordance with General condition 17.1 of this **policy**.

7.12 Contract price

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

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

7.13 Empty buildings

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

- a) **you** shall notify **us** immediately they become aware:
 - i) that the building(s) are **empty**;
 - ii) of any **damage** to the **empty** building(s) whether such **damage** is insured or not;
- b) the buildings are inspected internally and externally at least once during each week by **you** or on **your** behalf;
- c) all trade refuse and waste materials are removed from the interior of the premises and no accumulation of refuse and waste be allowed in the adjoining yards or spaces owned by **you**;
- d) **you** shall secure the buildings and rectify any defects which render the buildings insecure;
- e) the gas water and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or intruder alarm system in operation).

7.13.2 **We** must be notified in writing immediately any **empty** building or **empty** portion of a building insured hereby becomes occupied or any occupied building becomes **empty** and a suitable extra premium paid if required.

7.14 Fire break doors and shutters

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

7.15 Fire extinguishing appliances

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

7.16 Mortgagees

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

7.17 Non invalidation

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

7.18 Repairs and alterations

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

7.19 Sale of property insured

If at the time of **damage you** shall have contracted to sell **your** interest in any building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase (if and so far as the property is not otherwise insured against such **damage** by him or on his behalf) shall be entitled to the benefit under these **sections C** without prejudice to **your** or **our** rights and liabilities until completion

7.20 Subrogation waiver

In the event of a claim arising under **sections A, C and D we** agree to waive any rights remedies or relief to which they might have become entitled by subrogation against:

7.20.1 any company standing in relation of parent to subsidiary (subsidiary to parent) to the **insured** as defined in the Companies Act or the Companies (NI) Order as appropriate current at the time of **damage**;

7.20.2 any company which is a subsidiary of a parent company of which the **insured** are themselves a subsidiary in each case within the meaning of the Companies Act or the Companies (NI) Order as appropriate current at the time of **damage**.

7.21 Designation

For the purposes of determining where necessary the heading under which any property is insured **we** agree to accept the designation under which such property has been entered in **your** books.

8 Section E - Business interruption

8.1 Business interruption coverage

8.1.1 In the event of loss as a result of interruption of or interference with the **business** following **damage** to property at the **premises** as a result of:

- a) an insured peril under clause 3.2;
- b) glass breakage;

damage so caused being termed **damage** for which payment shall have been made or liability admitted by an insurer under any insurance covering **your** interest in the property at the **premises** against such **damage** provided that such **damage** would not have been excluded by **section A - Contents** or **section C - Buildings** of this **policy** then **we** shall indemnify **you** against loss of **gross income** in accordance with the following provisions:

- c) by paying for the **indemnity period** the amount by which the **gross income** during the **indemnity period** shall fall short of the **gross income** during the equivalent period immediately before the **damage**;
- d) by paying any reasonable additional expenses incurred in maintaining **gross income** during the **indemnity period** but not more than the loss avoided under c) less any amount saved during the **indemnity period** in respect of reduced expenses due to the **damage**.

8.1.2 In adjusting the amount paid all variations or special circumstances affecting the **business** shall be taken into account in order that the amount paid shall represent as nearly as practicable the results which would have been expected if the **damage** had not occurred.

8.1.3 If the **damage** occurs in the first trading year the payment under 8.1.1 c) shall be based on the **gross income** immediately prior to the loss.

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

8.1.5 No claim shall be payable under this **section** unless **you**:

- a) take all action which may be reasonably practicable to minimise or check any interruption of or interference with the **business** to avoid or diminish the loss; and
- b) at **your** own expense deliver to **us** in writing a statement setting forth particulars of his claim no later than thirty (30) days after the expiry of the **indemnity period** or within such further time as **we** may in writing allow.

8.2 Business interruption - Cover extensions

8.2.1 Alternative trading clause

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

8.2.2 Automatic reinstatement of sum insured

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

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

8.2.3 **Contract sites and transit**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1, to contents and **goods** belonging to or held in trust by **you** whilst temporarily at **premises** not occupied by **you** or whilst in transit by road, rail or inland waterway anywhere within the **United Kingdom** provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £100,000 whichever is the greater.

8.2.4 **Denial of access**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1, to property in the vicinity of the **premises** which shall prevent or hinder the use of the **premises** or access thereto whether the **premises** or **your** property therein shall be **damaged** or not (but excluding **damage** to property of any supply undertaking from which **you** obtain electricity, gas or water or telecommunications services which prevents or hinders the supply of such services).

8.2.5 **Murder, suicide or disease**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1, arising from:

- a) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the local authority has stipulated shall be notified to them manifested by any person whilst in the **premises** or within a twenty five (25) mile radius of it;
- b) murder or suicide in the **premises**;
- c) injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the **premises**;
- d) vermin or pests in the **premises**;
- e) the closing of the whole or part of the **premises** by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the **premises**.

The insurance by this clause shall only apply for the period beginning with the occurrence of the loss and ending not later than three (3) months thereafter during which the results of the **business** shall be affected in consequence of the **damage**.

8.2.6 **Professional accountants charges**

We shall indemnify **you** in respect of reasonable charges payable by **you** to **your** professional accountants for producing any particulars or details contained in **your business** books or such other proofs information or evidence as **we** may require under clause 16.2.1 e) and reporting that such particulars or details are in accordance with **your** business books or documents

8.2.7 **Suppliers**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1, at any **premises** of any of **your** suppliers within the **United Kingdom**, provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £100,000 whichever is the greater.

8.2.8 **Supply utilities**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1, giving rise to **damage** to property at any:

- a) generating station or sub-station of the public electricity supply undertaking;

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

from which **you** obtains electricity, gas, water or telecommunication services within the **United Kingdom**

In addition we will indemnify **you** in respect of interruption of or interference with the **business** caused by accidental failure of:

- i) the terminal ends of the electricity supply utility service feeders;
- ii) the supply of gas at the supply utility metres;
- iii) the supply of water at the supply utility main stopcock;
- iv) the supply of telecommunication services at the incoming line terminal or receivers

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

8.2.9 **Unspecified customers**

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in clause 8.1 where property is stored at the premises of any of the **insured's** customers' but excluding:

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

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

8.2.10 **Value Added Tax**

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

8.3 **Book debts**

8.3.1 In the event of any of **your** books of account or other business books or records at the **premises** being **damaged** by:

- a) an insured peril under clauses 3.2 or 5.2;
- b) glass breakage;

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

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

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

provided that **our** maximum amount payable under this clause shall not exceed £25,000 any one loss.

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

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

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

8.4 Business interruption - Exclusions

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

- a) **damage** arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software;
- b) **damage** directly or indirectly caused by or arising from any programming or operator error **virus or similar mechanism** or **hacking** including where this results from the actions of malicious persons other than thieves;
- c) mislaying or misfiling of records and tapes;
- d) the deliberate act of the supply undertaking in restricting or withholding electricity supply;
- e) subject to the provisions of clause 8.2.2 - Automatic reinstatement of sum insured and clause 8.2.6 professional accountants charges, any amount in excess of the **sum insured** shown in the schedule that is the maximum amount **we** are liable to pay during any one **period of insurance**. For the avoidance of doubt professional accounts charges are payable in addition to the **sum insured**.
- f) any payment beyond the **indemnity period** shown on the schedule.

9 Section F - Terrorism

9.1 Terrorism coverage

Where **section F** is shown in the schedule as 'operative' **we** will indemnify **you** for **damage** to the property insured and consequential loss resulting therefrom insofar and to the extent that:

- 9.1.1 it is insured in Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 nor the Isle of Man nor the Channel Islands);
- 9.1.2 occasioned by or happening through or in consequence of any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;
- 9.1.3 provided that in any action suit or other proceedings where **we** allege that any **damage**, costs and expenses are not covered by this insurance **you** shall have the burden of proving the contrary; and
- 9.1.4 this **section F** excludes and will not cover:
 - a) chemical biological or radioactive contamination defined as any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or its nuclear component thereof, ionising radiation or contamination by radioactivity or from the combustion of any radioactive material, chemical and or biological and or radiological irritants contaminants or pollutants, in respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual;
 - b) war and allied risks as defined as war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power;
 - c) digital or cyber risks, that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **damage** to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether **your** property or not, where such **damage** is caused by **virus or similar mechanism or hacking or denial of service attack**, or consequential loss directly or indirectly caused by or arising from **virus or similar mechanism or hacking or denial of service attack**.
 - d) **Our** liability in respect of all losses arising out of any one occurrence and in the aggregate in any one **period of insurance** is limited to, and will not exceed, the **sum insured** otherwise specified in **sections A, B, C and D**.

