

Property Owners Insurance Policy

IU ACC-COM-01-05-2025



INSTANT
UNDERWRITING

3 Lloyd's Avenue,
London,
EC3N 3DS.

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How to make a claim

If **you** need to make a claim under this policy, please contact us and **we** will be pleased to advise **you** of the steps to take. In all communications with **us** please quote **your** policy number.

Sections A-D

Telephone - 020 7870 1732

E-mail - new.claimUK+instantuw@reserv.com

Section E – Legal Expenses

Telling us about your claim

If an insured needs to make a claim, they must notify ARAG as soon as possible.

If an insured instructs their own solicitor or accountant without telling ARAG, they will be liable for costs that are not covered by this policy.

A claim can be made online at www.arag.co.uk/newclaims. Alternatively an insured can obtain a claim form by downloading one at www.arag.co.uk/newclaims or by calling ARAG on 0330 303 1955 between 9am and 5pm weekdays (except bank holidays).

The completed application and supporting documentation can be submitted online or sent to ARAG by email, or post. Further details are set out in the claim form itself.

What happens next?

ARAG will send the insured an acknowledgment by the end of the next working day after receiving their claim.

Within five working days of receiving all the information needed to assess the availability of cover under the policy, ARAG will contact the insured either:

confirming cover under the terms of this policy and advising the insured of the next steps to progress their claim; or

if the claim is not covered, will explain in full the reason(s) why and advise whether they can assist in another way.

When a representative is appointed they will try to resolve the insured's dispute without delay, arranging mediation whenever appropriate.

ARAG will check on the progress of the insured's claim with the appointed advisor from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

We would refer **you** also to the claims conditions of this policy.

Welcome

The Contract of Insurance

This is **your** Instant Underwriting Property Owners insurance policy. It sets out the details of **your** insurance contract with **us**. This document, any endorsements, certificates and the **schedule** must be read together as one contract as they form **your** policy. In return for payment of the premium shown in the **schedule**, **we** agree to insure **you** against:

- loss or damage **you** sustain;
- loss resulting from interruption or interference with the **business** following **damage**,
- legal liability **you** incur for accidents

during the **period of insurance** and in accordance with the terms and conditions contained in or endorsed on this policy.

Please read the whole document carefully and keep it in a safe place. **You** should take the time to read all its terms, especially the conditions, which **you** have to fulfil to ensure **your** insurance remains valid, and what **you** have to do when making a claim. It is important that **you**:

- check that the sections **you** have requested are included in the **schedule**;
- check that the information **you** have given **us** is accurate;
- comply with **your** duties under each section and under the insurance as a whole.

If this policy does not meet **your** requirements, or if **your** requirements change, **you** should contact **your** insurance agent at **your** earliest opportunity.

The duty of fair presentation

By entering into this insurance contract we accept that you have made a reasonably clear and accessible presentation of the risk, in accordance with Section 3(3)(b) of the Insurance Act 2015.

Remedy for breach of the duty of fair presentation (replacing the General condition of your wording)

Before this policy was entered into

If you have breached your duty to make a fair presentation of the risk to us before this policy was entered into, then:

- a) where the breach was deliberate or reckless, we may avoid this policy and refuse all claims, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) we would not have agreed to provide cover under this policy on any terms: we may avoid this policy and refuse all claims, but will return any premiums paid;
 - ii) we would have agreed to provide cover under this policy but on different terms (other than premium terms):
we may require that this policy includes those different terms with effect from its start;
and/or
 - iii) we would have agreed to provide cover under this policy but would have charged a higher premium,
 - a. if the discovery of the breach arose because of a claim, at our option:
 - i. we will reduce proportionately the amount paid on a claim. We will pay only X% of what we would otherwise have been required to pay, where $X = \frac{\text{premium actually charged}}{\text{higher premium that would have been charged}} \times 100$; or
 - ii. we will pay the claim in full provided that you pay to us the additional premium that we would have charged, but for your breach of the duty of fair presentation, calculated from the start of the period of insurance.

NOTE: In the case of underinsurance option ii. is not available.

- b. If the discovery of the breach did not arise because of a claim you must pay to us the additional premium that we would have charged, but for your breach of the duty of fair presentation, calculated from the start of the period of insurance.

Insurance Act 2015

Before a variation was agreed

If you have breached your duty to make a fair presentation of the risk to us before any variation to this policy was agreed, then:

- a) If the breach was deliberate or reckless, we may terminate this policy with effect from the date of the variation, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) we would not have agreed to the variation on any terms:
we may treat this policy as though the variation was never made, but will return any additional premiums paid in relation to the variation;
 - ii) we would have agreed to the variation but on different terms (other than premium terms):
we may require that the variation includes those different terms with effect from the date the variation was made; and/or
 - iii) we would have agreed to the variation but would have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did:
 - a. if the discovery of the breach arose because of a claim, at our option:
 - i. we may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, we will pay only Y% of what we would otherwise have been required to pay, where $Y = \frac{\text{total premium actually charged}}{\text{premium that would have been charged}} \times 100$; or
 - ii. we will pay the claim in full provided that you pay to us the additional premium that we would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.

NOTE: In the case of underinsurance option ii. is not available.

- b. If the discovery of the breach did not arise because of a claim, you must pay to us the additional premium that we would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.
- iv) where we would have agreed to the variation but on different terms and we would also have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did
 - a. we may require that the variation includes those different terms with effect from the date the variation was made; and
 - b. before a variation was agreed b) iii) as shown above will also apply.

Insurance Act 2015

Remedy for fraud

If you or anyone acting on your behalf makes a fraudulent claim under your policy, including providing fraudulent information or documentation, we will:

- a) refuse to pay the claim;
- b) seek to recover any costs already incurred by us relating to the fraudulent claim;
- c) have the option to cancel the policy from the date of the fraudulent act; and
- d) keep any premium paid to us.

This will not affect separate claims made before the fraudulent act, unless they too were fraudulent.



Important Information

Changes to your circumstances

Please tell your insurance agent as soon as reasonably possible if there are any changes to your circumstances which could affect your insurance. Please refer to General Conditions 3 and 4 of this policy.

If your circumstances change and you do not tell your insurance agent, you may find that you are y if you need to claim.

How to cancel your policy

You have a statutory right to cancel your policy within 14 days from the day of purchase or renewal of the contract or the day on which you receive your policy or the renewal documentation, whichever is the later.

If you wish to cancel and the insurance cover has not yet began, you will be entitled to a full refund of the premium paid. Alternatively, if you wish to cancel and the insurance cover has already started, provided you have not made a claim, you will be entitled to a refund of the premium paid, less a proportional deduction for the time we have provided cover.

If you do not exercise your right to cancel your policy, it will continue in force and you will be required to pay the premium.

For cancellation outside of this statutory cooling off period you can cancel this insurance at any time by telephoning Instant Underwriting on 0203 931 7279 or by writing to Instant Underwriting at The Town House 114-116 Fore Street, Hertford, SG14 1AJ or by email to agency@instantuw.co.uk

If this insurance is cancelled outside the statutory cooling off period, provided you have not made a claim and there hasn't been an event that could give rise to a claim, you will be entitled to a refund of any premium paid, less a deduction for any time for which you have been covered. This will be calculated on a proportional basis. For example, if you have been covered for 6 months, the deduction for the time you have been covered will be half the annual premium.

If we pay any claim, in whole or in part, then no refund of premium will be allowed.

Cancellation – instalment payments

Time is of the essence in relation to your payment of the premium. If you pay your premium by direct debit and there is any default in payment, we will contact you to request payment by a given date, which will be 14 days from the date we contact you. If payment is still not received by this date, we may then cancel this policy. No refund or credit of premium will be due when cancellation takes place in these circumstances.

For our rights to cancel your policy please refer to General conditions on page 22.

Financial Services Compensation Scheme (FSCS)

The insurer is covered by the Financial Services Compensation Scheme (FSCS). The insured may be entitled to compensation of up to 90% of the cost of their claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at www.fscs.org.uk

Important Information

Registration and regulatory information

Sections A-D

This policy is underwritten by Accelerant Insurance UK Limited.

Accelerant Insurance UK Limited is registered in England and Wales with company number 03326800 and has its registered office at One Fleet Place, London, England, EC4M 7WS.

Accelerant Insurance UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Reference number 207658).

Section E

ARAG plc is authorised and regulated by the Financial Conduct Authority (FRN452369). Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England. Company Number 02585818.

ARAG plc is authorised to administer this insurance on behalf of the insurer ARAG Legal Expenses Insurance Company Limited. ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority. Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 103274.

Instant Underwriting is authorised and regulated by the Financial Conduct Authority (No. 300186). Instant Underwriting is registered in England No. 4179849. Registered office: The Town House, 114-116 Fore Street, Hertford, SG14 1AJ.

Choice of Law and jurisdiction

In the absence of any agreement to the contrary, the laws of England and Wales will apply and this policy will be subject to the exclusive jurisdiction of the courts of England unless, at the beginning of the period of insurance, you are either:

- a) a resident of; or
- b) a business with its registered office or principal place of business is situated in;

Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country, crown protectorate or dependency will apply and this policy will be subject to the exclusive jurisdiction of the courts of that country, crown protectorate or dependency.

Privacy Notice

Information we process

You should understand that information you provide, have provided and may provide in future will be processed by us, in compliance with UK data privacy laws for the purpose of providing insurance, handling claims and/or responding to complaints.

Personal and sensitive personal information

Information we process may be defined as personal and/or sensitive personal information. Personal information is information that can be used to identify a living individual e.g. name, address, driving licence or national insurance number. Personal information is also information that can identify an individual through a work function or their title.

In addition, personal information may contain sensitive personal information; this can be information about your health and/or any criminal convictions.

We will not use personal and/or sensitive personal information except for the specific purpose for which you provide it and to carry out the services as set out within this notice.

Important Information

Collecting electronic information

If **you** contact **us** via an electronic method, **we** may record **your** internet electronic identifier i.e. **your** internet protocol (IP) address. **Your** telephone company may also provide **us** with **your** telephone number.

How we use your information

Your personal and/or sensitive personal information may be used by **us** in a number of ways, including to:

- arrange and administer an application for insurance;
- manage and administer the insurance;
- investigate, process and manage claims; and/or
- prevent fraud.

Who we share your information with

We may pass **your** personal and/or sensitive personal information to industry related third parties, including authorised agents; service providers; reinsurers; other insurers; legal advisers; loss adjusters; and claims handlers.

We may also share **your** personal and/or sensitive personal information with law enforcement, fraud detection, credit reference and debt collection agencies and within the listed insurer companies to:

- assess financial and insurance risks;
- recover debt;
- to prevent and detect crime; and/or
- develop products and services.

We will not disclose **your** personal and/or sensitive personal information to anyone outside the listed insurer companies except:

- where **we** have **your** permission;
- where **we** are required or permitted to do so by law;
- to other companies who provide a service to **us** or **you**; and/or
- where **we** may transfer rights and obligations under the insurance.

Why it is necessary to share information

Insurance companies share claims data to:

- ensure that more than one claim cannot be made for the same personal injury or property damage;
- check that claims information matches what was provided when the insurance was taken out;
- act as a basis for investigating claims when **we** suspect that fraud is being attempted; and/or
- respond to requests for information from law enforcement agencies.

Transferring of information outside the European Economic Area

In providing insurance services, **we** may transfer **your** personal and/or sensitive personal information to other countries including countries outside the European Economic Area. If this happens **we** will ensure that appropriate measures are taken to safeguard **your** personal and/or sensitive personal information.

Access to your information

You have a right to know what personal and/or sensitive personal information **we** hold about **you**. If **you** would like to know what information **we** hold, please contact the listed insurer's Insurance Data Privacy Officer at the address listed within this notice, stating the reason for **your** enquiry. **We** may write back requesting **you** to confirm **your** identity, **we** may also charge a fee of £10 for processing **your** enquiry.

If **we** do hold information about **you**, **we** will:

- give **you** a description of it;

Important Information

- tell **you** why **we** are holding it;
- tell **you** who it could be disclosed to; and
- let **you** have a copy of the information in an intelligible form.

If some of **your** information is inaccurate, **you** can ask **us** to correct any mistakes by contacting **the listed insurer's** Insurance Data Privacy Officer.

Providing consent to process your information

By providing **us** with **your** personal and/or sensitive personal information, **you** consent to **your** information being used, processed, disclosed, transferred and retained for the purposes set out within this notice.

If **you** supply **us** with personal information and/or sensitive personal information of other people, please ensure that **you** have fairly and fully obtained their consent for the processing of their information. **You** should also show this notice to the other people.

You should understand that if **you** do not consent to the processing of **your** information or **you** withdraw consent, **we** may be unable to provide **you** with insurance services.

Changes to this Notice

We keep **our** privacy notice under regular review. This notice was last updated on the 20th October 2015.

Contacting us

If **you** have any questions relating to the processing of **your** information, please write to:

Sections A-D:

The Accelerant Insurance Data Privacy Officer, One Fleet Place, London, England, EC4M 7WS. **You** can also email: dataprivacyofficer@accelins.com. For information about the Accelerant Insurance Group of companies please visit www.accelins.com.

Section E:

ARAG plc, Customer Relations Department, Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. **You** can also email: dataprivacyofficer@arag.com. For information about the ARAG plc Group of companies please visit www.arag.com.

Important Information

How to make a complaint

Our aim is to ensure that all aspects of your insurance are dealt with promptly, efficiently and fairly. At all times we are committed to providing you with the highest standard of service.

In the event that **you** remain dissatisfied and wish to make a complaint, **you** can do so at any time. Making a complaint does not affect any of **your** legal rights. Our contact details are:

Sections A-D:

Should you wish to make a complaint regarding your claim please contact:

Post: Reserv
275 New North Road London, N1 7AA
Telephone: +44 (0) 207 870 1732
Email: uk.complaints@reserv.com

Should you wish to make a complaint about the policy or service offered please contact:

Post: Instant Underwriting
3 Lloyd's Avenue, London EC3 3DS
Telephone: +44 (0) 203 931 7279
Email: complaints@instantuw.co.uk

Section E:

Post: ARAG plc
Customer Relations Department, Unit 4a, Greenway Court, Bedwas,
Caerphilly CF83 8DW.
Telephone: +44 (0) 117 917 1561
Email: customerrelations@arag.co.uk
Website: www.arag.co.uk

If you remain dissatisfied with your complaint, or if you have not received a written final response within eight weeks from the date your complaint was received, you may be entitled to refer your complaint to the Financial Ombudsman Service who will independently consider your complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123
(Outside UK): +44 (0) 20 7964 0500
Fax: +44 (0)20 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Alternatively, if you have bought a product or service online you may have the right to register your complaint with the European Commission's on-line dispute resolution (ODR) platform. The ODR platform will redirect your complaint to the appropriate alternative dispute resolution body.

For further details visit <http://ec.europa.eu/odr> Please note:

- You must refer your complaint to the Financial Ombudsman Service within six months of the date of the final response.
- The Financial Ombudsman Service will normally deal with complaints from small business with an annual turnover of less than £6.5million and which either; have up to 50 employees, or a balance sheet threshold of £5million.

Employers' Liability Tracing Office (ELTO)

By entering into this insurance policy you will be deemed to specifically consent to the use of your insurance policy data in the following way and for the following purposes.

1. Certain information relating to your insurance policy including, without limitation:
 - a) the policy number(s);
 - b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;

Important Information

- d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
 - e) Companies House reference numbers (if relevant)
- will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database (database).
2. This information will be made available by us to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will have regular periodic updating and certification and will be audited on an annual basis.
 3. The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants):
 - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
 - b) to identify the relevant employers' liability insurance policies.
 4. The database will be managed by ELTO.
 5. The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

Important Information

Contracts (Rights of Third Parties) Act 1999

A person or company who was not party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any later amendment to it.

Sanction limitation

This policy will not provide any insurance cover or benefit and we will not pay any sum if doing so would mean that we are in breach of any sanction, prohibition or restriction imposed by any law or regulation applicable to us.

Tax

There may be circumstances where taxes may be due that are not paid via us. If this occurs then it is your responsibility to ensure that these are paid direct to the appropriate authority.

Monetary values

Monetary values in this wording are shown in bold to help you identify them quickly.

Renewal of this insurance

When your policy is due for renewal, Instant Underwriting will write to you at least 21 days before the period of insurance ends with full details of your next year's premium and policy terms and conditions. If you do not want to renew the policy, please contact Instant Underwriting. Occasionally, we may not be able to offer to renew your policy. If this happens, Instant Underwriting will write to your insurance agent at least 21 days before the expiry of your policy to allow enough time for you to make alternative insurance arrangements.

General Definitions

Definitions

The following definitions apply in all sections of this policy, the schedule and any endorsements attaching to the policy unless otherwise stated. Each time one of the words below is used it will have the same meaning wherever it appears in the policy or schedule. To help identify these words they will appear in bold in the policy wording.

Please also refer to the Additional Definitions which appear at the start of each section.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos including any product or material containing asbestos, asbestos fibres or any derivatives of asbestos.

Bodily injury

Death, injury, illness, disease or nervous shock.

Buildings

- a) Buildings (being built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the schedule.
- b) Landlords' fixtures and fittings (including fixed glass and fitted carpets) and tenants' improvements for which the landlord is responsible in on or around the buildings.
- c) Furnishings and other contents of common parts of the buildings including seasonal items introduced to shopping centres.
- d) Gangways, pedestrian malls and pedestrian access bridges.
- e) Small outside buildings, extensions, annexes, gangways.
- f) Walls, gates and fences, yards, car parks, roads, pathways and loading bays.
- g) Services.
- h) Roads, pavements, car parks and hardstanding.
- i) Landscaping including garden furniture, ornaments and statues (but we will not cover trees, shrubs, plants, turf and external ponds and lakes).
- j) Patios, terraces, footpaths, swimming pools, tennis courts and drives.
- k) Landlords' contents.

Business

The business stated in the schedule and additionally for Sections 3 and 4 the following activities:

- a) use, repair, maintenance and decoration of premises owned or occupied by you;
- b) repair or maintenance of vehicles or plant owned or used by you;

General Definitions

- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any employee and first aid, fire, security and ambulance services;
- d) participation in exhibitions held in the territorial limits, in connection with the business specified in the schedule; and
- e) private work undertaken for you by any employee or for any director or employee with your consent.

Consequential loss

Loss resulting from interruption of or interference with the business carried on by you at the premises following damage to property used by you at the premises for the purpose of the business.

Clean up

- a) Testing for or monitoring of pollution.
- b) Cleaning up, removing, containing, treating, detoxifying or neutralising pollution.

Costs and expenses (applicable to Sections 3 and 4 only)

- a) Claimants costs and expenses arising for any claim against you which may be the subject of cover under this policy.
- b) All cost and expenses incurred by you with our written consent for any claim against you which may be the subject of cover under this policy.

Damage

Loss, destruction of or damage insured by this policy.

Declared value

Your assessment of the cost of reinstatement of the property insured at the level of costs applying at the start of the period of insurance. You should ignore any inflationary factors which may operate later. You should also make an allowance for:

- a) the additional cost of reinstatement to comply with public authority requirements;
- b) professional fees; and
- c) debris removal costs.

Denial of service attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non- genuine traffic between and amongst networks.

Employee

Any person who is

- a) under a contract of service or apprenticeship with you;
- b) a labour master or supplied by a labour master;
- c) employed by labour only sub-contractors;
- d) self-employed and working for you and under your control;
- e) hired to or borrowed by you;
- f) supplied to you for the purposes of study, work or training experience;
- g) a prospective employee who is undergoing practical work experience whilst being assessed by you as to his or her suitability for employment;

General Definitions

- h) a voluntary helper while working under your supervision and control in connection with the business; or
- i)
- j) an outworker or homeworker employed under a contract to personally carry out any work in connection with the business while they are engaged in that work.

Excess

This is the first part of any claim that you will have to pay after the application of all other terms and conditions of the insurance including average (General condition 2).

Good State of Repair

A good state of repair means that it is: secure, structurally sound, weatherproof, there is no evidence of dry rot, rising damp or infestation and there is no damage to the roof or chimney.

Hacking

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

Landlord's contents

Furniture, furnishings, potted plants, trees and shrubs, statues and garden furniture, video, audio, building management systems and security equipment, the contents of fuel tanks and other similar property or property for which you are responsible all whilst contained in or on the buildings.

Limit of liability

The maximum amount we will pay for any one loss or series of losses arising from the same original incident.

Minimum Security Conditions

The following minimum security is installed at the premises and maintained in efficient working order while this policy remains in force.

- a) All external doors at the Premises and any internal doors which give access to any part of the building not occupied by the Insured must be of solid construction and fitted with a mortise deadlock conforming to British Standard 3621.
- b) Where the doors are double leaf in addition to the mortise deadlock the first closing leaf must be fitted with internal flush or mortise rack bolts at the top and bottom of the leaf.
- c) Any outward opening doors should in addition to the above have each hinge fitted with a hinge bolt.
- d) All accessible opening windows fanlights and skylights, including those accessible from decks, roofs, fire escapes or downpipes, must be fitted with key operated window locks, except those opening windows protected by solid steel bars grilles expanded metal or weld mesh.

If the external door(s) are non-timber, the following applies:

- a) If Aluminium, the door should be fitted with a cylinder mortise deadlock.
- b) If Non-Timber & Non-Aluminium, the door should be a key operated multi point locking device.

Money

Coins, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, giro drafts, national giro payment orders, travellers cheques, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, national savings stamps, war bonds, premium savings bonds, franking machine impressions, credit company sales vouchers, luncheon vouchers, trading stamps, VAT invoices, travel vouchers, travel tickets, airline tickets, uncrossed dividend warrants, consumer redemption vouchers, gift tokens, certificates of deposit and credit cards.

Offshore

From the time of embarkation by an employee onto a conveyance at the point of final

General Definitions

departure to an offshore rig or offshore platform until disembarkation by that employee from a conveyance on to land upon return from an offshore rig or offshore platform.

Period of insurance

The period from the effective date shown in the schedule until midnight on the expiry date shown in the schedule.

PFAS

Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances in any form, including but not limited to:

- a) any organic molecule, salt, free radical or ion, the composition of which includes at least one
 - i) perfluorinated methyl group (-CF₃); or
 - ii) perfluorinated methylene group (-CF₂-); or
- b) any breakdown of any organic molecule, salt, free radical or ion, the composition thereof; or
- c) any good, product or material that has the same or similar chemical formula or structure as such Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances; or
- d) its presence or use in any alloy, by-product, compound or other material or waste that includes or is derived from such compounds or substances.

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception.

Pollution

Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and all loss, damage or injury, caused by pollution or contamination.

Premises

The premises stated in the schedule.

Principal

The other party to a contract or agreement for whom you are undertaking work or services where that party is responsible for setting out the terms of the contract or agreement.

Property insured

Buildings, landlords' contents, all other contents and other property at the premises (in accordance with any specific exclusions) all as defined below or more fully described in the schedule and all belonging to you or for which you are responsible but we will not cover:

- a). property which is more specifically insured;
- b). unless specifically notified to and accepted by us as insured:
 - 2. land, piers, jetties, bridges, culverts or excavations; and
 - 3. livestock, growing crops or trees unless they form part of all other property.

Reinstatement

- a). the rebuilding or replacement of property lost or destroyed which, provided our liability is not increased, may be carried out in any manner suitable to you or on another site; or

- b). the repair or restoration of property damaged

in either case to a condition equal to but not better or more extensive than its condition when new.

Rent receivable

The money paid or payable to you for accommodation and services provided in course of the business at the premises.

Schedule



General Definitions

Is a separate document which details your sums insured and the premium you have agreed to pay, together with your full trading name and address. It also provides the references of any endorsements which may apply. The schedule, the endorsements and this wording together form your policy document.

Services

Telephone, gas, electricity, water mains, drains and sewers, electrical instruments, meters, piping, cabling and their accessories providing services to or from the buildings and for which you are responsible.

Storm

A period of violent weather defined as:

- a) Wind speeds with gusts of at least 48 knots/55mph (equivalent to storm force 10 on the Beaufort Scale) or
- b) Torrential rainfall at a rate of at least 25mm per hour or
- c) Snow to a depth of at least one foot (30 cms) in 24 hours or Hail of such intensity that it causes damage to hard surfaces or breaks glass.

Sum(s) insured

The maximum amount we will pay for each item insured under any section.

Tenancy agreement

- a) A tenancy agreement in writing made between you and the tenant which is an Assured Shorthold Tenancy Agreement within the meaning of the Housing Acts 1988 and 1996 or a Short Assured tenancy or an Assured Tenancy as defined in the Housing (Scotland) Act 1988. In Northern Ireland the Agreement between you and the tenant to let the premises must not be a Protected Tenancy or a Statutory Tenancy within the meaning of the Rent (NI) Order 1978 nor a Protected Shorthold Tenancy within the meaning of Housing (NI) Order 1983. Tenancy Agreements in which the tenant is a limited company or a tenancy agreement or lease of commercial premises are not included in this definition.
- b) Any other residential tenancy as agreed and accepted by us in writing.

Tenant(s)

A person or company occupying your premises by virtue of a tenancy agreement.

Territorial limits

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

Terrorism

- a) Acts of persons acting on behalf of or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other legitimate government or accepted (illegitimate) government.
- b) Any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation.

Uplift

The percentage applied to the declared value to give the sum insured as shown in the schedule.



General Definitions

Unoccupied

Any building or part of any building which is empty or not in use by you or your tenant for more than 30 consecutive days.

Virus or Similar Mechanism

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

We/us/our

Accelerant Insurance UK Limited for Sections A-D and ARAG plc for Sections E.

You/your

The policyholder named in the schedule.

- a) The policyholder named in the schedule.
- b) Any associated or subsidiary company of the insured provided it has been notified to and agreed by us.
- c) At your request and with prior agreement with us:
 - i) any director or employee while they are acting on behalf of or in course of their employment or engagement with you for liability for which you would have been entitled to cover under this policy if the claim against that person had been made against you;
 - ii) any officer, member or employee in their respective capacities of your social, sports or welfare organisation or fire, first aid or ambulance service;
 - iii) any of your directors, partners or senior officials for private work carried out by any employee for them with your consent; and
 - v) your personal representatives (in the event of your death) for liability incurred by you, provided that if cover is extended to any party described in paragraphs i) to iii) above that party will be bound by the terms of this policy so far as they can apply and in any event our liability will not exceed the limit of liability.



General Conditions

These are the conditions of the cover and apply throughout your policy. There may be additional conditions under each section of cover and any applicable endorsements. If you do not comply with these conditions you may not receive payment for a claim, a claim may be reduced, or you may lose all right to cover under your policy.

If you are unsure about any of these conditions or whether you need to notify us about any matter, please contact Instant Underwriting.

1. Adjustment of premium

If the premium has been calculated on estimates given by you, you must keep an accurate record of all relevant particulars which must be available to us for inspection.

Within a reasonable time after the end of each period of insurance, you will supply to us an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or returned to you.

If you do not supply a statement within a reasonable time after the end of the period of insurance, we will be entitled to charge an additional premium for that period of insurance.

2. Average (Applicable to Section A – Property damage and Section B – Business interruption)

- a) If at the time of damage the sum insured of the buildings, landlords contents or all other contents by each item is less than 85% of the cost of reinstatement at the start of the period of insurance, then our liability for any damage will be limited to the proportion that the sum insured bears to the cost of reinstatement; but
- b) where a Day one reinstatement clause applies, if at the time of damage the declared value of the buildings, landlords contents or all other contents by each item is less than the cost of reinstatement at the start of the period of insurance, then our liability for any damage will be limited to the proportion that the sum insured bears to the cost of reinstatement;
- c) For any other item listed in the schedule, if at the time of damage the sum insured on any of these items is less than the value of the property covered by the item (or for any item on rent, less than the amount of rent during the period to which the item relates), then you will be considered as being the insurer for the difference and will bear a ratable share of the loss accordingly. The amount payable by us will be proportionately reduced.

If it is stated in the schedule that average does not apply at the time of the damage, the maximum amount payable will be the sum insured for that item.