9.2 Other terrorism terms and conditions

9.2.1 Cancellation

We may cancel this **section F** by giving **you** written notice at the address shown on the schedule cancelling this section with effect from the seventh (7th) day after the notice has been served. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.

9.2.2 **Restricted terms**

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

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

will not apply to losses covered under this **section F**.

10 Section G - Goods in transit

10.1 Goods in transit coverage

10.1.1 **We** agree to indemnify **you** against **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.

10.1.2 Cover under clause 10.1.1:

- 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;
- 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.

10.2 Goods in transit - cover extensions

10.2.1 Expenses

We will pay expenses reasonably incurred for which **you** are responsible in:

- a) the removal of debris and site clearance of **goods damaged** whilst in transit from the immediate area of the site where the **damage** occurred;
- b) transferring **goods** to any other vehicle following fire collision overturning or impact of the conveying vehicle including carrying the **goods** to original destination or to place of collection;
- c) reloading onto the vehicle any **goods** which have fallen from the vehicle;
- d) resecuring the **goods** where there is dangerous movement of the load in transit.

10.2.2 Personal effects

In the event of the payment of a claim under this **section we** will pay up to £250 for **damage** to drivers personal effects (excluding wear and tear) whilst they are in vehicles operated by **you** but we will not pay for audio/visual/ telecommunications equipment or clothing watches and jewellery whilst being worn.

10.2.3 Ropes and sheets

We will pay for **damage** (excluding wear and tear) to tarpaulins sheets trailer curtains ropes chains webbing straps and packing materials which belong to **you** or for which **you** are responsible whilst carried on any vehicle operated by **you** except for any **goods** specifically excluded by this **section G**.

10.3 Goods in transit exclusions

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

10.3.1 **damage** to money securities for money (which includes certificates of bond stock certificates bills of exchange promissory notes) stamps watches precious stones jewellery bullion nuclear waste or loss of or injury to living creatures;

10.3.2 any indirect or consequential loss;

10.3.3 natural deterioration;

10.3.4 the deterioration of **goods** conveyed in frozen chilled or insulated condition due to:

- a) faulty stowage
- b) incorrect setting or operation of the equipment
- c) variations in temperature

unless directly caused by fire accident (but not breakdown) to the conveying vehicle theft or attempted theft;

- 10.3.5 electrical or mechanical derangement unless caused by impact;
- 10.3.6 **damage to goods** during any erection dismantling or installation;
- 10.3.7 theft or attempted theft from any unattended vehicle unless there are outward signs of forced entry to the vehicle;
- 10.3.8 theft or attempted theft from any unattended vehicle between the hours of 9 pm and 6 am unless it is secured at all points of access and is garaged within enclosed **premises** which are securely locked or have a watchman in constant attendance;
- 10.3.9 theft or attempted theft from any unattended vehicle unless all doors and points of access are securely locked and windows and other openings securely closed;
- 10.3.10 any amount in excess of the limits shown in the schedule.

10.4 Other goods in transit terms and conditions

10.4.1 Basis of valuation

The valuation of **goods** shall be at invoice cost. If an invoice has not been raised the basis of valuation will be the value of the goods at the time of the commencement of the transit.

10.4.2 Basis of claims settlement

This will normally be a payment in money but **we** have the option to repair replace or reinstate goods **damaged**. In the event of **damage** to any part of a machine which when complete for sale or use consists of several parts **we** will only pay for the value of the part actually **damaged** including any replacement charges.

10.4.3 Reinstatement of sum insured

We will automatically reinstate the limits shown in the **policy** schedule from the date of any loss unless we give written notice to the contrary. **You** may be required to pay extra premium and if the loss has resulted from theft **we** may require that **you** fit additional protective devices to the vehicle

11 Section H - Personal accident

11.1 Personal accident coverage

We agree to pay compensation to the **insured person** on the basis of and in accordance with the terms of this **section** and the benefit amounts specified in the schedule in respect of **injury** sustained during the **period of insurance** causing:

- Item 1 Death or other capital benefits being total loss or permanent total loss of use of one or more limbs, total and irrecoverable loss of:
 - a) all sight in one or both eyes
 - b) speech
 - c) hearing
- Item 2 **Permanent total disablement** (other than specified in Item 1 above)
- Item 3 **Temporary total disablement**
- Item 4 **Temporary partial disablement**

provided that:

- a) compensation will not be payable under more than one of the items above for the same **injury**; and
- b) payment under Item 3 or item 4 will cease if benefit under either Item 1 or 2 becomes payable when the sums paid under Items 3 and/or 4 will be deducted from the amount of benefit payable under Item 1 or 2.

11.1.1 Benefit period

- a) Item 3 is payable for a maximum period of 104 weeks (but not necessarily consecutive weeks) in respect of any one injury sustained by an **insured person**;
- b) Item 4 is payable for a maximum period of 52 weeks (but not necessarily consecutive weeks) in respect of any one injury sustained by an **insured person**.

11.2 Personal accident - exclusions

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

11.2.1 the **deferment period**.

11.2.2 **injury**

- a) resulting from or engaging in aeronautics or aviation other than as a fare paying passenger of a properly licensed passenger aircraft;
- b) resulting from or engaging in racing on wheels or on horseback or practice rugby football, motorcycling or pillion riding or underwater activities involving the use of breathing apparatus;
- c) resulting from or engaging in mountaineering, rock climbing or potholing;
- d) resulting from or engaging in any sport undertaken on a professional or semi-professional basis;
- e) due to contributed to or accelerated by insanity;
- f) resulting from any operational duties as a member of the Armed Forces;
- g) resulting directly or indirectly from pregnancy or childbirth.

11.2.3 suicide self inflicted injuries (other than in an attempt to save life) or venereal infection.

11.2.4 **injury** sustained whilst under the influence of or disablement due wholly or partly to the effects of alcohol or drugs other than drugs taken in accordance with treatment prescribed and directed by a qualified registered medical practitioner but not for the treatment of drug addiction;

- 11.2.5 any claim arising directly or indirectly from Injury attributable to HIV (Human Immune Deficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or mutant derivative(s) or variation(s) thereof however caused;
- 11.2.6 death or disablement directly or indirectly resulting from or consequent upon any **pre-existing condition** not declared to and accepted by us in writing, or any **injury** contributed to or aggravated by any specifically excluded or **pre-existing condition**, and any condition or body part specifically excluded by endorsement attached to or incorporated in the schedule.
- 11.2.7 **injury** resulting from **terrorism**.

11.3 Other Personal accident terms and conditions

- 11.3.1 On the happening of any event which may give rise to a claim **you** shall provide all certificates information and evidence required by **us** at our expense and in such form as **we** may require. The **insured person** as often as required shall submit to medical examination on **our** behalf and at **our** expense in respect of any alleged **injury**.

12 Section I - Employers' liability

12.1 Employers' liability coverage

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

12.1.1 Limit of indemnity

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

12.1.2 Right of recovery

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

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

12.2 Employers' liability - cover extensions

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

12.2.1 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify in the terms of this **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** will indemnify in the terms of this **section**:
 - i) any principal in respect of liability arising out of the performance by **you** of any agreement entered into by **you** with the principal to the extent required by such agreement;
 - ii) any director of **yours** or **employee** in respect of liability arising in connection with the **business** provided that **you** would have been entitled to indemnity under the **section** if the claim had been made against **you**;
 - iii) any officer, committee or member of **your** canteen, sports, social or welfare organisations, fire security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official;

provided that:

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

12.2.2 Compensation for court attendance

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

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

12.2.3 Contractual liability

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

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

provided that:

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

12.2.4 Cross liabilities

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

12.2.5 Data Protection Act 1998

We will indemnify **you** and if **you** so require any **employee** in respect of their liability under the Data Protection Act 1998 ('DPA') to pay:

- a) compensation in respect of **damage** or distress under section 13 of Part II of the DPA including defence costs and expenses;
- b) defence costs in relation to a prosecution brought under section 21 of Part III of the DPA in relation to claims made by an **employee**, provided that:
 - i) **you** have registered in accordance with the terms of the DPA;
 - ii) the claim arises from damage or distress caused or prosecution commenced during the **period of insurance**;
 - iii) this extension will not apply in respect of:
 - I) the cost of replacing, reinstating, rectifying or erasing any personal data;
 - II) liability caused by or arising from a deliberate or intentional act by or omission of any party entitled to indemnity by this insurance the effect of which will knowingly result in liability under the DPA;
 - III) claims which arise out of circumstances notified to any previous insurer or known to **you** at inception of this **policy**;
 - IV) liability for which indemnity is provided under any other insurance.