3. Cancellation – our rights

We may cancel this policy or any section by giving 30 days' notice in writing by

Email to you or at your last known address and in this case you will be entitled to a proportionate return of premium for the unexpired term of this policy (other than in circumstances where we invoke the Fraudulent claims condition under the Claims conditions section or a claim has been made).

Reasons we may decide to cancel not renew or avoid your policy include if:

- a. there is a material change in your business;
- b. there is reasonable suspicion of fraud or where there has been a deliberate or reckless misrepresentation of material facts and/or other non-disclosure;
- c. you do not co-operate or supply information or documentation that we request which materially affects our ability to process this policy or our ability to defend our interests;

General Conditions

- d. following a survey at any of your properties or sites we have required you to make risk improvements and you have not completed these within a reasonable period of time advised by us;
- e. the first or renewal premium has not been paid;
- f. you or your agent engage in threatening or abusive behaviour or the use of threatening or abusive language, intimidation or bullying of our staff or suppliers; and

4. Change in circumstances or alteration to the risk

If you would like to make changes to your policy please contact Instant Underwriting.

If you are aware of any material changes to the information provided or if you become aware of any material changes you must tell your insurance agent about those changes. You must take care when answering any questions we ask by ensuring that all information provided is accurate and complete.

If you need to change the information you have given us please contact Instant Underwriting as soon as reasonably practicable on becoming aware of that change.

Examples where we would need you to notify your insurance agent of a change include:

- if any sums insured you have declared to us have increased or decreased;
- there is a change to the business you undertake that we do not know about;
- you move premises or make alterations to the premises you occupy; and
- the security and fire protections you have declared to us change.

These are just some examples and there may be other circumstances we would want you to tell us about. If you are in any doubt, please contact Instant Underwriting directly as failure to notify us of any changes could lead to your policy being cancelled, or a claim rejected or not fully paid.

If you are unsure whether a change to the information you have given us is material please contact Instant Underwriting.

In addition you must notify us of any alteration to the information provided at the start, renewal or occurring during the period of insurance at which time we may apply an additional premium or other additional terms or conditions.

It is important to remember that you have a duty to make a fair presentation of the risk to us at the start of the policy, when any mid-term changes are notified and at the renewal of the policy.

5. Index linking

a. Renewal

We will adjust the amounts insured to take into account movements in the appropriate index shown below.

i. Building and tenants improvements items

The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

ii. Other items

The Producer Price Index for Home Sales of Manufactured Products issued by the Department of Trade and Industry.

NOTE: If either of the above indices is not available, we may select a suitable

General Conditions

alternative.

In the event of a negative index we will retain your existing amounts insured, unless you advise us otherwise.

b. Claims

For claims settlement purposes (except Section B – Business interruption) the adjustments set out above will continue during the period of insurance and the period of repair, replacement or reinstatement as long as the work is carried out and completed without undue delay.

6. Maintenance and reasonable precautions

You will at your own expense:

- a. take all reasonable precautions to prevent or reduce damage;
- b. stop any activity which may result in a claim under this policy;
- c. maintain all buildings, furnishings, ways and works machinery in sound condition and good repair;
- d. remedy any defect or danger as soon as reasonably practicable after discovery and in the meantime take additional precautions as the circumstances may require;
- e. comply with all statutory requirements and other safety regulations imposed by any authority;
- f. act promptly to gain vacant possession of the buildings and recover any rent arrears;
- g. not breach any of the conditions of the tenancy agreement(s) or legal charge affecting this policy; and
- h. ensure that all protections installed for the protection of the building must be regularly maintained and be in use when the building is left unattended.

7. Multiple insureds

The most we will pay is the relevant amount shown in the schedule or this policy.

If more than one insured is named in the schedule, the total amount we will pay will not exceed the amount we would be liable to pay were there only one insured named in the schedule.

You agree that if there is more than one insured named in the schedule, the first insured listed is authorised to receive all notices and agree any changes to this policy.

8. Non vitiation

This policy will not be vitiated or avoided

- a. so far as the facility agent is concerned, as a result of any misrepresentation, act or neglect or failure to disclose on the part of any insured party or any circumstance beyond an insured party's control; and
- b. so far as any finance party is concerned, for failure to pay any premium due without us first giving to the facility agent at least 14 days' notice in writing.

9. Remedies following a breach in your duty of fair presentation

A non-disclosure or misrepresentation is "deliberate or reckless" if:

- a. in the case of a misrepresentation, you knew it was untrue or misleading, or did not care whether it was untrue or misleading

General Conditions

- b. in the case of a non-disclosure, you knew that the matter to which the non-disclosure related was material to us, or did not care whether or not it was material to us.

The burden will be on us to prove all matters set out in this condition Deliberate or reckless breach of the duty of fair presentation. If you deliberately or recklessly breach your duty of fair presentation of the risk this policy will be avoided from its start date and no premium will be returned.

Breach of the duty of fair presentation which is neither deliberate nor reckless.

If your breach of the duty of fair presentation of the risk was neither deliberate nor reckless, and had we known the information which led to the breach from the start of the policy or at the time of its renewal, we:

- a) would not have entered into the

contract: we will:

- i) charge an additional premium calculated from the start of the period of insurance (the amount charged will be proportionate with the increase in risk);
- ii) apply additional terms from the date we discover the breach;

Provided you have paid the additional premium we requested and agreed in writing to the additional terms, we will also:

- a. pay any valid claims notified to us before the date of the discovery of the breach, including any valid claim which led to the discovery of the breach;
- b. continue to cover you on the revised basis for the remaining period of insurance, but we may not continue insuring you once the policy reaches its renewal date.

However there may be certain circumstances where we will cancel the policy from the start date. These circumstances will include where the breach means we or our parent company will suffer reputational harm in either the insurance market, the media or amongst our customers or trading partners.

If we do cancel your policy from the start date because of the above all premiums paid will be returned.

- b) would have applied different terms

we will apply those different terms from the date of the discovery. Any claims already made will not be affected by our discovery;

- c) would have charged a higher premium

we will charge an additional premium calculated from the start of the policy. Any claims already made will not be affected by our discovery;

- d) would have applied different terms and charged a higher premium

we will charge the additional premium (calculated from the start of the policy) and apply additional terms from the date of discovery. Any claims already made will not be affected by our discovery.

We or your insurance agent will write to you if we intend to apply one of the above proportional remedies.

10. Several Liability

General Conditions

The liability of an insurer / underwriter under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract

11. Survey

If we require a survey of the risk covered by this policy as a condition of providing cover but the survey has not been completed before the policy documents have been issued, you must comply with any risk improvements required as a result of the survey within the agreed time limits specified by us.

We reserve the right to cancel, suspend or alter the terms applying to any part of this policy for which cover has been provided if, as a result of the survey, the risk or any part of it is in our opinion unacceptable to us.

12. Unoccupied property notification

We must be notified in writing by e-mail, letter or fax, as soon as reasonably practicable after you become aware that any insured occupied building becomes unoccupied.

We will have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which will be paid by you if required.

13. Unoccupied property security

For unoccupied buildings you must ensure that:

- a. the gas, electricity (other than power required for an intruder alarm or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down;
- b. all devices for preventing access to the building(s) are in full and effective operation at all times;
- c. the premises and yards are clear of all waste materials and redundant contents;
- d. all accessible windows and doors are securely boarded over (not applicable to residential properties);
- e. the letter box is permanently sealed shut or a non-combustible receptacle is permanently fixed to the letter box;
- f. the premises are inspected at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the building and that compliance with conditions a) - e) continues.

A breach your duty with complying with conditions a) –f) could invalidate your right to indemnity or payment in respect of a claim.

Claims conditions

1. Claims procedures

It is a condition precedent to our liability under this policy that you comply with the following procedures. Failure to do so may result in us not paying your claim, or any payment being reduced.

- a) **You must notify us within 30 (thirty) days of the event giving rise to the loss or Damage caused giving full details of what has happened.**
- b) **You must inform the police as soon it becomes evident any loss has been caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property.**
- c) **You must forward us within 7 (seven) days if a claim for liability is made against you, any letter, claim, writ, summons or other legal document you receive**
- d) **You must not admit liability or offer or agree to settle any claim without our written permission.**
- e) **You must take, or allow others to take, practical steps to prevent further damage or bodily injury, recover property lost and otherwise minimise the claim.**
- f) **You must provide all help and assistance, co-operation and any documentation or other information we may require in connection with any claim.**

Claims procedure applicable to Section E – Legal Expenses only

We have appointed ARAG plc to deal with all claims under this section on our behalf. If an insured person needs to make a claim they must notify ARAG plc as reasonably practicable.

1. Under no circumstances should an insured person instruct their own lawyer or accountant as we will not pay any costs incurred without our written consent;
2. An insured person can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning 0117 917 1698 or anytime by downloading one at www.arag.co.uk/claim/
3. Where an insured person is making a claim to repossess an insured property, they must have issued the necessary notices informing their tenant of their intention to repossess the insured property;
4. ARAG plc will issue an insured person with a written acknowledgement within one working day of receiving their claim form.
5. Within five working days of receiving all the information needed to assess the availability of cover under this section of the policy, ARAG plc will write to an insured person either:
 - a) confirming the appointment of a qualified representative who will promptly progress the claim for them; or
 - b) if the claim is not covered, explaining in full why and whether ARAG plc can assist in another way.

When a lawyer is appointed they will try to resolve the insured person's dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

2. Arbitration

If we agree to pay your claim and you disagree with the amount to be paid it may be referred to an arbitrator who is jointly appointed. Whether we or you bear the costs of the

Claims conditions

arbitration, or these are shared by us and you, will be determined at the discretion of the arbitrator. Alternatively, depending on your circumstances, you may be able to refer your case to the Financial Ombudsman Service (FOS). In either case, this will not affect your right to take action against us over the disagreement.

3. Discharge of liability

Where in our opinion, the amount of loss of any claim may exceed the available limit of liability or sum insured we will be entitled at our discretion, to discharge our liability by paying the available limit of liability or sum insured to you or on your behalf and pay defence costs up to the date of that payment. In this situation, if at the time of payment we are conducting the defence of the claim, we will also relinquish that conduct.

4. Fraudulent claims

If you or anyone acting on your behalf makes a fraudulent claim under your policy, including providing fraudulent information or documentation, we may:

- a) refuse to pay the claim;
- b) seek to recover any of costs already incurred by us relating to the fraudulent claim;
- c) have the option to cancel the policy from the date of the fraudulent act; and
- d) keep any premium paid to us.

This will not affect separate claims made before the fraudulent act unless they too were fraudulent.

If your policy covers more than one insured and a fraudulent claim is made by one of those insureds, we will treat that claim in accordance with the above, but the rights of the other insured(s) under the policy will not be affected.

5. Other insurance

If you have any other insurance which covers the same loss, damage or liability, we will only pay our pro rata share of any claim.

6. Salvage

We may enter the premises where damage has occurred and take possession of or require to be delivered to us any property insured and deal with it in a reasonable manner but property may not be abandoned to us.

7. Subrogation

We are entitled to:

- a) take over and conduct the defence or settlement of any claim in your name or on your behalf at our discretion; and
- b) take steps to enforce rights against any other party before or after payment is made by us.

General exclusions

This policy will not insure or pay any claims for:

1. Abuse

We will not cover you under this policy arising from abuse whether direct or indirect.

Abuse is defined as:

- a) abuse or molestation or bullying whether physical or verbal
or
- b) criminal acts or improper behaviour or gross misconduct involving sexual activity or sexual abuse or molestation.

2. Cyber terrorism

digital or cyber risks, that is:

- a) any loss caused by or contributed to, by, or arising from or occasioned by or resulting from:
 - i) the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part of it whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii) any alteration, modification, distortion, erasure or corruption of data processed by any computer or other equipment or component or system or item;

whether your property or not, where the loss is caused by a virus or similar mechanism, phishing or hacking or denial of service attack, or

- b) any legal liability or financial loss or expense, including but not limited to consequential loss, caused by or contributed to, by, or arising from or occasioned by or resulting from a virus or similar mechanism, phishing or hacking or denial of service attack.

3. Date recognition

damage caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

We will cover further damage resulting from an insured cover, providing damage is covered elsewhere in this policy.

4. Non-domiciled UK policyholders

We will not cover any UK resident that is a private individual, soletrader, partnership or legal entity who have their permanent home ('domicile') outside the UK.

5. PFAS (Perfluorinated Compounds, Perfluoroalkyl And Polyfluoroalkyl Substances)

We will not cover any liability arising directly or indirectly from or in any way connected with PFAS losses as defined within this Exclusion.

This policy does not provide any liability for:

General exclusions

- 1) any bodily injury, property damage, personal and advertising injury loss, liability, damage, compensation, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with the actual, alleged, or threatened contaminative, pathogenic, toxic or other hazardous properties of PFAS; and
- 2) any and all losses, costs and expenses resulting from any claim, litigation, dispute, arbitration, investigation or any other legal proceeding or dispute resolution in whole or in part directly or indirectly caused by, arising out of, resulting from, based upon or in any way related to, any of the following conducts, included but not limited to:
 - a) Actual, alleged or threatened inhalation of, ingestion of, consumption of, contact with, exposure to, existence of or presence of PFAS containing products or materials; or
 - b) Design, manufacturing, production, use, sale, installation, placing on the market, removal, distribution, handling, packaging, storage, marketing, processing of or any other similar business-related activity relating to PFAS-containing products or materials; or
 - c) Testing for, monitoring, cleaning up, abating, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of or in any way responding to, or assessing the effect(s) of PFAS-containing products or materials; or
 - d) Failure to report any PFAS-containing products or materials to authorities; or
 - e) Failure to warn of potential consequences arising from, or the inadequacy of any warning, relating to any of the conduct described in a) through d) above.

If **We** allege that this exclusion applies to any claim under this section the burden of proving the contrary shall be upon **Us**.

6. Radioactive contamination

bodily injury, disablement or damage to any property, or any resulting loss or expense or any legal liability caused by, contributed to or arising from:

- a) ionising radiations from 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 or contaminating properties of any nuclear installation, reactor or other nuclear assembly or its nuclear components;
- c) any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter; or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when those isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

7. Riot and civil commotion

riot or civil commotion in Northern Ireland. Damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the damage.

8. Terrorism

damage or financial loss or expense, occasioned by or happening through or following terrorism. In any action, suit or other proceedings where we allege that any damage is not covered by this policy the burden of proving that damage is covered will be upon you.

General exclusions

This exclusion will apply to all sections of this policy, other than liability covered under section D to the extent that it is necessary to comply with the minimum requirements of the laws of the countries, crown protectorates and dependencies in the territorial limits, relating to compulsory insurance of liability to employees and provided that the maximum limit for any one loss or series of claims arising from one source or original cause will not exceed £5,000,000.

9. Virus, Disease and Pandemic Exclusion (applicable to sections A, B, C, D)

Notwithstanding any provision to the contrary within this policy, within any endorsement to this policy or within any extension to this policy, this policy and its endorsements (if any) and its extensions (if any) exclude any loss, damage, liability, claim, cost or expense (whether such loss, damage, liability, claim, cost or expense has been suffered by an insured or a third party) of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, in connection with, or otherwise in any way directly or indirectly attributable to:

- a) Coronaviruses; and
- b) Coronavirus disease (COVID-19); and
- c) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2); and
- d) any mutation of or variation of a), b) or c) above; and
- e) any infectious disease that is designated or treated as a pandemic by the World Health Organisation; and
- f) any fear or anticipation of a), b), c), d) or e) above, regardless of any other cause or event contributing concurrently or in any other sequence thereto.

10. War

any consequence which is the result of any of the following, or anything connected with any of the following, whether or not the consequence has been contributed to by any other cause or event:

- a) war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack:
 - by government or sovereign power (legal or illegal) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia;
 - by military, naval or air forces, or any other armed forces or militia; or
 - by an agent of any government, power, authority or force;
- b) any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental;
- c) insurrection, rebellion, or action taken by a government authority in hindering, combating, or defending against an occurrence, seizure or destruction.

Section A – Property damage

This section is optional and will only apply if shown as covered in your schedule

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Day one rebuilding value

the total cost of reinstating the buildings insured to a condition substantially the same as when new at the level of costs applying at the beginning of the period of insurance in which the damage occurred.

Insuring clause

We will at our option pay for, repair or reinstate any property insured that sustains damage at the premises directly caused by any of the covers listed below provided they are shown as applying in the schedule. Our liability in any one period of insurance will not exceed:

1. the total sum insured;
2. for any item, its sum insured;
3. any other stated limit of liability.
4. £10,000 any one loss for landlord's contents unless otherwise agreed as stated in the schedule.

Covers – provided as standard

1. Fire, lightning and explosion but not damage caused by:
 - a) earthquake, subterranean fire, riot, civil commotion;
 - b) any heating process or any process involving the application of heat;
 - c) explosion of non – domestic steam pressure machinery or equipment under your control.
2. Aircraft or other aerial devices or articles dropped from them but not consequential loss caused by pressure waves caused by:
 - a) aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - b) fire.
3. Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons but not damage arising from:
 - a) confiscation, requisition or destruction by order of the government or any public

Section A – Property damage

- authority;
 - b) stopping work;
 - c) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
 - d) theft or attempted theft directly caused by malicious persons to any building which is unoccupied;
4. Earthquake or subterranean fire.
5. Storm but not damage:
- a) caused by lightning, frost, subsidence, ground heave or landslip;
 - b) for movable property in the open, fences and gates.
6. Flood but not damage:
- a) caused solely to change in the water table level;
 - b) caused by lightning, frost, subsidence, ground heave or landslip;
 - c) for movable property in the open, fences and gates.
7. Escape of water or oil from any tank apparatus or pipe but not damage
- a) by water discharged or leaking from any automatic sprinkler installation.
 - b) to any building which is unoccupied.
 - c) caused by the failure of, or lack of, appropriate grout and/or sealant.
 - d) inherent fault or defect, undiscovered defect or gradual damage, faulty or defective design or materials.
 - e) To the appliance or system from which the water or oil escaped unless as a result of freezing conditions when the maximum limit is £2,500.
8. Accidental escape of water from any automatic sprinkler installation in the premises but not damage caused by:
- a) freezing whilst the building is unoccupied.
 - b) explosion, earthquake, subterranean fire or heat caused by fire.
9. Impact by any road or rail vehicle or animal.
10. Accidental damage but not:
- a) damage caused by:
 - i) any of the covers specified above;
 - ii) the causes expressly excluded from the covers specified above whether or not insured;
 - iii) ingress of water
 - iv) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - v) faulty or defective workmanship, operational error or omission on the part



Section A – Property damage

of you or any employee but this will not include later damage which itself results from a cause not otherwise excluded;

- vi) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - vii) change in temperature, colour, flavour, texture or finish;
 - viii) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services;
 - ix) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - x) mechanical, electronic, electrical or computer breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair of the particular machine, apparatus or equipment in which breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair originates but this will not exclude later damage so long as it is not excluded above;
 - xi) pollution;
 - xii) normal settlement or bedding down of new structures;
 - xiii) acts of fraud or dishonesty;
 - xiv) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - xv) damage to a building or structure caused by its own collapse or cracking;
 - xvi) any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - xvii) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- b) damage to:
- i) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - ii) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - iii) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - iv) glass;
 - v) any building or structure caused by its own collapse or cracking.
11. a) Glass breakage at the premises all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of boarding up and any lettering and artwork.
- b) Damage to:
- i) the contents of display windows;



Section A – Property damage

- ii) windows and doorframes, vitrolite, marble, marmarile and similar materials, intruder alarm foils and other detection devices and circuits;
- iii) electric light fittings; or
- iv) neon and illuminated signs

as a direct result of glass breakage as described under paragraph 11. a) above provided that our liability will not exceed £10,000 in total any any one period of insurance.

12. Breakage of fixed sanitaryware but not breakage or damage:

- a) in vehicles, vending machines or to stock in trade;
- b) in transit or while being fitted;
- c) due to settlement, expansion or contraction of frames or fittings in buildings under construction and during a period of 6 months after the date of completion;
- d) existing before the start of the period of insurance;
- e) of neon and illuminated signs and electric light fittings;
- f) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;
- g) of bulbs or tubes unless the signs or fittings are also damaged;
- h) caused by fire or explosion.

13. Theft or attempted theft but not damage:

- a) which does not involve:
 - i) entry to or exit from a building by forcible and violent means; or
 - ii) actual or threatened assault or violence.
- b) from any part of the building not occupied by you for the purpose of the business;
- c) from the open or from any outbuilding not communicating with the main building unless otherwise specified;
- d) to property in transit;
- e) to money and securities of any description.

14. Subsidence, ground heave or landslip of any part of the site on which the property stands but not damage:

- a) to yards, carparks, roads, pavements, walls, gates and fences unless also affecting the structure of a building;
- b) caused by:
 - i) normal settlement or bedding down of new structures;
 - ii) settlement or movement of made up ground;
 - iii) coastal or river erosion;
 - iv) fire, subterranean fire, explosion, earthquake or the escape of water



Section A – Property damage

from any tank apparatus or pipe;

- c) which originated before the start of this cover;
- d) resulting from:
 - i) demolition, construction, structural alteration or repair of any property; or
 - ii) groundwork or excavation at the same premises.

Special condition to cover 14

- a) You must notify us as soon as you become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- b) We will then have the right to vary the terms or cancel this cover.

Excess

An excess applies to the covers under this section as shown in the schedule.

Extensions of cover

1. Additional metered water or gas charges

We will pay for costs incurred by you as a result of damage except those for any loss which has not been discovered and remedial action taken within 30 days of the damage occurring.

We will not pay more than £25,000 any one loss.

2. Additional sprinkler costs

We will pay for the costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council (LPC) Rules solely as imposed upon you by us following damage to the buildings provided that at the time of damage the installation conformed

- a) to the 28th or 29th Edition Rules; or
- b) to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those rules.

3. Capital additions

The insurance extends to include alterations, additions and improvements to buildings, adding new or bettering existing assets at the property insured, anywhere in the territorial limits to the extent that they are not insured elsewhere in accordance with the following

- a) Cover under this extension of cover in any one situation is limited to the value of the alterations, additions or improvements.
- b) You must pay the appropriate additional premium from the date on which the items become your responsibility.

4. Clearing of drains

Section A – Property damage

We will pay for costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at your premises and in the immediate vicinity for which you are responsible following damage. We will not pay more than the buildings sum insured.

5. Contract works

We will pay for contract works to the extent to which you have contracted to arrange cover with a limit of £100,000 for any one loss at any premises and excluding the excess of £250. This insurance will only apply in so far as the contract works are not otherwise insured.

6. Contracting purchaser's interest

If at the time of damage, you have contracted to sell your interest in any building insured and the purchase has not been but will be completed, the purchaser on completion will be entitled to benefit under this policy without prejudice to the rights and liabilities of you or us from the date of the damage until completion as long as the purchaser has not otherwise insured the building against such damage.

7. Contractor's interest

Where you are required to effect insurance on the buildings in the joint names of yourselves and the contractor under the terms of a contract condition, then the interest of the contractor in the buildings as a joint insured is noted, with details of any single contract valued in excess of £150,000 having been advised to us before work commences and an additional premium being paid as appropriate.

8. Debris removal

1. We will pay for costs and expenses you necessarily incur with our consent for:

- a) removing debris from:
- b) dismantling and/or demolishing:
- c) shoring or propping up of:
- d) clearing, cleaning or repairing services to

those parts of the premises insured damaged by any cover insured.

2. We will pay for costs and expenses necessarily incurred with our consent for the removal of tenants contents at the premises insured.

We will not pay:

- i) more than the sum insured for each item.
- ii) for any costs or expenses:
 - a) incurred in removing debris except from the site of property damaged and the area immediately adjacent to it;
 - b) arising from pollution of property not insured by this policy; or
 - c) for damage which happened before the period of insurance start date.

9. European Union and public authorities' requirements

We will pay for the additional cost of rebuilding or repair as may be incurred with our consent in complying with any regulations or requirements of the European Union, public authority or other statutory requirements first imposed upon you

Section A – Property damage

following the damage.

However, we will not be liable in respect of any rate, tax, duty, development or other charge or assessment which may arise out of any capital appreciation as a result of complying with any of the requirements referred to in this extension.

10. Failure of third party insurances (applicable to buildings and rent of the buildings).

We will pay for damage to buildings or loss of rent in accordance with the terms, conditions, exclusions, provisions and definitions of this policy at the premises defined below, but only to the extent that the lessee or freeholder is unable to recover the amount, equivalent to that which could be payable under this policy if the lessee or freeholder were the insured, as a result of:

- a) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease; or
- b) the lessee or freeholder having failed to insure for an adequate amount whether the amount insured had been approved by you or not

but excluding any payments in respect of damage or loss of rent that you recover from any other party.

We will not pay more than £500,000 any one premises. No amount will be recoverable:

- i) due to the operation of any excess or deductible under any more specific insurance;
- ii) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within their policy as a result of your action;
- iii) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim; or
- iv) unless you carry out at least annually a check of all properties owned or leased by you and for which you are responsible to ensure that effective insurance is in force for such properties.

For the purpose of this clause, "premises" is defined as all your properties anywhere in the United Kingdom which are leased to or by you but not specifically insured or referred to elsewhere under this policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with you.

Special conditions

- A. We will not pay for rent unless the building to which the rent relates is damaged so as to be rendered unfit for occupation and then only for such proportion of the rent payable as may be equivalent to the period necessary for reinstating the damage sustained but not exceeding 36 months.
- B. This clause will only take effect if we are the sole provider of buildings insurance in respect of your properties owned in connection with the business and where you have an obligation to arrange such insurance.

11. Fire extinguishing expenses

We will pay the costs and expenses incurred by you for refilling, recharging or replacing any:

- a) portable fire extinguishing appliances;
- b) local fire suppression system;
- c) fixed fire suppression system;



Section A – Property damage

d) sprinkler installation; or

e) sprinkler heads,

solely caused by insured damage.

For this cover to operate the equipment described in a)-e) above must be maintained in accordance with the manufacturer's instructions.

We will also pay for the costs you incur in resetting fire and intruder alarms and close circuit television systems up to £25,000 any one loss.

Costs and expenses recoverable from the maintenance company or the fire service are excluded from this cover.

12. Fly tipping

Costs and expenses necessarily and reasonably incurred in clearing and removing any properly illegally deposited in, on or around the premises up to a limit of £5,000 for any one loss.

13. Further investigation expenses

Where a building has suffered damage and in the opinion of a competent construction professional there is a reasonable possibility of other damage to portions of the same building which is not apparent straight away, we will pay for:

- a) the reasonable costs incurred by you with our consent in establishing whether or not the damage has occurred.
- b) the reasonable costs incurred by you in establishing whether or not other buildings in the vicinity have suffered damage in the same incident but only if such buildings are subsequently found to have suffered damage for which we are liable.

We will not pay more than £25,000 any one loss.

14. Inadvertent omission to insure

We will pay for damage to any premises in the territorial limits which you own or which you are responsible to insure but which you have inadvertently failed to insure under this or any other policy provided that:

- a) you will as soon as reasonably practicable on becoming aware of any premises not insured arrange insurance with us with effect from the start of this policy or the date upon which the insurance should have been arranged whichever is the later;
- b) this extension of cover will not apply to any premises covered under extension of cover 3. of this section;
- c) we will not pay more than:
 - i) £2,000,000 in total in the period of insurance for any premises which are occupied; or
 - ii) £500,000 in total in the period of insurance for any premises which are unoccupied;
- d) all other terms, provisions, conditions and exclusions of the policy will apply.



Section A – Property damage

15. Landscaping

We will pay for costs and expenses incurred with our consent in making good landscaped gardens or grounds at the premises damaged by any cover insured but excluding:

- i) the cost of movement of soil other than as necessary for surface preparation.
- ii) the failure of trees, shrubs or turf to become established following replanting.
- iii) the failure of seeds to germinate.

We will not pay more than £25,000 any one loss.