12.2.6 Statutory defence costs including Health and Safety At Work, Etc. Act 1974

We will, with **our** prior consent which consent will not be unreasonable withheld, indemnify **you** and at **your** request any additional persons insured in respect of legal **costs and expenses** incurred defending any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought provided that the prosecution or proceedings relate to:

- a) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;
- b) **bodily injury** to, or potential **bodily injury** to **employees**;

and, **we** will also pay **you**:

- c) **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent which consent will not be unreasonably withheld;
- d) prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover circumstances where the **insured** or any additional persons insured is entitled to indemnity by any other legal expenses, motor or employment protection policy;

12.2.7 **Unsatisfied court judgments**

In the event of **bodily injury** caused during the **period of insurance**, within the **territorial limits** and sustained by an **employee** in the course of employment by **you** in the course of the **business** which results in a judgement for damages being obtained by such **employee** or his personal representatives and which remains unsatisfied in whole or in part six (6) months after the date of such judgement, **we** will at **your** request pay to the **employee** or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained
 - i) in a court of law within the **United Kingdom**;
 - ii) against a company partnership or individual other than **you** conducting business at or from **premises** within the territories described in 12.2.7 a) i);
- b) there is no appeal outstanding;
- c) the judgement relates to **bodily injury** which would otherwise be within the terms of the **policy**;
- d) if any payment is made under the terms of this extension the **employee** or the personal representatives of the **employee** shall assign the judgment to **us**;

12.3 **Employers' liability exclusions**

12.3.1 **Vehicles**

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

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

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

12.3.2 **Radioactive contamination**

So far as concerns the liability of any principal or liability assumed by **you** under agreement and which would not have attached in the absence of such agreement this **section** excludes and does not cover liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

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

12.3.3 **Offshore work**

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

13 Section J - Public and products liability

13.1 Public and products liability coverage

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

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

occurring during the **period of insurance**:

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

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

13.1.2 **Pollution coverage**

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

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

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

13.1.3 **Limit of indemnity**

Our liability for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the limit of indemnity stated in the schedule but this limit of indemnity shall be the maximum amount payable in any one **period of insurance** in respect of liability arising from or caused by:

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

For the avoidance of doubt **costs and expenses** are payable in addition to the limit of indemnity except as provided for in clause 13.1.4.

13.1.4 **USA and Canada**

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

13.2 Public and products liability cover extensions

13.2.1 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify in the terms of this **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** will indemnify in the terms of this **section**:
 - i) any principal in respect of liability arising out of the performance by **you** of any agreement entered into by **you** with the principal to the extent required by such agreement;
 - ii) any director of **yours** or **employee** in respect of liability arising in connection with the **business**, provided that **you** would have been entitled to indemnity under the **section** if the claim had been made against **you**;
 - iii) any officer, committee or member of **your** canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official;

provided that:

- I. each person indemnified by this clause shall as though he were **you** observe fulfil and be subject to the terms of this **policy** insofar as they can apply;
- II. **we** shall retain the sole conduct and control of all claims;
- III. where **we** are required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the limit of indemnity.

13.2.2 Compensation for court attendance

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

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

13.2.3 Contingent motor liability

Notwithstanding exclusion at 13.3 d) of this **section**, **we** shall indemnify **you** against legal liability in respect of **bodily injury** or **damage** arising out of the use in connection with the **business** of any motor vehicle not owned or provided by **you**.

The indemnity will not apply to legal liability:

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

13.2.4 **Contractual liability**

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

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

provided that:

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

13.2.5 **Cross liabilities**

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

13.2.6 **Data Protection Act 1998**

We will indemnify **you** and if **you** so require any **employee** in respect of their liability under the Data Protection Act 1998 ('DPA') to pay:

- a) compensation in respect of damage or distress under section 13 of Part II of the DPA including defence costs and expenses;
- b) defence costs in relation to a prosecution brought under section 21 of Part III of the DPA;
- c) in relation to claims made by an **employee**, provided that:
 - i) **you** have registered in accordance with the terms of the DPA;
 - ii) the claim arises from damage or distress caused or prosecution commenced during the **period of insurance**;
 - iii) this extension will not apply in respect of:
 - I. the cost of replacing, reinstating, rectifying or erasing any personal data;
 - II. liability caused by or arising from a deliberate or intentional act by or omission of any party entitled to indemnity by this insurance the effect of which will knowingly result in liability under the DPA;
 - III. claims which arise out of circumstances notified to any previous insurer or known to **you** at inception of this policy;
 - IV. liability for which indemnity is provided under any other insurance.

13.2.7 **Defective premises Act**

We will indemnify **you** in respect of **bodily injury** or **damage** to property which **you** may incur as owner by virtue of the Defective Premises Act 1972 in connection with any premises which have been disposed of by **you** and which prior to disposal were occupied by **you** in connection with the **business**, provided that **we** shall not be liable for:

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

13.2.8 Overseas personal liability

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

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

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

13.2.9 Statutory defence costs including Health and Safety At Work, Etc. Act 1974

We will, with **our** prior consent which consent will not be unreasonable withheld, indemnify **you** and at **your** request any additional persons insured in respect of legal **costs and expenses** incurred defending any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought provided that the prosecution or proceedings relate to:

- e) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;
- f) **bodily injury** to, or potential **bodily injury** to persons other than **employees**;

and, **we** will also pay **you**:

- g) **costs and expenses** of appeal including appeal against improvement and prohibition notices incurred with **our** written consent which consent will not be unreasonably withheld;
- h) prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover circumstances where the **insured** or any additional persons insured is entitled to indemnity by any other legal expenses, motor or employment protection policy;

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

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

13.2.11 Tenants liability

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

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

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

13.3 Public and products liability exclusions

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

- a) **bodily injury** to any **employee**;
- b) **damage** to:
 - i) property belonging to **you**;
 - ii) property which is leased let rented hired or lent to or which is the subject of a bailment to **you**;
- c) the costs of remedying any defect or alleged defect in land or **premises** sold or disposed of by **you** or for any reduction in value thereof;
- d) the ownership possession or use by or on **your** behalf of any craft (air or waterborne) or mechanically-propelled vehicles (including power assisted cycles) other than mechanically-propelled garden implements used within the grounds of the **premises**;
- e) work on **offshore** installations;
- f) lack of care or skill in the giving of professional or other advice or treatment (other than first aid treatment);
- g) work away from the **premises** other than commercial duties collection or delivery work;
- h) any action for damages brought in a Court of Law of any territory outside the **United Kingdom** in which **you** have a branch or subsidiary or is represented by a party domiciled in such territory or by a party holding **your** Power of Attorney;
- i) 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;
- j) the first £250 of each and every claim for **damage** to property;
- k) **bodily injury, damage** or **pollution** caused by or in connection with anything sold or supplied by **you** or which to **your** knowledge are directly or indirectly exported to the United States of America or Canada;
- l) liquidated damages, fines or penalties, punitive damages, aggravated damages, any additional damages resulting from the multiplication of compensatory damages;
- m) anything (other than the **products**) that **you** have sold or supplied;
- n) or caused by any work involving the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection or testing of or exposure to asbestos, asbestos fibres, asbestos dust, or asbestos containing materials.