16. Loss minimisation and prevention expenditure

We will pay for costs and expenses incurred by you with our consent for the sole purpose of avoiding or diminishing the amount of a loss following damage which but for that expenditure would have occurred.

We will not pay more than £25,000 any one claim.

17. Loss of market value

If:

- a) you choose not to repair or rebuild, we will pay to you the reduction in market value of the buildings following damage but not exceeding the amount that would have been payable had the buildings been repaired or rebuilt.
- b) as a result of damage, you are required to rebuild or reinstate the buildings in a manner different from that before damage solely to comply with any regulations or requirements of the European Union, public authority or other statutory requirements (as shown under extension 16. ad as a result there is reduction in market value, we agree to pay:
 - i) the cost of repairing or reinstating the buildings; and
 - ii) a cash settlement representing the reduction in market value

so that the total payment made is no greater than the amount that would have been payable had the buildings been repaired or reinstated in an identical manner to their condition before the damage.

Provided that:

- i) the total amount recoverable under any item of the policy will not exceed its sum insured; and
- ii) all other terms and conditions of the policy will apply as if they had been incorporated in this clause.

18. Privity of contract

We will pay for all sums as you become legally liable to pay and will pay as cover to any tenant for the repair or reinstatement of premises previously owned but which are no longer your property and where the current owner has failed to maintain adequate insurance cover.

Provided that:

- a) the insurance by this clause will not contribute for any more particular insurance effected by the new owner, tenants or sub-tenants;

Section A – Property damage

- b) you will take all reasonable and appropriate steps to obtain release from your liabilities under the covenants to insure the property on its disposal.

19. Professional fees

The sum insured for each item on buildings and landlord's contents includes an amount for professional fees necessarily and reasonably incurred in the reinstatement of the property insured but not for preparing any claim.

20. Reinstatement to match

Where a building has suffered damage, you may replace, repair or restore the property with equivalent property which employs current technology and replacement, repair or restoration will not for the purposes of this policy be regarded as being better or more extensive than when new.

This section further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored. Provided that our total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

When the buildings are damaged or destroyed in part only, our liability will not exceed the sum representing the cost which we could have been called upon to pay for reinstatement if the property had been wholly destroyed.

21. Replacement locks

We will pay for the reasonable expenses necessarily incurred as a result of the necessary replacement of locks or resetting digital locks at the premises to a standard equal to but not better than their original standard following the loss of keys by loss or theft from the premises or from the homes of directors, partners or authorised employees or by the unauthorised duplication of the keys.

We will not pay more than £5,000 any one loss.

22. Removal of wasps, bees and hornets nests

We will pay for the cost of removing wasps or bees* and hornets nests from buildings. We will not pay more than £5,000 any one loss.

*If a bees' nest is outside or underground then there shouldn't be a need move it. In more accessible places – for example bushes, trees and sheds, then contacting a local beekeeper or pest controller to relocate the nest is an option. If you suspect you have honeybees and they are causing you problems then we recommend you use a swarm collector from the British Bee Keepers Association (www.bbka.org.uk/swarm). Only if the location of a nest is dangerous and removal not possible, should eradication be considered.

23. Residential property

In the event of any damage resulting in

- a) a residential building or residential part of any building being uninhabitable; or
- b) access being prevented to the property

we will pay for rent receivable and the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident, including pets, who normally live in the building until the property is habitable or accessible.

We will not pay more than 25% of the sum insured applicable to the residential building or residential part of the building concerned in total during any one period of insurance.

24. Subrogation waiver

Section A – Property damage

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

- a) any company standing in relation of parent (subsidiary to parent) to you as defined in the Companies Act or Companies (N.I.) Order current at the time of the damage; or
- b) any company which is a subsidiary of a parent company of which you are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the damage;
- c) any tenant, lessee or managing agent for damage applicable to the premises unless the damage arises out of a criminal or malicious act of the tenant, lessee or managing agent.

25. Temporary removal

We will pay for damage to any landlords' fixtures and fittings or other property within the definition of buildings not otherwise insured whilst temporarily at another premises for cleaning, renovation or repair or other similar purposes and whilst in transit by road, rail or inland waterway.

We will not pay more than £25,000 for any one loss.

26. Tenants Damage

We will pay for damage, including malicious damage, illegal cultivation of drugs and theft, caused by the tenant to the buildings or landlords' contents in respect of Section A Property Damage only;

Provided that you

- 1. carry out internal and external inspections of the buildings at least every 3 months and
 - a) maintain a log of those inspections and retain that log for at least 24 months
 - b) carry out a 6 monthly management check of the inspections log
- 2. obtain satisfactory credit references from a licensed Credit Referencing Agency prior to granting the tenancy with the tenant having given permission for this information to be released in the event of a claim
- 3. obtain and record details of your tenant's bank account and verify those details by receiving rental payments from that account
- 4. obtain and record a written formal identification of any prospective tenant
- 5. do not permit any sub-letting of your property. If you do not comply with the above conditions you will not be covered and we will not pay your claim

However we will not cover:

- i) any amount recoverable by you from the deposit paid by the tenant as detailed on the tenancy agreement (proof of deposit payment must be submitted following a claim);
- ii) damage which is insured by a policy issued to the tenant.

We will not pay more than £10,000 for any one loss and any one period of insurance. Terrrespect of the Illegal cultivation of drugs, we will not pay more than £5,000 for any one loss and any one period of insurance.

27. Trace and access and repair or replacement

Section A – Property damage

We will pay reasonable costs and expenses with Our consent in locating the source of any escape of water from any fixed domestic water services or heating installation or escape of fuel oil including subsequent repair to walls floors or ceilings provided such Damage is insured by this Section But We will not indemnify You

1. for the cost of repairs to any fixed domestic water services or heating installation

2. where Damage results solely from a change in the water table level

The maximum We will pay any one claim under this Extension is £10,000 for any one loss and any one period of insurance.

28. Tree felling and lopping

We will pay for the cost of lopping or felling trees which are an immediate threat to life or causing damage to the property insured.

We will not pay more than £5,000 any one loss.

29. Tree removal

We will pay for costs and expenses incurred in removing fallen trees and branches from the premises resulting from any of the covers insured under this policy (other than under extension 28. Tree felling and lopping).

We will not pay more than £500 any one loss or £2,500 on total in the period of insurance.

30. Unauthorised use of electricity, gas or water

We will pay up to £25,000 for any one loss, for the cost of metered electricity, gas or water for which you are legally responsible arising from its unauthorised use by persons taking possession of, keeping possession of or occupying the premises without your authority.

Provided that all reasonable steps are taken to terminate the unauthorised use as soon as it is discovered.

31. Value Added Tax (VAT)

The insurance by each item on buildings extends to include Value Added Tax paid by you which is not later recoverable in accordance with the following:

- a)
 - i) Your liability for tax arises solely as a result of the reinstatement or repair of the buildings to which the item relates following damage;
 - ii) We have paid or agreed to pay for the damage;
 - iii) If payment made by us for reinstatement or repair of the damage is less than the actual cost of reinstatement or repair, any payment under this provision resulting from the damage will be reduced in like proportion;
 - iv) An allowance has been made in the sum insured for Value Added Tax where necessary, it being understood that you will still be entitled to cover if the allowance has inadvertently not been made.
- b) Your liability for tax does not arise from the replacement buildings having greater floor area than or being better or more extensive than the destroyed or damaged buildings;
- c) Where an option to reinstate on another site is exercised, we will not pay more than the amount of tax that would have been payable had the buildings been rebuilt on their original site;

Section A – Property damage

- d) We will not pay for amounts payable by you as penalties or interest for non-payment or late payment of tax.

For the purpose of paragraph c), rebuilding costs will be exclusive of Value Added Tax.

Our liability may exceed the sum insured by an item or in the whole the total sum insured where the excess is solely for Value Added Tax.

32. Workmen

Workmen may be employed for repairs and minor structural alterations in any of the buildings without prejudice to the insurance.



Section A – Property damage

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. Automatic reinstatement after a loss

Unless we advise you to the contrary, our liability will not be reduced by the amount of any loss as long as:

- a) you pay the appropriate additional premium for reinstatement of cover; and
- b) you carry out any reasonable recommendations we put forward to prevent further loss.

If the damage is by theft (if insured) automatic reinstatement will apply once in each period of insurance.

2. Basis of settlement

Reinstatement

Following damage to the buildings, landlords contents or all other contents the basis upon which we will calculate the amount we will pay for any claim will be the reinstatement of the property damaged, provided that:

- a) where the buildings, landlords contents or all other contents are:
 - i) lost or destroyed, we will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new;
 - ii) damaged, we will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new. However, we will not pay more than we would have done if the buildings, landlords contents or all other contents had been completely destroyed.
- b) The work of reinstatement:
 - i) may be carried out on another site and in a manner suitable to your needs. However, our liability must not be increased.
 - ii) must begin and be carried out as quickly as possible.

The maximum we will pay under this section in any one period of insurance will not exceed:

- a. the sum insured on each item; or
- b. the total sum insured,

Section A – Property damage

or any other maximum amount payable or the sum insured specified in this section or the schedule.

Day one basis of reinstatement

The insurance by the item(s) indicated in the schedule are subject to the following:

- a) If a declared value is stated for any item in the schedule, then our liability will not exceed the sum insured calculated by applying the uplift to the declared value as stated in the schedule. You having stated in writing the declared value of each item in the schedule, and the premium has been calculated accordingly.
- b) At the start of each period of insurance, you must notify us of the declared value of each of the items insured on a day one basis. In the absence of a declaration, the last amount declared by you will be taken as the declared value for the next period of insurance.
- c) Where General Condition 2. b) Average is applied, no payment is to be made beyond the amount which would have been payable had this clause not been operative. Our liability will be limited to 100% of the declared value shown in the schedule.

Indemnity

The basis upon which we will calculate the amount we will pay for any claim for professional fees and debris or other property at the premises, removal will be:

- a) the cost of replacement or repair of the property which has suffered damage, to a condition as good as, but not better or more extensive than, its condition immediately before the damage, or at our option:
- b) where the property is lost or destroyed – the value of the property immediately before its loss or destruction.

3. Delays in rebuilding

We will not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with any regulations or requirements of the European Union, public authority or other statutory requirements unless the delays are wholly outside your control.

4. Designation of property

For the purpose of determining the heading under which any property is insured, we agree to accept the designation under which the property has been entered in your books.

5. Fire protection equipment

You will take all reasonable measures to ensure that:

- a) any sprinkler or alarm installation or other fire protection equipment, for which a reduced premium rate is allowed, is maintained in efficient working order;



Section A – Property damage

- b) the routine tests prescribed by us are carried out and any defects revealed by the tests are promptly remedied; and
- c) our written consent is obtained to any proposed changes, repairs or alterations to any sprinkler or alarm installation.

6. Firebreak doors and shutters

Where there are firebreak doors and shutters, which are within your custody and control, you must:

- a) maintain them in efficient working order; and
- b) keep them free from obstruction at all times.

7. Mortgagees and lessors

Any increase in the risk of damage resulting from any act or neglect of any mortgagor, leaseholder, lessee or occupier of any buildings insured by this policy will not prejudice the interest of any mortgagee, freeholder or lessor provided that:

- a) the increase in risk is without their knowledge or authority;
- b) we are notified as soon as reasonably practicable after you become aware of the increase in risk; and
- c) you pay any additional premium reasonably required.

8. Non-invalidating

This insurance will not be invalidated by any act, omission or alteration where the risk of damage is increased unknown to or beyond your control provided that as soon as you become aware of it you tell us and pay any additional premium required.

9. Our option to rebuild

We may at our option rebuild or restore the buildings destroyed or portions damaged but without being bound to rebuild or restore the property exactly or completely and only as circumstances permit and in reasonably sufficient manner. You will at your own expense produce and give to us all plans, documents, books and information as we may reasonably require.

10. Rebuilding on another site

The buildings may be wholly or partially rebuilt upon another site and in any manner suitable to your requirements provided that it does not increase our liability.

11. Security requirements

The following security precautions apply for buildings occupied by you, for which the security is the direct responsibility of you or your agents or for any empty or disused buildings of which we have been notified.

Section A – Property damage

- a) Any additional protection required by us will be fitted in accordance with our requirements and, together with all other devices for the protection of the property insured, will be kept in good order and put into full and effective operation whenever the premises are closed for business or are left unattended.
- b) All keys, including duplicate keys, relative to the security of a portion of the premises or to any safe or strong room containing property insured will be removed from that portion of the premises whenever they are closed for business or left unattended.

12. Seventy two hour provision

For covers 5 – Storm, 6 – Flood, 7 – Escape of water or oil and 8 – Accidental escape of water from a sprinkler installation only, damage occurring continuously or intermittently during any period of seventy two hours will be deemed to constitute one loss at each separate premises for the purpose of the application of the excess.

13. Waiver of average

- a) Average has been waived under this policy on the proviso that **you** carry out regular valuations utilising qualified RICS members at intervals of not more than 3 years and the sums insured are adjusted accordingly.
- b) If **you** do not carry out regular valuations as required in a) above then General condition 2 – Average will apply in the event of a claim.

Exclusions applicable to this section

We will not cover you for:

- 1. the following items unless specifically agreed otherwise and shown as insured in the schedule:
 - a) money, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs, curiosities, rare books or works of art;
 - b) goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, explosives, video tapes or cassettes for sale or hire;
 - c) property in transit;
 - d) patterns, models, moulds, plans and designs.
- 2. damage caused by pollution except damage caused by:
 - a) pollution which results solely and directly from an insured cover;
 - b) any insured cover which results from pollution or contamination.



Section B – Business Interruption damage

This section is optional and will only apply if shown as covered in your schedule

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Note 1

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

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Incident

Damage to property used by you at the premises for the purpose of the business.

Indemnity period

The period beginning with the occurrence of the incident and ending not later than the maximum indemnity period after that during which the results of the business will be affected because of the incident.

For extension of cover 8. Legionellosis indemnity period means the period during which the results of the business will be affected because of the occurrence or discovery, beginning with the date from which the restrictions on the premises are applied and ending not later than the maximum indemnity period following that.

For extension 17. Rent of residential property indemnity period means the maximum period of three years from the date of the damage for which we will be liable to pay any loss;

Maximum indemnity period

As stated in the schedule.