13.4 Other Public and products liability terms and conditions

13.4.1 Discharge of liability

We may pay the limit of indemnity or any lesser amount for which any claim or claims against **you** can be settled and **we** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

13.4.2 Fire Precautions

It is a condition precedent to liability under this **section** that in respect of use away from **your premises** of blow lamps, blow torches, flame guns, hot air guns, electric oxy-

acetylene or other welding or cutting equipment and angle grinders (in circumstances where sparks are emitted) the undernoted precautions will be complied with on each occasion:

Blow Lamps Blow Torches Flame Guns and Hot Air Guns

- a) the area in which work is to be carried out to be examined and combustible property within the vicinity of the work either removed or as far as practicable covered by non-combustible materials;
- b) suitable fire extinguishing appliances to be kept available for immediate use at the point of work or as near as is practicable;
- c) blow lamps blow torches and flame guns not to be lighted until required for use and extinguished immediately after use;
- d) lighted blow lamps blow torches and flame guns not to be left unattended;
- e) hot air guns to be switched off when unattended;
- f) upon completion of each period of work a thorough fire safety check to be made of the vicinity of the work. The fire safety check to be undertaken at regular intervals for a period of at least one (1) hour after completion.

Electric Oxy-Acetylene or other Welding or Cutting Equipment and Angle Grinders

- g) the area in which the work is to be carried out including adjoining shafts or openings and the area on the other side of any wall or partition to be inspected to see whether any combustible property other than the property to be worked upon is in danger of ignition either directly or by conduction of heat;
- h) all combustible property to be removed to a distance of not less than six (6) metres from the point of work and property which cannot be moved to be covered and fully protected by overlapping sheets of non-combustible material or equivalent protection;
- i) **you** shall arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment to act as a fire watcher and to remain in attendance at all times until lighted flame equipment is extinguished;
- j) suitable fire extinguishing appliances to be made available for immediate use at the point of work;
- k) gas cylinders not in use to be kept outside the building in which the work is taking place where practicable but in any event at least fifteen (15) metres from the point of application of the heat;
- l) upon completion of each period of work a thorough fire safety check to be made of all areas referred to in paragraph (a) above. The fire safety check to be undertaken at regular intervals for a period of at least one (1) hour after completion

14 Section K - Legal expenses

14.1 Legal expenses cover

- 14.1.1 This **section** will cover the **person insured** in respect of any **insured incident** arising in connection with the **business** shown in the **schedule** provided that:
- the **date of occurrence** of the **insured incident** happens during the **period of insurance** and within the **territorial limit**; and
 - any legal proceedings will be dealt with by a court, or other body which **we** agree to, in the **territorial limit**; and
 - in civil claims it is always more likely than not that a **person insured** will recover damages (or obtain any other legal remedy which **we** have agreed to) or make a successful defence.
- 14.1.2 For all **insured incidents**, **we** will help in appealing or defending an appeal as long as the **person insured** tells **us** within the time limits allowed that they want **us** to appeal. Before **we** pay any **costs and expenses** for appeals, **we** must agree that it is always more likely than not that the appeal will be successful.
- 14.1.3 If a **representative** is used, **we** will pay the **costs and expenses** incurred for this.
- 14.1.4 **We** will pay compensation awards that **we** have agreed to.
- 14.1.5 The most **we** will pay for all claims resulting from one or more event arising at the same time or from the same originating cause is shown as the limit of indemnity in the **schedule**.

14.2 Employment disputes and compensation awards

14.2.1 Employment disputes

We will defend **your** legal rights:

- prior to the issue of legal proceedings in a court or tribunal following the dismissal of an **employee**; or
- in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme; or
- in legal proceedings in respect of any dispute with:
 - an **employee** or ex-**employee** or a trade union acting on behalf of an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you**; or
 - an **employee**, prospective **employee** or ex-**employee** arising from an alleged breach of their statutory rights under employment legislation.

14.2.2 Compensation awards

We will pay:

- any basic and compensatory award; and/or
- an order for compensation following a breach of **your** statutory duties under employment legislation;
in respect of a claim **we** have accepted under clause 14.2.1.

Provided that:

- in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
 - followed the ACAS Code of Disciplinary and Grievance Procedures as prepared by the Advisory Conciliation and Arbitration Service; or
 - followed equivalent codes of practice issued by the labour relations agency in Northern Ireland; or
 - sought and followed advice from **our** legal advice service.

- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from **our** legal advice service since the date when **you** should have known about the employment dispute.
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from **our** claims department prior to serving notice of redundancy.
- d) the compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by **us**.
- e) the total of the compensation awards payable by **us** shall not exceed £1,000,000 in any one **period of insurance**.

14.2.3 **Service Occupancy**

We will negotiate for **your** legal rights against an **employee** or **ex-employee** to recover possession of premises owned by, or for which **you** are responsible.

14.3 **Legal defence**

At **your** request

14.3.1 **We** will defend the **person insured's** legal rights:

- a) prior to the issue of legal proceedings when dealing with the:
 - i) police;
 - ii) health and safety executive and/or local authority health and safety enforcement officer;
 where it is alleged that the **person insured** has or may have committed a criminal offence; or
- b) following an event which leads to the **person insured** being prosecuted in a court of criminal jurisdiction; or
- c) if civil action is taken against the **person insured** for compensation under section 13 of the Data Protection Act 1998. **We** will also pay any compensation award made against the **person insured** under section 13 of the Data Protection Act 1998.

14.3.2 **We** will defend **your** legal rights following civil action taken against **you** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

14.3.3 **We** will defend the **person insured's** (other than **your**) legal rights if:

- a) an event arising from their work as an **employee** leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
- b) civil action is taken against them as a trustee of a pension fund set up for the benefit of **your employees**.

14.3.4 **We** will represent the **person insured** in appealing against the imposition or terms of any statutory notice issued under legislation affecting **your business**.

14.3.5 **We** will represent **you** in appealing against the refusal of the information commissioner to register **your** application for registration.

14.3.6 **We** will pay the **attendance expenses** of a **person insured** for jury service.

Provided that:

- a) in so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the **territorial limit** shall be any place where the act applies;
- b) at the time of the **insured incident** you have registered with the information commissioner in respect of clause 14.3.1 c).

14.4 Statutory licence protection

We will represent **you** in appealing 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.

14.5 Property protection and bodily injury

14.5.1 Property protection

We will negotiate for **your** legal rights in any civil action relating to material property which is owned by **you**, or is **your** responsibility, following:

- a) any event which causes physical damage to such material property; or
- b) any nuisance or trespass.

14.5.2 Bodily injury

At **your** request, **we** will negotiate for a **person insured's** and their family members' legal rights following an event which causes the death of, or **bodily injury** to them.

14.6 Tax protection

14.6.1 Full or aspect enquiries

We will negotiate on **your** behalf in respect of a **full enquiry** and/or **aspect enquiry** and represent **you** in any subsequent appeal proceedings.

14.6.2 Employers' compliance

We will negotiate on **your** behalf and represent **you** in any appeal proceedings in respect of a dispute concerning **your** compliance with pay as you earn or social security regulations following a review by HM Revenue & Customs.

14.6.3 VAT disputes

We will negotiate on **your** behalf and represent **you** in any appeal proceedings following an assessment issued by HM Revenue & Customs in respect of value added tax due.

Provided that under clause 14.6:

- a) for all **insured incidents**, **you** have taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed; and
- b) **we** will not pay more than £2,000 for claims in respect of **aspect enquiries**.

14.7 Contract disputes (Your schedule will indicate if this is operative)

We will negotiate for **your** legal rights in a contractual dispute arising from that agreement or that alleged agreement which has been entered into by you or on your behalf for the purchase, hire, sale or provision of goods or of services provided that:

- a) the amount in dispute exceeds £250. If the amount in dispute exceeds £5,000, **you** will be responsible for the first £500 of **legal costs** in each and every claim.
- b) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250.
- c) 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.

14.8 Specific Legal expenses limitations and exclusions

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

14.8.1 Employment disputes and compensation awards

a) Employment disputes

- i) Any employment dispute where the cause of action arises within the first ninety (90) days of the indemnity provided by 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 the indemnity provided by this **section** if the **date of occurrence** was within the first one hundred and eighty (180) days of the indemnity provided by this **section**.
- iii) Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first one hundred and eighty (180) days of the indemnity provided by this **section**.
- iv) Any claim in respect of damages for personal injury or loss of or damage to property.
- v) Any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Transfer of Employment (Pension Protection) Regulations 2005.

b) Compensation awards

- i) Any compensation award relating to the following:
 - I. trade union activities, trade union membership or non-membership;
 - II. pregnancy or maternity 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;
 - V. statutory rights in relation to Sunday shop and betting work.
- ii) Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- iii) Any award ordered because **you** have failed to provide relevant records to **employees** under the National Minimum Wage laws.
- iv) Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

c) Service occupancy

Any claim relating to defending **your** legal rights other than defending a counter-claim.