Notifiable disease

Injury or illness sustained by any person resulting from:

the occurrence of the following diseases: Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Bubonic Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever.

Premises

Those premises which are stated in the schedule to be insured and which are directly affected by the incident.

Insuring clause

If any building or other property used by you at the premises for the purpose of the business suffers damage by any of the covers specified in the schedule and there is a consequential loss, we will pay you for each item in the schedule the amount of the loss provided that:

1. at the time of the happening of the damage there is in force an insurance covering your

Section B – Business Interruption damage

interest in the property at the premises against that damage and that:

- a) payment has been made or liability admitted; or
 - b) payment would have been made or liability admitted but for the operation of a clause in that insurance but we will not cover liability for losses below a specified amount.
2. our liability under this section will not exceed:
- a) in the whole the total sum insured or for any item its sum insured or any other limit of liability stated in the schedule at the time of the damage;
 - b) the sum insured remaining after deduction for any other consequential loss occurring during the same period of insurance unless we have agreed to reinstate the sum insured.

Covers – provided as standard

1. Fire, lightning and explosion but not consequential loss caused by:
 - a) earthquake, subterranean fire, riot, civil commotion;
 - b) any heating process or any process involving the application of heat;
 - c) explosion of non – domestic steam pressure machinery or equipment under your control.
2. Aircraft or other aerial devices or articles dropped from them but not consequential loss caused by pressure waves caused by:
 - a) aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - b) fire.
3. Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons but not consequential loss arising from:
 - a) confiscation, requisition or destruction by order of the government or any public authority;
 - b) stopping work;
 - c) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
 - d) theft or attempted theft directly caused by malicious persons to any building which is unoccupied;
4. Earthquake or subterranean fire.
5. Storm but not consequential loss:
 - a) caused by lightning, frost, subsidence, ground heave or landslide;
 - b) for movable property in the open, fences and gates.
6. Flood but not consequential loss:
 - a) attributable solely to change in the water table level;
 - b) caused by lightning, frost, subsidence, ground heave or landslide;



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- c) for movable property in the open, fences and gates.
- 7. Escape of water or oil from any tank apparatus or pipe but not consequential loss
 - a. to any building or part thereof which is unoccupied.
 - b. by water discharged or leaking from any automatic sprinkler installation.
 - c. caused by the failure of, or lack of, appropriate grout and/or sealant.
 - d. inherent fault or defect, undiscovered defect or gradual damage, faulty or defective design or materials
 - e. To the appliance or system from which the water or oil escaped unless as a result of freezing conditions when the maximum limit is £2,500.
- 8. Accidental escape of water from any automatic sprinkler installation in the premises but not consequential loss caused by:
 - a) freezing whilst the building is unoccupied.
 - b) explosion, earthquake, subterranean fire or heat caused by fire.
- 9. Impact by any road vehicle or animal.
- 10. Accidental damage but not:
 - a) consequential loss caused by:
 - i) any of the covers specified in 1-9 above;
 - ii) the causes expressly excluded from the covers specified above whether or not insured;
 - iii) ingress of water;
 - iv) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - v) faulty or defective workmanship, operational error or omission on the part of you or any employee but this will not include later damage which itself results from a cause not otherwise excluded;
 - vi) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - vii) change in temperature, colour, flavour, texture or finish;
 - viii) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;
 - ix) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - x) mechanical, electronic, electrical or computer breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair, of the particular machine, apparatus or equipment in which breakdown or disturbance in order, arrangement or functioning or from adjustment maintenance or repair originates but this will not exclude later consequential loss so long as it is not excluded above;
 - xi) pollution;
 - xii) normal settlement or bedding down of new structures;

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- xiii) acts of fraud or dishonesty;
 - xiv) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - xv) damage to a building or structure caused by its own collapse or cracking;
 - xvi) any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - xvii) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- b) consequential loss for:
- i) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - ii) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - iii) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - iv) glass.
11. a) Glass breakage at the premises all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of boarding up and any lettering and artwork.
- b) Damage to:
- i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmerile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs
- as a direct result of glass breakage as described under paragraph 11a) provided that our liability will not exceed £10,000 in total.
12. Breakage of fixed sanitaryware but not breakage or consequential loss:
- a) in vehicles, vending machines or to stock in trade;
 - b) in transit or while being fitted;
 - c) due to settlement, expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion;
 - d) existing before the start of the period of insurance;
 - e) of neon and illuminated signs and electric light fittings;
 - f) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;



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- g) of bulbs or tubes unless the signs or fittings are also damaged;
 - h) caused by fire or explosion.
13. Theft or attempted theft but not consequential loss:
- a) which does not involve:
 - i) entry to or exit from a building by forcible and violent means; or
 - ii) actual or threatened assault or violence.
 - b) from any part of the building not occupied by you for the purpose of the business;
 - c) from the open or from any outbuilding not communicating with the main building unless otherwise specified;
 - d) to property in transit;
 - e) to money and securities of any description.
14. Subsidence, ground heave or landslip of any part of the site on which the property stands but not consequential loss:
- a) to yards, car parks, roads, pavements, walls, gates and fences unless also affecting the structure of a building;
 - b) caused by:
 - i) normal settlement or bedding down of new structures;
 - ii) settlement or movement of made up ground;
 - iii) coastal or river erosion;
 - iv) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
 - c) which originated before the start of this cover.
 - d) resulting from:
 - i) demolition, construction, structural alteration or repair of any property; or
 - ii) groundwork or excavation at the same premises.

Special condition applicable to cover 14

- a) You must notify us as soon practicable after you become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- b) We will then have the right to vary the terms or cancel this cover.

Extensions of cover – provided as standard

1. Action of competent authorities

We will pay for consequential loss following an action by the police or other competent local, civil or military authority following a danger or disturbance in the

Section B – Business Interruption damage

vicinity of the premises where access will be prevented.

There will be no liability under this extension for loss resulting from interruption of the business during the first 12 hours of the indemnity period.

We will not pay:

- a) more than £1,000,000; or
- b) for more than 3 months maximum indemnity period

under this extension.

2. Capital additions

The insurance extends to include additional rent as a result of alterations, additions and improvements to buildings anywhere in the territorial limits to the extent that they are not insured elsewhere in accordance with the following:

- a) cover under this extension in any one situation is limited to the value of the anticipated amount of additional rent;
- b) you must pay the appropriate additional premium from the date on which the items become your responsibility.

3. Buildings awaiting sale

If, at the time of the damage, you have contracted to sell your interest in the buildings or have accepted an offer in writing to purchase your interest in the buildings in accordance with contract and the sale is cancelled or delayed solely following damage, provided that you have made all reasonable efforts to complete the sale of the buildings as soon as practicable after the damage, you may opt for the amount payable by us to be as follows:

- a) loss of rent, being the actual amount of the reduction in the rent receivable by you solely following damage, during the period before the date upon which, but for the damage, the buildings would have been sold;
- b) loss of interest during the period starting with the date upon which, but for the damage, the buildings would have been sold and ending with the actual date of sale or with the expiry of the indemnity period if earlier. Loss of interest will be:
 - i) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the business;
 - ii) the investment interest lost to you on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) less any amount receivable for rent.
- c) Additional expenditure, being:
 - i) the expenditure necessarily and reasonably incurred following damage solely to avoid or minimise the loss payable under paragraphs a) or b) above but not exceeding the amount of loss avoided by that expenditure; and
 - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay following damage but not exceeding either an amount equivalent to the expenditure incurred before the damage or £50,000 whichever is the lesser except:
 - 1) the amount payable will be adjusted to provide for any benefit derived by you from cancellation of or delay in the sale so that it

Section B – Business Interruption damage

represents as nearly as may be reasonably practicable the actual loss suffered by you:

- 2) in the event of underinsurance the amount payable will be adjusted in accordance with General condition 2. Average.

4. Contingency rent

Where there is provision in the lease agreed between the landlord and tenant of the buildings for a reduction of rent in the event of any loss as described below, or where the rent receivable by the landlord is reduced as a direct result of the turnover of the lessee's business being reduced by any loss, the insurance by the item on rent is extended to include the following:

a) Failure of utilities

loss as insured caused by the failure of the supply of:

- i) electricity at the terminal ends of the supply authority's service feeders at the buildings;
- ii) gas at the supply authority's meters at the buildings; or
- iii) water at the supply authority's main stop cock serving the buildings

by any accidental cause other than the deliberate act of any supply authority or by any authority exercising its power to withhold or restrict supply or by drought.

5. Cost of reletting

We will pay for the costs necessarily and reasonably incurred with our consent during the indemnity period in reletting the buildings (including legal fees in connection with the reletting) solely following the incident.

6. Disease/Closure

We will cover You for closure of the Premises by Public Authorities following:

- a) the occurrence of the following diseases: Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Bubonic Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever, at the Premises;
- b) murder or suicide at the Premises;
- c) food poisoning or drink poisoning at the Premises;
- d) defective sanitary arrangements or vermin or pests other than the deliberate act of any supply undertaking to withhold the supply of water at the Premises;

Indemnity Period

Our liability under this Extension shall only apply for the period beginning with the occurrence of the loss and ending no later than three months thereafter during which the results of the Business shall be affected in consequence of the closure.

Our liability under this Extension will not exceed £50,000 in the aggregate and in any one Period of Insurance.

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7. Increased cost of working

The insurance under this item is limited to increased cost of working and the amount payable will be the increased expenditure reasonably incurred by you during the indemnity period in order to minimise any interruption of or interference with the business following the incident.

We will not be liable for:

- i) more than one third of the sum insured for additional expenditure arising in the first quarter of the maximum indemnity period following the date of the incident; or
- ii) more than an equal proportion of the balance of the sum insured per month for the additional expenditure in the remainder of the maximum indemnity period.

8. Legionellosis

We will pay for loss resulting from interruption of or interference with the business carried on by you at the premises in consequence of any outbreak of legionellosis at the premises causing restrictions on their use on the order or advice of the competent local authority.

We will not pay:

- i) for any costs incurred in cleaning, repair, replacement or checking of property except those costs and expenses necessarily incurred with our consent in cleaning and decontamination of the air- conditioning or water supply equipment at the premises, the use of which has been restricted on the order or advice of the competent local authority;
- ii) more than £1,000,000 at any one premises; or
- iii) for more than 3 months' maximum indemnity period under this extension of cover.

9. Loss of attraction (leased premises)

The insurance by the item on rent is extended to include loss as insured resulting solely from damage by any of the covers insured to buildings or other property at any location in the immediate vicinity of the premises following which the turnover of the lessee's business is affected and rent receivable by you is reduced.

We will not pay more than 5% of the sum insured or £250,000, whichever is the lesser, any one loss.

10. Loss of investment income on late payment of rent

If, as a result of damage, we are paying you for your loss of rent and the payment by us to you is made later than the date upon which you would normally have expected to receive the rent from a lessee, we will pay a further sum representing the investment interest lost to you during the delay period.

Provided that:

- a) the assessment of the interest lost will be at a rate of not more than 2% above the London Interbank Offered Rate applying during the indemnity period;
- b) our liability in total in any one period of insurance will in no case exceed 200% of the sum insured specified against the relative item or any limit of liability stated in this section whichever is the lower.

11. Managing agents' premises

Section B – Business Interruption damage

The insurance by each item on rent is extended to include loss as insured resulting solely from damage by any of the covers insured to buildings or other property at any location in the territorial limits owned or occupied by your managing agents for the purposes of their business as a result of which rent receivable by you is reduced.

12. New business

For the purpose of any claim arising from an incident occurring before the completion of the first year's trading of the business at the premises, the term 'standard rent receivable' will be defined as follows.

Standard rent receivable

The proportional equivalent for a period equal to the indemnity period of the rent receivable realised during the period between the start of the business and the date of the incident, to which adjustments will be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business whether before or after the incident or which would have affected the business had the incident not occurred, so that the figures adjusted will represent as nearly as may be reasonably practicable the results which but for the incident would have been obtained during the relative period after the incident.

13. Prevention of access

we will cover You in respect of Damage to property in the vicinity of the Premises as a result of Damage caused by any of the Specified Perils insured under (Section A) of this Policy which prevents or hinders use of or access to the Premises whether the Premises have been damaged or not. Our liability under this Extension will not exceed £100,000 for any one loss.

14. Prevention of access (non-damage)

We will cover You where access to or use of the Premises is prevented or hindered by any action of government police of local authority due to an emergency which could endanger human life or neighbouring property any bomb scare at or in the vicinity of the Premises

We will not cover You

- i) where access to or use of the Premises is prevented or hindered for less than 4 hours
- ii) any period when access or use to the Premises was not prevented or hindered
- iii) closure or restriction in the access or use of the Premises due to the order or advice of the competent local authority as a result of an occurrence of an infectious disease (or the discovery of an organism resulting in or likely to result in the occurrence of an infectious disease) food poisoning defective drains or other sanitary arrangements
- iv) closure or restriction the access or use of the Premises due to vermin

Special conditions

- 1) For the purpose of part (b) of this Extension, General Exception 2 – Terrorism does not apply
- 2) The Maximum Indemnity Period under this Extension shall not exceed 3 months

The maximum We will pay under this Extension for any one claim and in the aggregate for all claims in any one Period of Insurance is £100,000.

15. Professional accountants and legal fees clause

For each item on rent if any of the buildings suffer damage, we will pay the reasonable charges payable by you and incurred with our consent to:

- a) your professional accountants for producing information as may be required by us under the terms of Claims condition 3 applicable to property damage

Section B – Business Interruption damage

insurance and for reporting that the information is in accordance with your accounts;

- b) your lawyers for determining your contractual rights under any rent cesser clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

16. Public utilities

We will pay for loss resulting from interruption of or interference with the business carried on by you at the premises following any damage arising 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 with it;
- c) water works or pumping station of the public water supply undertaking; or
- d) land based premises of the public telecommunications undertaking

from which you obtain electricity, gas, and water or telecommunications services, all in the territorial limits.

17. Rent free periods

If at the date of the incident the premises are under a rent free concession under the terms of the lease the indemnity period will be adjusted by adding the unexpired portion of the rent free period to the maximum indemnity period.