14.8.2 Legal defence

Any claim which leads to the **person insured** being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

14.8.3 Statutory licence protection

- a) An original application or application for renewal of a statutory licence, mandatory registration or British standard certificate of registration.
- b) Any licence appeal relating to the ownership, driving or use of a motor vehicle.

14.8.4 Property protection and bodily injury

a) Property Protection

Any claim relating to the following:

- i) a contract entered into by **you**;

- ii) goods in transit or goods lent or hired out;
- iii) goods at premises other than those occupied by **you** unless the goods are at such premises for the purpose of installations or use in work to be carried out by **you**;
- iv) mining subsidence;
- v) defending **your** legal rights other than in defending a counter-claim;
- vi) a motor vehicle owned or used by, or hired or leased to a **person insured** other than damage to motor vehicles where **you** are engaged in the business of selling motor vehicles.

b) Bodily injury

Any claim relating to the following:

- i) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident; or
- ii) defending a **person insured's** or their family members' legal rights other than in defending a counter-claim; or
- iii) a motor vehicle owned or used by, or hired or leased to a **person insured** or their family members.

14.8.5 Tax protection

- a) In respect of **aspect enquiries** the first £200 of **costs and expenses** in each and every claim.
- b) Any **insured incident** arising from a tax avoidance scheme.
- c) Any **insured incident** caused by **your** failure to register for value added tax.
- d) Any **insured incident** arising from any investigation or enquiries undertaken by HM Revenue & Customs special investigations section or special civil investigations or the Revenue & Customs prosecution office.
- e) Any **insured incident** arising from any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

14.8.6 Contract disputes

- a) Any dispute arising from an agreement entered into prior to the inception date of the indemnity provided by this **section** if the **date of occurrence** is within the first ninety (90) days of the indemnity provided by this **section**.
- b) Any claim relating to the following:
 - i) the settlement payable under an insurance policy;
 - ii) a lease, licence or tenancy of land or buildings other than a dispute with professional adviser in connection with the drafting of a lease, licence or tenancy agreement;
 - iii) a loan, mortgage, pension or any other financial product and choses in action;
 - 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.
- c) A dispute with an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you**.
- d) 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.
- e) A dispute arising from a breach or alleged breach of professional duty by a **person insured**.
- f) The recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.

14.9 General legal expenses limitations and exclusions

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

- 14.9.1 Any claim reported to **us** more than one hundred and eighty (180) days after the date the **person insured** should have known about the **insured incident**.
- 14.9.2 **Costs and expenses** incurred before the written acceptance of a claim by **us**.
- 14.9.3 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 14.2.2 Compensation awards and clause 14.3 Legal defence.
- 14.9.4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 14.9.5 Any claim relating to franchise or agency agreement entered into by **you**.
- 14.9.6 Any **insured incident** deliberately or intentionally caused by a **person insured**.
- 14.9.7 A dispute with **us** not otherwise dealt with under clause 14.10.17.
- 14.9.8 Any claim relating to a shareholding or partnership share in the **insured** unless such shareholding was acquired under a scheme open to all employees of the **insured** or a substantial number of them of a certain minimum grade other than the directors or partners of the **insured**.
- 14.9.9 Judicial review.
- 14.9.10 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, foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup;
 - d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.
- 14.9.11 Legal action a **person insured** takes which **we** or the **representative** have not agreed to or where the **person insured** does anything that hinders **us** or the **representative**.
- 14.9.12 When either at the commencement of or during the course of a claim, **you** are bankrupt or have filed a bankruptcy petition or winding-up petition, or have made an arrangement with **your** creditors, or have entered into a deed of arrangement or are in liquidation or part or all of **your** affairs or property are in the care or control of a receiver or administrator.
- 14.9.13 Any claim directly or indirectly caused by or resulting from any device failing to recognise, interpret, or process any date as its true calendar date

14.10 Legal expenses other terms and conditions

- 14.10.1 A **person insured** must:
 - a) keep to the terms and conditions of this **policy**;
 - b) notify **us** immediately of any alteration which may materially affect **our** assessment of the risk;
 - c) take reasonable steps to keep any amount **we** have to pay as low as possible;
 - d) try to prevent anything happening that may cause a claim;
 - e) send everything **we** ask for, in writing;

- f) give **us** full details of any claim as soon as possible and give **us** any information **we** need.
- 14.10.2 **We** can take over and conduct in the name of the **person insured**, any claim or legal proceedings at any time.
- 14.10.3 **We** can negotiate any claim on behalf of a **person insured**.
- 14.10.4 **We** will choose the **representative** to represent a **person insured** in any proceedings where **we** may be liable to pay a **compensation award**. In any other case a **person insured** is free to choose a **representative** (by sending **us** a suitably qualified person's name and address) if:
- a) **we** agree to start legal proceedings and it becomes necessary for a lawyer to represent the interests of a **person insured** in those proceedings; or
 - b) there is a conflict of interest
- 14.10.5 Before a **person insured** chooses a lawyer or an accountant, **we** can appoint a **representative**.
- 14.10.6 A **representative** will be appointed by **us** and represent a **person insured** according to **our** standard terms of appointment. The **representative** must co-operate fully with **us** at all times.
- 14.10.7 **We** will have direct contact with the **representative**.
- 14.10.8 A **person insured** must co-operate fully with **us** and with the **representative** and must keep **us** up-to-date with the progress of the claim.
- 14.10.9 A **person insured** must give the **representative** any instructions that **we** require.
- 14.10.10 A **person insured** must tell **us** if anyone offers to settle a claim and must not agree to any settlement without **our** written consent.
- 14.10.11 If a **person insured** does not accept a reasonable offer to settle a claim, **we** may refuse to pay further **costs and expenses**.
- 14.10.12 **We** may decide to pay the **person insured** the amount of damages that the **person insured** is claiming or is being claimed against them instead of starting or continuing legal proceedings.
- 14.10.13 If **we** ask, a **person insured** must tell the **representative** to have **costs and expenses** taxed, assessed or audited.
- 14.10.14 A **person insured** must take every step to recover **costs and expenses** that **we** have to pay and must pay **us** any **costs and expenses** that are recovered.
- 14.10.15 If a **representative** refuses to continue acting for you with good reason or if you dismiss a **representative** without good reason, the cover **we** provide will end at once, unless **we** agree to appoint another **representative**.
- 14.10.16 If a **person insured** settles a claim or withdraws their claim without **our** agreement, or does not give suitable instructions to a **representative**, the cover **we** provide will end at once and **we** will be entitled to re-claim any **costs and expenses** paid by **us**.
- 14.10.17 If there is a disagreement about the way **we** handle a claim that is not resolved through **our** internal complaints procedure, **we** and the **person insured** can choose a suitably qualified person to arbitrate. **We** and the **person insured** must both agree to the choice of this person in writing. Failing this **we** will ask the president of a national association relevant to the arbitration to choose a suitably qualified person. All costs of resolving the matter must be paid by the party whose argument is rejected. If the decision is not clearly made against either party, the arbitrator will decide how the costs are shared.

14.10.18 **We** may at **our** discretion require **you** to obtain an opinion from counsel at **your** expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid by **us**.

14.10.19 **We** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this **policy** did not exist.

14.10.20 This section will be governed by English law.

14.10.21 All Acts of Parliament within this **section** shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.

15 General exceptions

15.1 Date recognition

This **policy** excludes and does not cover any claim directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment, data, processing, service, product, microchip, micro processor, integrated circuit, embedded chip or similar device, computer, software, program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the year 2000:

- 15.1.1 correctly to recognise any date as its true calendar date;
- 15.1.2 to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;
- 15.1.3 to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date but this shall not exclude in respect of **section A** – Contents; **section B** - All Risks – Specified business equipment; **section C**- Buildings and **section E** - Business interruption subsequent **damage** not otherwise excluded which itself results from fire, lightning, explosion, theft, aircraft or other aerial devices or articles dropped therefrom riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by the **section**.
- 15.1.4 This exception is not applicable to **section I** – Employers' liability

15.2 Electrical plant

Except in respect of claims arising under **sections F, I** and **J** this **policy** excludes and does not cover any **damage** to or destruction of any electrical plant or electrical appliance i.e. dynamo, transformer, motor or other working electrical machinery apparatus or fittings directly caused by its own over-running, short-circuiting, excessive pressure or self-heating but should fire extend to and **damage** or destroy any other part of the plant or appliances or other property insured hereby such **damage** or destruction is not excluded by the **policy**.