18. Rent of residential property

In the event that buildings occupied solely or partly for residential purposes suffer damage and no sum insured on rent for the residential portions has been allocated, then this insurance extends to include loss of rent including the cost of reletting and any additional expenditure as detailed above.

This extension will also cover you for any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

We will not pay under this provision more than 25% of the sum insured applicable to the residential building or residential portion of the building concerned.

19. Unlawful occupation

Loss as insured by this section is extended to include loss resulting from interruption of or interference with the business due to the access to or use of the premises being hindered or prevented due to the premises or property in the vicinity of the premises or any rights of way being:

- a) occupied by terrorists or persons thought to be terrorists;
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers; or
- c) thought to contain or actually containing a harmful device provided that the police are informed.

We will not be liable for:

Section B – Business Interruption damage

- i) loss arising from any cause within your control;
- ii) loss as a result of physical damage to property;
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear;
- iv) any incident involving prevention or hindrance of access to or use of the premises for less than 12 hours duration;
- v) more than £10,000 any one occurrence.



Section B – Business Interruption damage

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. **Alternative accommodation – reduction of loss**

If, following damage, you use other premises to provide accommodation to tenants, the rent received from those tenants during the indemnity period will be taken into account in assessing any loss of rent.

2. **Automatic reinstatement after a loss**

Unless we advise you to the contrary, our liability will not be reduced by the amount of any loss as long as:

- a) you pay the appropriate additional premium for reinstatement of cover; and
- b) you carry out any reasonable recommendations we put forward to prevent further loss.

If the damage is by theft (if insured) automatic reinstatement will apply once in each period of insurance.

3. **Payments on account**

Payments on account will be made to you for claims for loss of rent on the date upon which, but for the damage, the rent would have been due from the lessee.

4. **Renewal**

Before each renewal, you will provide us with the estimated rent receivable for the financial year most nearly concurrent with the ensuing year of insurance.

5. **Service charges**

Rent is deemed to include service charges unless otherwise stated in the schedule.

6. **Savings**

If any charge or expense payable out of rent will cease or reduce during the indemnity period following damage, the sum saved will be deducted from the amount otherwise payable under this insurance before the application of General condition 2. Average.

Section B – Business Interruption damage

Appendix A – Rent receivable

Note 1

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

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Annual rent receivable

The rent receivable during the 12 months up to the date of the incident.

Standard rent receivable

The rent receivable during that period in the 12 months up to the date of the incident which corresponds with the indemnity period. We will adjust the figures as necessary to provide for trends or special circumstances affecting the business before or after the incident or which would have affected the business had the incident not occurred.

Claims – basis of settlement

The insurance by this item is limited to:

1. loss of rent receivable;
2. cost of reletting;
3. additional expenditure; and
4. accelerated reinstatement

expenditure and the amount payable

will be:

- a) for loss of rent receivable, the amount by which the rent receivable during the indemnity period will as a result of the incident fall short of the standard rent receivable;
- b) for cost of reletting, the costs necessarily and reasonably incurred during the indemnity period in reletting the buildings (including legal fees in connection with the reletting) solely due to the damage;
- c) for additional expenditure, the expenditure (other than that recoverable under cost of reletting) necessarily and reasonably incurred following damage solely to avoid or minimise the loss of rent during the indemnity period but not exceeding the amount of the reduction avoided by that expenditure;

Section B – Business Interruption damage

- d) for accelerated reinstatement expenditure, the further additional expenditure (other than that recoverable under cost of reletting or the additional expenditure) necessarily and reasonably incurred following damage solely to avoid or minimise any loss of rent not recoverable by you under this or any other policy during the period of twelve months following the expiry of the indemnity period but not exceeding the loss of rent avoided during that period of twelve months by you;

less any sum saved during the indemnity period for the charges and expenses of the business payable out of rent receivable as may cease or be reduced following the incident.

If the sum insured by this item is less than the annual rent receivable (proportionately increased where the maximum indemnity period exceeds twelve months) the amount payable will be proportionately reduced.

Our liability will in no case exceed:

1. for paragraph a) 200% of the estimated rent receivable stated in the cover summary;
2. for paragraphs b) – d), the sum insured stated in the schedule for any one item; or
3. for paragraphs a) – d) in total, 200% of the estimated rent receivable stated in the schedule.

Condition

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. Return of premium

If the rent receivable earned (proportionately increased where the maximum indemnity period exceeds 12 months) during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by your auditors is less than the sum insured, we will make a pro rata return of premium not exceeding 50% of the premium paid on the sum insured for the period of insurance. If any incident will have occurred giving rise to a claim under this section the return of premium will be made in respect only of so much of the difference as is not due to the incident.

Section B – Business Interruption damage

Appendix B – Loss of book debts

Note 1

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

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Book debts

The financial amounts due to you but not yet paid for goods or services supplied by you to customers on a credit or hire purchase basis and for which they have accepted delivery.

Outstanding debit balances

Where there are monthly declarations, the total declared under the last statement adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited to customer accounts in the period between the date to which the statement applied and the date of damage; and
- c) any abnormal trade condition which had or could have a material effect on the business

OR

A reasonable estimate of the total outstanding debits at the date of the damage after adjustment for bad debts and as agreed between you and us provided that this estimate does not exceed 75% of the sum insured as set out in the schedule.

We will not pay more than £25,000 any one loss unless otherwise stated in the schedule.

Claims – basis of settlement

The insurance by this item is limited to the loss not exceeding the sum insured sustained by you for:

- 1. loss of book debts; and
- 2. additional expenditure

and the amount payable will be:

- a) for loss of book debts, the amount of total outstanding debit balances less the total of amounts of outstanding debit balances traced or received;

Section B – Business Interruption damage

- b) for additional expenditure, the amount necessarily and reasonably incurred solely due to the incident in order to trace and establish the amount of customer debit balances, but the amount payable under this heading will not exceed the additional amount that would have been payable under paragraph 1. above for loss of book debts if no increase in additional expenditure had been incurred.

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

1. Declaration

Within 30 days of the end of each calendar month, you will advise us in writing of the total amount of outstanding debit balances as shown in your accounts. If you do not advise us, we will take the maximum sum insured as the total amount declared.

At the end of each period of insurance the actual premium will be calculated on the average amount insured i.e. the total of the amounts declared divided by the number of declarations. If the actual premium is greater than the first or annual premium paid, you will pay us the difference. If it is less, we will refund the difference to you but only up to one half of the first or annual premium paid.

2. Fire resisting cabinets

Your books of account and other business books or records in which you record customer accounts must be kept in fire resisting safes or cabinets when not in use.

Section C – Property owners' liability

This section is optional and will only apply if shown as covered in your schedule

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Property

Property which is both material and tangible.

Remediation

Remedying the effects of pollution.

Insuring clause

We will cover you under this section of the policy against:

1. all sums which you will become legally liable to pay as damages; and
2. costs and expenses

in the event of:

- a) accidental bodily injury to any person other than any employee;
- b) accidental loss of or damage to property;
- c) accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water; or
- d) wrongful arrest or false imprisonment

occurring during the period of insurance and arising out of your business in the territorial limits.

Section C – Property owners' liability

Limit of liability

1. Our liability for all claims arising out of one original cause will not exceed the limit of liability detailed in the schedule irrespective of the number of claims or claimants.
2. Costs and expenses are payable in addition to the limit of liability detailed in the schedule.

Extensions of cover – provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Additional benefit

We will pay costs incurred with our consent for:

- a) representation at any coroner's inquest or fatal injury inquiry for any death; or
- b) defending in any court of summary jurisdiction any proceedings for any act or omission causing or relating to any event which may be the subject of cover under this section.

2. Compensation for court attendance

In the event of any of your directors, partners or employees attending court as a witness at our request in connection with a claim for which you are entitled to cover under this policy, we will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any employee £100 per day

We will not pay more than £2,500 in total during any one period of insurance.

3. Contingent liability (non-owned vehicles)

We will cover you for legal liability for bodily injury and loss of or damage to property arising out of the use of any motor vehicle, which is not your property or leased or hired to you and is not provided by you, being used in connection with the business.

This cover does not apply for:

- i) loss of or damage to the vehicle;
- ii) bodily injury or damage to property while the vehicle is being driven by you;
- iii) liability arising from circumstances in which it is compulsory for you to insure or provide security for the vehicle as a requirement of relevant Road Traffic Act legislation; or

Section C – Property owners' liability

- iv) a vehicle being used outside the territorial limits.

For the purposes of this extension the General definition of "you" is restricted to paragraphs a) and b) only.

4. Contractual liability

Regardless of the Contracts (rights of Third Parties) Act 1999 clause contained under General information, we will cover you under this extension against liability for bodily injury or damage to property assumed by you to the extent that any contract or agreement entered into by you with any principal so requires, provided that:

- a) the liability arises out of the performance by you of the contract or agreement;
- b) the conduct and control of claims is vested in us;
- c) nothing in this extension will increase our liability to pay any amount in excess of the limit of liability under this section.

5. Cross liabilities

If you comprise more than one party, we will treat each party as though a separate policy had been issued to each of them.

Nothing in this extension will increase our liability to pay any amount in excess of the limit of liability under this section.

6. Defective premises

We will cover you against liability for bodily injury or damage to property arising for any premises disposed of by you. This cover does not apply to any costs or expenses incurred in repairing, replacing or making any refund for any premises.

7. Discharge of liability

We may at any time pay to you or on your behalf:

- a) the maximum sum payable under this policy for any one loss;
- b) the balance of the maximum sum should any payments have already been made for claims arising out of the same loss; or
- c) the balance of the maximum sum payable in any one period of insurance if this is less than either of the amounts specified in paragraphs a) and b) due to any payments made in connection with any previous claims together with the amount of any legal costs incurred before the time of the payment

and our liability for any further payment arising out of or in connection with any losses will be fully discharged and at an end.

If the sum payable for any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this policy, you will pay:

- i) the excess; and
- ii) the proportion of the law costs payable to any claimants or incurred in the defence of any claim or claims for the loss which the excess bears to the total sum payable for those losses.

8. Environmental statutory clean-up costs

We will pay for all sums including statutory debts that you are legally liable to pay for remediation or clean-up costs arising from environmental damage caused by pollution where liability arises under an environmental Directive, Statute or Statutory Instrument.

Section C – Property owners' liability

The following conditions apply:

- a) liability must arise from pollution caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the period of insurance. All pollution which arises out of one incident will be deemed to have occurred at the same time the incident takes place;
- b) our liability will not exceed £1,000,000 for any one loss and in total in any one period of insurance and will be the maximum we will pay inclusive of all costs and expenses. This limit will form part of and not be in addition to the limit of liability stated in the schedule.
- c) We will not be liable:
 - i) for remediation or clean-up costs for damage to your land, premises, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in your care, custody or control;
 - ii) for primary, complementary or compensatory remediation costs for damage to your land, premises, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in your care, custody or control;
 - iii) for removal of any risk of an adverse effect on human health on your land, premises, watercourses or bodies of water whether owned, leased, hired tenanted or otherwise in your care, custody or control;
 - iv) for costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation starts;
 - v) for costs for prevention of imminent threat of environmental damage where costs are incurred without there being pollution caused by a sudden, identifiable, unintended and unexpected incident;
 - vi) for costs for the reinstatement or reintroduction of flora or fauna; or
 - vii) for fines or penalties of any kind.

9. Indemnity to directors and employees

In the event of any claim for which you would be entitled to receive cover under this policy being brought or made against:

- a) any of your directors or employees; or
- b) any officer, member or employee of your social, sports or welfare organisations, first aid, fire or ambulance services

we will cover them if you request it against any claim and any costs, charges and expenses in accordance with the following conditions:

- i) the person must not be entitled to cover under any other insurance;
- ii) the person must observe, fulfil and be bound by the terms, limitations and conditions of this policy as though they were you;
- iii) we will not be liable under this extension unless we have the sole conduct and control of all claims;
- iv) our total liability under this extension will not exceed the limit of liability.

10. Indemnity to principal

Section C – Property owners' liability

In the event of any claim for which you would be entitled to receive cover under this policy being brought or made against any public or local authority or other principal, we will cover them against any claim and its costs, charges and expenses. We will not be liable under this extension unless we have the sole conduct and control of all claims.

11. Leased premises

We will cover you against liability for damage to premises or their fixtures or fittings which are leased to you. This cover does not apply for liability for

- i) damage if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of an agreement; or
- ii) the excess of £250.

12. Legal costs

In addition to the cover provided by this section, we will cover you for all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with our consent.

13. Legionellosis

We will provide cover to you against legal liability for damages and costs and expenses for bodily injury caused by legionellosis arising out of the business and for which:

- a) a claim first made in writing to you during the period of insurance; or
 - b) the first notification of any circumstance which:
 - i) has caused or is alleged to have caused bodily injury; or
 - ii) can be reasonably expected to give rise to a claim under this policy
- is made to us during or within thirty days after expiry of the period of insurance.

Provided that the total amount payable by this extension of cover will not exceed the amount stated in the schedule.

14. Libel and slander

We will cover you for legal liability to pay compensation and costs and expenses for claims made against you during the period of insurance arising from any act of libel or slander committed or uttered in good faith by you during the period of insurance in the course of the business.

This extension is in accordance with the following:

- a) the cover granted by this extension will apply solely to your in-house and trade publications; and
- b) our liability under this extension will not exceed £250,000 in any one period of insurance.

15. Personal liability overseas

This policy applies to the personal liability of any of your directors or employees or any member of their family whilst accompanying them during temporary visits anywhere in the world in connection with your business.

This extension does not apply to:

- ii) legal liability arising from:
 - a) any agreement or contract unless liability would have existed otherwise;

Section C – Property owners' liability

- b) the ownership or occupation of land or buildings;
 - c) the carrying on of any trade or profession; or
 - d) the ownership, possession or use of fire arms (other than sporting guns), mechanically propelled vehicles, craft designed to travel through air or space, hovercraft, watercraft or animals of a dangerous species;
- iii) damage to property owned or held in trust by any of your directors, employees or any members of their family;
 - iv) liability more specifically insured under any other insurance;
 - v) legal liability for accidental death or personal injury to any of your directors, employees or members of their family.