15.3 Heat processes

Except in respect of claims arising under **sections F, I** and **J** this **policy** excludes and does not cover any **damage** to property insured due to its undergoing any process necessarily involving application of heat.

15.4 Northern Ireland

Except in respect of claims arising under **sections F, I** and **J** this **policy** excludes and does not cover any **damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:

- 15.4.1 riot, civil commotion and (except in respect of **damage** by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons;
- 15.4.2 Terrorism.
In any action suit or other proceedings where **we** allege that by reason of this exclusion any **damage** is not covered by this **policy** the burden of proving that such **damage** is covered shall be upon **you**.

15.5 Nuclear risks

Except in respect of claims admissible under **section I**:

- 15.5.1 **damage** to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;

- 15.5.2 any legal liability of whatsoever nature;
- 15.5.3 any sum which **you** become legally liable to pay or any loss or expense; directly or indirectly caused by or contributed to by or arising from or, in the case of 15.5.3 above, attributable to:
- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

15.6 Pressure waves

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

15.7 War and terrorism

Except in respect of claims arising under **sections F, I and J** this **policy** excludes and does not cover any **damage** cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with:

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

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

15.8 War, political risk and terrorism limitation applicable only to section I – Employers’ liability

- 15.8.1 **Section I** excludes and does not cover any liability which arises directly or indirectly out of or caused by **war** or **terrorism** except that this exclusion shall not apply to the first £5,000,000 of any liability for an act of **war** or **terrorism** provided that **our** maximum liability will not exceed £5,000,000 in respect of:

- a) any one claim against **you** or series of claims against **you**; and
- b) any claim or series of claims made by **you** under **section I**;

arising out of one occurrence.

15.9 War and terrorism cover amendment clause applicable only to section J - Public and products liability

- 15.9.1 **Section J** excludes and does not cover any liability which arises directly or indirectly out of or caused by **war** or **terrorism** except that this exclusion shall not apply to the first £2,000,000 (in the aggregate) of any liability for an act of **war** or **terrorism** provided that:

- a) **our** maximum liability will not exceed £2,000,000 in the aggregate during any one **period of insurance**; and
- b) notwithstanding the indemnity granted at the above paragraph this **policy** excludes and does not cover liability of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of **war or terrorism** or any action taken in controlling preventing suppressing or in any way relating to **terrorism**;
 - i) arising by through or in connection with:
 - I. the provision of police, fire or security services of any kind
 - II. any public or private utility including telecommunications, electricity, gas, water, radio and television;
 - III. public transport services whether rail, road, sea or air.
 - ii) arising out of the ownership operation or occupation of or work in at or on:
 - IV. airports, airfields, ports, rail or underground stations freight or passenger terminals;
 - V. government, military or local authority establishments;

- VI. buildings of more than twenty (20) floors in height including basements and underground car parks;
- VII. facilities for the manufacture processing, refining, distribution or storage of liquid or gaseous fuel, oil, petrochemical, chemicals, explosives or ammunition;
- VIII. tunnels, bridges, viaducts, aqueducts, dams, river or sea defences;
- IX. schools, colleges, universities, or places of education or religious worship;
- X. sports, stadiums, theatres or entertainment, arenas, amusement, parks, exhibition or conference halls.

16 Claim procedure

16.1 Claim notification - all sections except section K

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

- a) notify **us** immediately;
- b) inform the police immediately if the **damage** has been caused by thieves malicious persons or vandals or by riot civil commotion strikes or labour disturbances.

16.1.2 You may contact **us** directly or indirectly as follows:

- a) by first advising your insurance broker; and/or
- b) by post to QBE Claims, Acclaim House, Central Park, New Lane, Leeds, LS11 5UF; and/or
- c) by telephone **us** on **0844 7369640**; or
- d) by email to SMEnewclaims@uk.qbe.com

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

16.2 Your Duties - all sections except section K

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

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

16.2.2 In respect of any event which may give rise to a claim under **sections I or J**, **you** must:

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

16.3 Claim notification - Section K

To make a claim under this **section** please telephone us on 0117 9271924. **DAS** will ask **you** about **your** legal dispute and if necessary call **you** back at an agreed time to give **you** legal advice. If **your** dispute needs to be dealt with as a claim under this **section**, **DAS** will provide **you** with a claim reference number. At this point **DAS** will not be able to confirm

that **you** are covered but they will pass the information **you** have given to the claims handling teams and explain what to do next.

If **you** would prefer to report **your** claim in writing please send it to the Claims Department, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

Alternatively **you** can email **your** claim to us at newclaims@das.co.uk

Claims are usually handled by a representative appointed by **DAS**, but sometimes **DAS** deal with them themselves. Claims outside the **United Kingdom** may be dealt with by other **DAS** offices elsewhere in Europe.

Please do not ask for help from a solicitor or accountant before **DAS** have agreed. If **you** do, **DAS** will not pay the costs involved.

17 General conditions

17.1 Alteration of risk

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

- 17.1.1 by removal;
- 17.1.2 by change of occupation or use of the property insured;
- 17.1.3 whereby the risk of **damage** of accident or liability is increased;
- 17.1.4 the **business** is wound up or carried on by a liquidator or receiver or permanently discontinued;
- 17.1.5 whereby **your** interest ceases except by will or operation of law; unless such alteration is admitted by **us** in writing.

17.2 Arbitration

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

17.3 Cancellation

17.3.1 Our rights

We shall not be bound to accept any renewal of this **policy** and may at any time give twenty one (21) days notice of cancellation by recorded delivery to **your** last known address. **You** shall be entitled to the return of a proportionate part of the premium paid 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.

17.3.2 Your rights

You may cancel this **policy** in the first year of insurance during the fourteen (14) days after the contract has been concluded by giving notice in writing to **your** insurance adviser at the address shown in their correspondence or to QBE Insurance (Europe) Ltd. This right does not apply at the first or any subsequent renewal of the **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 this fourteen (14) day period **we** will give a refund for the proportionate part of the premium paid in respect of the unexpired term of this **policy** subject to a minimum premium of £50.

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.

17.4 Confirmation of values at risk

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

17.5 Contract (Rights of Third Parties) Act 1999

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

17.6 Contribution

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

17.7 Document management

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

17.8 Disclosure Under the Data Protection Act 1998

17.8.1 **We** record and hold data in accordance with the Data Protection Act 1998 and follows strict security procedures in the storage and disclosure of information provided to prevent unauthorised access or loss of such information. **We** may find it necessary to pass data to other firms or businesses that supply products and services associated with this **policy**.

17.8.2 Further, by accessing and updating various databases **we** may share information with other firms and public bodies, including the police, in order to substantiate information and prevent or detect fraud. If false or inaccurate information is provided and fraud is suspected this fact will be recorded and the information will be available to other organisations that have access to the databases. Details of databases accessed or contributed to are available on request.

17.9 Fraud

If the claim is in any respect fraudulent or if any fraudulent means or devices are used by **you** or anyone acting on **your** behalf to obtain any benefit under this **policy** or if any liability or **damage** is occasioned by wilful act or with **your** connivance there will be no rights to any form of payment or indemnity under this **policy**.

Further any claim paid to **you** in respect of any fraudulent means or device must be repaid to **us**.

17.10 Law applicable to this policy

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

17.11 Minimum standards of security

17.11.1 As regards damage caused by, arising from or contributed to by the perils of theft or attempted theft, malicious damage or fire caused by arson fire, explosion it is agreed as a condition precedent to **our** liability under this insurance that **you** will operate the minimum standard of security as detailed below:

- a) **your** premises are protected to the minimum standard of security detailed below; and
- b) security devices stipulated are in full and effective operation whenever **your** premises are left unattended; or
- c) **we** have accepted alternative levels of security

In the event of a breach of any provision of this clause, and without prejudice to any of **our** other rights, **we** may reject or reduce claims connected with the breach and continue the **policy** on such terms as **we** may determine.

17.11.2 **Exit doors**

- a) Sliding and/or folding doors, where the door meets the stile, are to be secured with a locking bar and close shackle padlock. If a multi-leaf door then each leaf should be secured internally by bolts top and bottom.
- b) Roller shutters which are manually operated are to be secured with bullet locks or alternatively a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter.
- c) Roller shutters which are automatically operated internally are to have operating chains secured with a hardened shackle padlock to the door frame or any other part of the building structure.
- d) Roller shutters which are electrically operated externally are to be fitted with automatic cut-off devices in the event that keys are not used.
- e) Wicket gate doors are to be secured by a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box striking plate must also be fitted. Alternatively, a locking bar and close shackle padlock.
- f) Single leaf, solid or panelled doors, are to be secured by a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box strike plate. Alternatively, a locking bar and close shackle padlock.
- g) Double leaf, solid or panelled, doors are to be secured by flush or barrel bolts top and bottom on the first closing leaf and:
 - i) a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box striking plate; or
 - ii) a locking bar and close shackle padlock on the second closing leaf.
- h) Aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks.

17.11.3 **Internal doors**

Internal doors giving access to any part of the building not occupied by **you** or for **your business** are to be fitted on **your** side of the door with either:

- a) a mortise deadlock which has five or more levers and conforms to BS3621 with a matching box striking plate and where **you** are the sole key holder; or
- b) two key operated security bolts, one fitted approximately 30 cm from the top of the door and the other 30 cm from the bottom; or
- c) a locking bar and close shackle padlock

17.11.4 **Windows, fanlights, rooflights and skylights**

- a) All opening external basement, ground floor and other accessible windows fanlights rooflights and skylights are to be fitted with key operated window locks or a padlock and locking bar or padlock, hasp and staple.
- b) This requirement does not apply to windows protected by solid steel bars weld mesh or expanded metal grilles securely fixed to brickwork surrounding the window or demountable weld mesh or expanded metal grilles secured by means of a hardened shackle padlock
- c) For the purpose of this requirement an accessible window is one which can easily be reached such as a window adjacent to a flat roof or fire escape balcony canopy or downpipe

17.11.5 **Fire exits**

Any door or window officially designated as a fire exit by a fire authority is excluded from the above requirements. These openings are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times). Any additional devices must be approved by the local Fire Prevention Officer.

17.12 Observance

It is a condition precedent to **our** liability under this **policy** that the terms hereof so far as they relate to anything to be done or complied with by **you** are duly and faithfully observed and fulfilled by **you** and by any other person who may be entitled to be indemnified under this **policy**.

17.13 Our right

We shall be entitled:

- a) on the happening of any **damage** to enter any building where such **damage** has happened and to take and keep possession of the property insured and to deal with salvage in a reasonable manner and this **policy** shall be proof of leave and licence for such purpose but the property may not be abandoned to **us**;
- b) at its option to either:
 - i) repair or replace the property or any part of the property for which it may be liable under this **policy**; or
 - ii) make payment in money to **you** in lieu of such repair or replacement or reinstatement effected as nearly as may be reasonably practicable shall be deemed a complete indemnity under this **policy**.

17.14 Reasonable precautions

You will take:

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

17.15 Representation

The **insured** will act on behalf of all **other insured parties** under this **policy** with respect to the giving and receiving of any notices from the **insurer** or their representatives including any notice of cancellation. The payment to the **insured** of any return premium that may be payable under this **policy** will satisfy the **insurer's** obligations to return premium to any **other insured party**.

17.16 Subrogation

- 17.16.1 Any claimant under this **policy** shall at our request and at the expense take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **insured** before or after any payment **we** may make.
- 17.16.2 **We** shall be entitled to take over and conduct in **your** name the defence or settlement of any claim or to prosecute in **your** name at **our** own expense and for **our** own benefit any claim for indemnity or damages or otherwise.

18 General definitions and interpretation

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

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

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

18.1 Accident

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

18.2 Aspect enquiry

For **section K** – Legal expenses, aspect enquiry means an examination by HM Revenue & Customs which considers one or more specific aspects of the **insured's** self assessment and/or corporation tax return.

18.3 Bodily injury

18.3.1 For all sections except **section K**, bodily injury means death and injury, illness or disease whether bodily or mental.

18.3.2 For **section K** – Legal expenses, bodily injury means death or injury caused by a specific or sudden accident.

18.4 Book debts

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**.

18.5 Business

Business means the business stated in the schedule including:

18.5.1 the provision and management of canteen sports social or welfare organisations for the benefit of **employees** and fire security first aid medical and ambulance services;

18.5.2 private work undertaken with **your** prior consent by **employees** for any director or senior official of the **insured**;

18.5.3 the ownership maintenance and repair of such **premises**.

18.6 Business hours

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

18.7 Consignment

All **goods** sent at one time in one or more packages in one load to the same destination.

18.8 Costs and expenses

18.8.1 For **sections I and J** costs and expenses means costs and expenses other than claimants costs incurred with our written consent in respect of:

- a) any claim which may be the subject of indemnity under **sections I or J**
- b) solicitors' fees incurred with **our** written consent for;
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against **you** in respect of breach or alleged breach of any statutory duty resulting in **injury**;
 - ii) representation at a Coroners Court or fatal accident Inquiry in respect of any death
which may be the subject of indemnity under **sections I or J**.

18.8.2 For **section K** – Legal expenses, costs and expenses means:

- a) Legal costs

Legal costs being all reasonable and necessary costs chargeable by the **representative** on a standard basis. Also, the costs incurred by opponents in civil cases if a **person insured** has been ordered to pay them, or pays them with our agreement.

- b) Accountant's costs

Accountant's costs being a reasonable amount in respect of all costs reasonably incurred by the **representative**.

- c) Attendance expenses

Attendance expenses being the **person insured's** salary or wages for the time that the **person insured** is off work to attend any arbitration, court or tribunal hearing at the request of the representative or while attending jury service. **We** will pay for each half or whole day that the court, tribunal or the **person insured's**

The amount we will pay is based on the following:

- i) the time the **person insured** is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours;
- ii) if the **person insured** works full time, the salary or wages for each whole day equals 1/250th of the **person insured's** yearly salary or wages;
- iii) if the **person insured** works part-time, the salary or wages will be a proportion of the **person insured's** weekly salary or wages.

18.9 Customers

Customers mean all customers of yours who obtain goods from you or use your services on a credit basis.

18.10 Damage

Damage means:

18.10.1 loss of, destruction of or damage to tangible property;

18.10.2 in respect of **sections I and J** loss of use of tangible property that has been lost destroyed or damaged.

18.11 DAS

DAS means DAS Legal Expenses Insurance Company Limited.

18.12 Date of occurrence

For **section K** – Legal expenses, date of occurrence means:

18.12.1 for civil cases (other than under **insured incident** – 14.6 Tax Protection), the date of occurrence is when the cause of action first accrued;

18.12.2 for criminal cases, the date of occurrence is when the **person insured** commenced or is alleged to have commenced to violate the criminal law in question;

18.12.3 for licence or registration appeals, the date of occurrence is when the **insured** first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel the **insured's** licence or British Standard Certificate of Registration.

18.12.4 for full enquiries or aspect enquiries, the date of occurrence is when HM Revenue & Customs first notifies in writing the intention to make enquiries.

18.12.5 for Employers' Compliance and Value Added Tax disputes, the date of occurrence is when the relevant authority sends an assessment or written decision to the **insured**.

18.13 Declared value

Declared value means 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 **sections A and C** (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for:

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

18.14 Deferment period

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.

18.15 Denial of service attack

Denial of service attack means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems

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

18.16 Employee

Employee means:

- 18.16.1 any person under a contract of service or apprenticeship with **you**;
 - 18.16.2 any person who is hired to or borrowed by **you**;
 - 18.16.3 any person engaged in connection with a work experience or training scheme;
 - 18.16.4 any labour master or person supplied by him;
 - 18.16.5 any person engaged by labour only sub-contractors;
 - 18.16.6 any self-employed person working on a labour only basis under **your** control or supervision;
 - 18.16.7 any voluntary helper;
- while working for **you** in connection with the **business**.

18.17 Empty

Empty means wholly unoccupied, mainly unoccupied or not in use.

18.18 Full enquiry

For **section K** – Legal expenses, full enquiry means an extensive examination by HM Revenue & Customs which considers all aspects of the **insured's** tax affairs, excluding those enquiries which are limited to one or more specific aspects of the **insured's** self assessment and/or corporation tax return.

18.19 Glass Definition

Glass means:

18.19.1 fixed glass in windows doors and fanlights;

18.19.2 glass showcases shelves tops and mirrors;

18.19.3 sanitary fixtures and fittings.

18.20 Goods

Goods mean **your** goods and tools or for which **you** are responsible and relating to the **business**

18.21 Gross income

Gross income means the money paid or payable to **you** in the course of **your business** at the **premises** for goods sold and delivered and services provided less the purchase cost of the goods, carriage, packing, freight, bad debts or discounts allowed.

18.22 Hacking

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

18.23 Indemnity period

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

18.24 Injury

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**.

18.25 Insured/you/your

Insured/you/your means the person(s) or company named in the schedule.

18.26 Insured incident

Insured incident means and refers to insuring clauses 14.2 - 14.7 under **insured section K**.

18.27 Insured person

Insured person means:

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

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

18.28 Insurer/us/we/our

Insurer/we/our/us means:

18.28.1 for **sections A - J**; QBE Insurance (Europe) Limited whose Head office and registered address is:

Plantation Place, 30 Fenchurch Street, London, EC3M 3BD, tel: 020 7105 4000 fax: 020 7105 4019. Registered in England No. 1761561. Home State - United Kingdom. Authorised and regulated by the Financial Services Authority. Registration Number 202842.

18.28.2 for **section K**; DAS Legal Expenses Insurance Company Limited, whose Head office and registered address is:

DAS House, Quay Side, Temple Back, Bristol BS1 6NH. tel: 0117 934 2000 fax: 0117 934 2109
Home State - United Kingdom. Authorised and regulated by the Financial Services Authority. Registration Number 202106.

18.29 Money

Money means both **negotiable money** and **non-negotiable money**.

18.30 Negotiable money

Negotiable money means cash bank and currency notes cheques postal orders money orders crossed bankers drafts current postage stamps savings stamps and certificates National Insurance stamps trading stamps gift tokens customer redemption vouchers credit card company sales vouchers credit card counterfoils travellers tickets phonecards (excluding phonecards held in stock for resale) VAT purchase receipts contents of franking machines and insofar as they are not otherwise insured holiday-with-pay stamps and luncheon vouchers

18.31 Non-negotiable money

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

18.32 Offshore

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

18.33 Pre-existing condition

Pre-existing condition means illness malady disease physical impairment defect degenerative process or infirmity of the **insured person** existing prior to the **policy** inception date. For the purpose of this definition an illness malady disease physical impairment defect degenerative process or infirmity exists prior to the **policy** inception date if it has been diagnosed by a health care practitioner prior to the **policy** inception date 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 on the **policy** inception date.

18.34 Period of insurance

Period of insurance means the period shown as such on the schedule, both days inclusive which time is taken as Greenwich Mean Time unless otherwise stated.

18.35 Permanent total disablement

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

18.36 Person insured

For **section K** person – Legal expenses, person insured means the **insured** and the directors, partners, managers, employees and any other individuals declared to us by the **insured**.

18.37 Policy

Policy means this document, the schedule (including any schedules issued in substitution) and any endorsements attaching to this document or the schedule.

18.38 Pollution

Pollution means:

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

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

18.39 Premises

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

18.40 Product

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

18.41 Representative

For **section K** – Legal expenses, representative means the lawyer, accountant or other suitably qualified person, who has been appointed to act for a **person insured** in accordance with the terms of this **policy**.

18.42 Section

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

18.43 Statement of fact

Statement of fact means all and any information supplied to **us** by or on **your** behalf.

18.44 Sum insured

Sum insured means the sum specified as the sum insured in the schedule.

18.45 Temporary partial disablement

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

18.46 Temporary total disablement

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

18.47 Territorial limits

For **section B** only:

18.47.1 territorial limit EU means **United Kingdom** and members of the European Union;

18.47.2 territorial limit Worldwide means **United Kingdom** and elsewhere in the world.

For **sections I** and **J**, territorial limit means:

18.47.3 anywhere within the **United Kingdom** other than **offshore**;

18.47.4 elsewhere in the world other than **offshore** in connection with temporary visits undertaken in the course of the **business** by any person normally resident in the territories described in 18.46.3 above;

18.47.5 elsewhere in the world in respect of **products**.

But for **section K** – Legal expenses, territorial limit means:

18.47.6 For **insured incidents** 14.3 Legal Defence (excluding 14.3.4), and 14.5.2(b) bodily Injury:

The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.

18.47.7 For all other **insured incidents** set out under clauses 14.2 – 14.7 other than those stated in 18.46.6:

The **United Kingdom** and any other extension agreed with **us**.

18.48 Terrorism

18.48.1 For **sections A to G**, terrorism means for all territories other than England, Wales and Scotland;

An act of terrorism includes 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; or
- ii) involves violence against one or more persons; or
- iii) involves **damage** to property; or
- iv) creates a risk to health or safety of the public or a section of the public; or
- v) is designed to interfere with or to disrupt an electronic system.

18.48.2 For England, Wales and Scotland:

An act of terrorism includes any act of any 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 Her Majesty's government in the **United Kingdom** or any other government de jure or de facto

18.48.3 For **sections H and K**, terrorism means:

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

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

18.49 Turnover

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

18.50 United Kingdom

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

18.51 Virus or similar mechanism

Virus or similar mechanism means 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 operation whether involving self-replication or not. Virus or similar mechanism includes but is not limited to trojan horses, worms and logic bombs.

18.52 War

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

19 Complaints

19.1 What you should do?

We strive to provide an excellent service to all **our** customers but occasionally things can go wrong. **We** take all complaints seriously and endeavour to resolve all customers' problems promptly. If **you** have a question or complaint about this insurance or the conduct of its intermediary they will contact that intermediary in the first instance.

If **you** wish to contact **us** directly **you** should write to the complaints address shown below:

For **sections A- J** please contact:

Plantation Place, 30 Fenchurch Street, London, EC3M 3BD,
tel: +44 (0)20 7105 4000, fax: +44 (0)20 7105 4019.
enquiries@qbeeurope.com,

In the event **you** remain dissatisfied and where the **insurer** is or includes a Lloyd's syndicate it may be possible in certain circumstances to refer the matter to the **policyholder** and Market Assistance Department at Lloyd's, One Lime Street, London EC3M 7HA; Tel: 020 7327 5693.

For **section K** please contact:

our customer relations department at **our** head office address shown below. Or **you** can telephone **us** on 0117 934 0066 or email **us** at customerrelations@das.co.uk

our head and registered office is: DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

Please quote the **policy** number or claim number as appropriate in any correspondence.

If an eligible complainant and the matter has not been resolved to **your** satisfaction **you** may contact:

The Financial Ombudsman Service, South Quay Plaza 2, 183 Marsh Wall, Docklands, London E14 9SR.

Making a complaint to the Financial Ombudsman Service (FOS) does not affect **your** rights under this **policy**, but if **you** are not an eligible complainant then the informal complaint process ceases.

A summary of **our** complaint handling procedure is available on request and will also be provided to **you** when acknowledging a complaint.

19.2 About the Financial Ombudsman Service (FOS)

19.2.1 Eligible complainants are a

- a) private policyholder, or
- b) commercial policyholder or charity with a **turnover** under £1m, or
- c) trust with assets under £1m

19.2.2 The FOS will only consider a complaint if **you** are an eligible complainant and if:

- a) **we** have been given an opportunity to resolve it and
- b) **we** have sent **you** a final response letter and **you** have referred **your** complaint to the FOS within six (6) months of **our** final response letter; or
- c) **we** have not responded to **your** complaint with a decision within forty (40) days.

19.3 Financial Services Compensation Scheme

We Market and Lloyd's underwriters are covered by the Financial Services Compensation Scheme. **you** may be entitled to compensation from the Scheme if **we** are unable to meet **our** obligations under this contract.

Entitlement to compensation under the Scheme depends on the type of business and circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme 7th floor, Lloyds Chambers, Portsocken Street, London E1 8BN or from their website (www.fscs.org.uk).