This extension is in accordance with the following:

- a) any person covered under this extension will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as if they were you;
- b) we will not be liable under this extension unless we have the sole conduct and control of all claims;
- c) our total liability under this extension will not exceed the limit of liability.

16. Personal representatives

In the event of your death, the cover provided by this policy will apply to your personal representatives for liability incurred by you. Any personal representatives will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were you.

Condition

1. Use of heat

It is a condition of our liability under this section that the following precautions are complied with on each occasion that the use or application of heat as defined below takes place elsewhere than on your own premises.

- a) Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.
 - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non- combustible material.
 - ii) At least 2 adequate and appropriate portable fire extinguishers in proper working order must be kept in the immediate area of the work and used immediately smoke or smouldering or flames are detected.
 - iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered.
 - iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
 - v) A person must be appointed by you to act as an observer to watch

Section C – Property owners' liability

for signs of smoke or smouldering or flame

Sub-paragraph v) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers.

- b) Use of asphalt, bitumen, tar, pitch or lead heaters.
 - i) The heating must be carried out in the open in a vessel designed for the purpose and if carried out on a roof the vessel must be placed on a non-combustible heat insulating base.

Exclusions

We will not cover you under this section against liability:

1. for damage to property belonging to you or in the custody or control of you or any employee other than:
 - a) property including motor vehicles belonging to an employee or visitor;
 - b) any premises or their contents which are temporarily occupied by you for the purpose of carrying out work in or to the premises.
2. arising from the ownership, possession or use under the control of you or any employee of any mechanically propelled vehicle in circumstances where compulsory insurance or security is required under any Road Traffic Act legislation;
3. arising out of the ownership, possession or use by you or on your behalf of any aircraft or other aerial devices, hovercraft, offshore installation or watercraft (other than hand-propelled or wind-powered watercraft whilst on inland waterways);
4. arising from any products after they have ceased to be in your custody or control other than food or drink for consumption on your premises;
5. caused by or arising out of the deliberate, conscious or intentional disregard of your obligation to take all reasonable steps to prevent bodily injury or damage to property;
6. caused by or arising out of liquidated damages clauses, penalty clauses or performance warranties unless liability would have attached in the absence of those clauses or warranties;
7. caused by or arising out of pollution.

But we will cover you against liability for accidental bodily injury or accidental damage to property caused solely by pollution which results from a sudden, identifiable, unintended and unexpected incident and the incident takes place in its entirety at a specific and identified time and place during the period of insurance provided that:

- a) all pollution which arises out of any one incident will be deemed to have occurred at the time the incident takes place;
- b) nothing in these provisos will increase our liability to pay damages, costs, fees and expenses in excess of the limit of liability in the schedule in total for any one period of insurance.

Section D – Employers' liability

This section is optional and only applies if shown as insured in the schedule

Insuring clause

We will cover you against:

1. all sums which you will become legally liable to pay as damages; and
2. costs and expenses

in the event of bodily injury sustained by any employee which arises out of and in the course of their employment by you in the business and which is caused:

- a) in the territorial limits;
- b) elsewhere in the world for temporary non-manual visits by any employee provided that the employee is normally resident in the territorial limits.

Limit of liability

1. Our total liability payable to any claimant or any number of claimants for or arising out of any one loss or all losses of the series consequent on or attributable to one source or original cause will not exceed the amount specified in the schedule.

The limit of liability will be the maximum amount payable including costs and expenses.

2. Regardless of anything contained in paragraph 1. above, our liability under this section for damages and costs and expenses payable for any one loss arising out of any one loss or all losses of a series consequent on or attributable to one source or original cause and arising out of terrorism will not exceed £5,000,000.
3. Regardless of anything contained in paragraph 1. above, our liability under this section for damages and costs and expenses payable for any one loss arising out of any one loss or losses of a series consequent on or attributable to one source or original cause and arising out of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos will not exceed £5,000,000.

Employers' liability compulsory insurance

The cover granted by this section is deemed to be in accordance with the provisions of any law enacted in the territorial limits, relating to compulsory insurance of liability to employees.

If we pay any sum which would not have been paid but for the provisions of this law then you will repay that sum to us.

Section D – Employers' liability

Extensions of cover – provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Compensation for court attendance

In the event of any of your directors, partners or employees attending court as a witness at our request in connection with a claim for which you are entitled to cover under this policy, we will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any employee £100 per day

with a maximum total limit in any one period of insurance of £2,500.

2. Contractual liability

Regardless of the Contracts (rights of Third Parties) Act 1999 clause contained under General information, we will cover you under this section against liability for bodily injury assumed by you to the extent that any contract or agreement entered into by you with any principal so requires provided that:

- a) the liability arises out of the performance by you of a contract or agreement;
- b) the conduct and control of claims is vested in us;
- c) the cover granted will apply only for liability to any employee;
- d) nothing in this extension will increase our liability to pay any amount in excess of the limit of liability under this section.

3. Cross liabilities

If you comprise more than one party, we will treat each party as though a separate policy had been issued to each of them.

Nothing in this extension will increase our liability to pay any amount in excess of the limit of liability under this section.

4. Indemnity to principal

In the event of any claim for which you would be entitled to receive cover under this policy being brought or made against any public or local authority or other principal, we will cover them against any claim and its costs, charges and expenses. We will not be liable under this extension unless we have the sole conduct and control of all claims.

Section D – Employers' liability

5. Injury to partner or proprietor

For bodily injury to any partner or proprietor named in the schedule as the policyholder, we will deem them to fall within the definition of employee with the following conditions:

- a) bodily injury arises out of and in the course of your business;
- b) bodily injury is caused by another partner or employee working for you in connection with your business; and
- c) the partner or the proprietor has a valid right of action against the party responsible for bodily injury.

6. Solicitors' fees

We will pay solicitors' fees incurred with our consent for:

- a) representation at any coroners' inquest or fatal injury inquiry for any death; and
- b) defending in any court of summary jurisdiction any proceedings for any act or omission causing or relating to any loss.

which may be the subject of cover under this section.

7. Unsatisfied court judgements

In the event that:

- a) a judgement for damages is obtained against any company or individual operating from premises within the territorial limits, by any employee for bodily injury caused during any period of insurance arising out of and in the course of their employment by you in the business and
- b) it remains unsatisfied in whole or in part six months after the date of that judgement we will cover the employee or their personal representative up to the limit of liability for the amount of damages and awarded costs which remain unsatisfied as long as:
 - i) there is no appeal outstanding;
 - ii) any payment made by us will only be for bodily injury which would otherwise be within the scope of cover of this section of the policy;
 - iii) any payment made by us will only be for liability for which you would have been entitled to cover under this section of the policy if the judgement had been made against you; and
 - iv) we will be entitled to take over and prosecute for our own benefit any claim against any other party and you, the employee or their personal representatives will give all information and assistance required.

Section D – Employers' liability

Exclusions

1. We will not cover you under this section against liability for bodily injury to an employee in circumstances where compulsory insurance or security is required by Road Traffic Act legislation.
2. We will not cover you under this section against liability arising offshore.

Prosecution defence costs applicable to sections C and D

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule or any endorsement relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions.

Applicable legislation

- a) Health and Safety at Work etc. Act 1974 including the Control of Substances Hazardous to Health Regulations 2002 concerning the risk from exposure to legionella;
- b) Management of Health and Safety at Work Regulations 1999;
- c) Corporate Manslaughter and Corporate Homicide Act 2007;
- d) Health and Safety Inquiries (Procedure) Regulations 1975;
- e) Protection from Harassment Act 1997;
- f) Part II of the Consumer Protection Act 1987 and Part II of the Food Safety Act 1990. or similar legislation in force in the territorial limits.

Appointed advisor

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed to act for an insured person in accordance with the terms of this section.

Costs and expenses (this definition replaces the General definition of costs and expenses for this section only)

Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the appointed advisor on the standard basis and agreed in advance by us.

Insured person

- a) You and your directors, partners, managers, officers and the employees of your business.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of the person dying.
- c) Any other person who is contracted to perform work for you, who in all other respects you have arranged to insure on the same basis as your other employees and who performs work under your supervision.

Reasonable prospects of success

In criminal prosecution claims where the insured person:

- i) pleads guilty, a greater than fifty per cent chance of the insured person successfully reducing any sentence or fine;

Prosecution defence costs applicable to sections C and D

- ii) pleads not guilty, a greater than fifty per cent chance of that plea being accepted by the court.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Insuring clause

We will pay the insured person's costs and expenses up to £1,000,000 in total (but up to the sum insured shown in the schedule for the Corporate Manslaughter and Corporate Homicide Act 2007); during the period of insurance for all claims related by time or original cause including the cost of appeals, for:

- a) the defence of any criminal proceedings brought against you for an offence or breach, whether actual or alleged, of any applicable legislation;
- b) any prosecution costs awarded against you arising from those proceedings described in a) above;
- c) costs and expenses incurred with our consent for your legal representation at an inquiry ordered under any applicable legislation;
- d) appeals against improvement and prohibition notices incurred with our consent.

Provided that:

- 1. the claim arises in connection with your business and occurs within the territorial limits;
- 2. the claim always has reasonable prospects of success; and
- 3. the prosecution or proceedings relate to an offence alleged to have been committed during the period of insurance.

Conditions

Included here are the conditions of the insurance that you need to meet as your part of this policy. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced.

- 1. **Acts of parliament, statutory instruments, civil procedure rules and jurisdiction**

All legal instruments and rules referred to within this section of the policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any later amendment or replacement legislation.

Prosecution defence costs applicable to sections C and D

2. Consent

The insured person must agree to us having sight of the appointed advisor's file relating to the insured person's claim. The insured person is considered to have provided consent to us or our appointed agent to have sight of the appointed advisor's file for auditing and quality and cost control purposes.

3. Freedom to choose an appointed advisor

- a) We will choose the appointed advisor; however, the insured person is free to choose an appointed advisor if they wish.
- b) Where the insured person wishes to exercise their right to choose, they must write to Instant Underwriting at The Town House, 114-116 Fore Street Hertford SG14 1AJ or email agency@instantuw.co.uk with their preferred representative's contact details. If the insured person does choose their own appointed advisor, the amount payable for their services will be on the basis of our standard terms of appointment for legal representation or other reasonable terms of appointment to which we agree, our agreement not to be unreasonably withheld.
- c) If the insured person dismisses the appointed advisor without good reason, or withdraws from the claim without our written agreement or if the appointed advisor refuses with good reason to continue acting for the insured person, cover will end with immediate effect.

4. Barrister's opinion

At any time we may seek an independent barrister's opinion as to the reasonable prospects of success in defending the prosecution.

If the opinion is that a "not guilty" plea does not have a reasonable prospect of success then we will advise you of that opinion.

Should you elect to continue with a "not guilty" plea then we will withdraw our support for the insured person's defence and be under no further obligation to cover you for any costs incurred from the date of your refusal to accept that opinion, unless you obtain an independent barrister's opinion at your own expense which contradicts the opinion that we have obtained, in which case we will ask the chairperson or vice-chairperson of the bar council to appoint a queen's counsel to give a final opinion, at our expense, as to the prospects of success in defending the prosecution.

If the opinion of the queen's counsel agrees with the insured person's barrister's opinion then we will continue to support the insured person's defence, but if it does not we will withdraw our support for the insured person and be under no further obligation to cover the insured person's costs incurred from the date of the queen's counsel final opinion.

This does not affect the insured person's right under the Arbitration clause contained

Prosecution defence costs applicable to sections C and D

within the Claims conditions section.

5. The insured person's responsibilities

An insured person must:

- a) tell us as soon as is practicably possible of anything that may make it more costly or difficult for the appointed advisor to resolve a claim in their favour;
- b) cooperate fully with us, give the appointed advisor any instructions we require, and keep them updated with progress of the claim and not hinder them;
- c) take reasonable steps to recover costs and expenses and pay them to us; and
- d) keep costs and expenses as low as reasonably possible.

Exclusions

We will not be liable under this section for any claim arising from or relating to:

1. Costs and expenses incurred without consent

costs and expenses incurred without our consent;

2. Fines & penalties

finances or penalties of any kind;

3. Prior losses

any actual or alleged act, omission or dispute happening before, or existing at the inception of the policy, and which the insured person knew or ought reasonably to have known could lead to a claim; and

4. Legal expenses insurance

costs and expenses incurred as a result of any criminal proceedings, appeals or inquiries which arise independently of any legal liability you may have to pay damages.

Section E – Legal Expenses

This section is automatically provided

This section is provided by ARAG plc on behalf of the **insurer**, ARAG Legal Expenses Insurance Company Limited

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule or any endorsements relating to this section. To help identify these words they will appear in bold in the section wording. Please also refer to the General definitions section.

Appointed advisor

1. The solicitor, accountant or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;
2. mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to this policy.

Collective conditional fee agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of either

1. 100% “no-win no-fee” or
2. where discounted, that a discounted fee is payable.

Conditional fee agreement

A legally enforceable agreement between **you** and the **appointed advisor** for paying their professional fees on the basis of either

1. 100% “no-win no-fee” or
2. where discounted, that a discounted fee is payable.

Employee

A worker who has or alleges they have entered into a contract of service with **you**.

Insured

1. **You, your directors, partners, managers, officers and employees of your business.**
2. A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

Insured property

1. **Your business** premises.
2. Property owned by **you** which is let or which **you** intend to let to tenants for business or residential purposes.
3. Property owned by **you** which is let or which **you** intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement.

Which is shown in the schedule to which the policy attached and is located in England, Scotland, Wales or Northern Ireland.

Insurer

ARAG Legal Expenses Insurance Company Limited

Legal costs & expenses Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term “standard basis” can be found within the Courts’ Civil Procedure Rules Part 44.2.

1. In civil claims, other side’s costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
2. Reasonable accountancy fees reasonably incurred under Part B, Insured Event 4. Tax disputes by the **appointed advisor** and agreed by **us** in advance.
3. Health and Safety Executive Fees for Intervention.
4. **Your employee’s** basic wages or salary under Insured Event 8. Loss of earnings in the course of their employment with **you** while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where lost wages or salary cannot be claimed back from the court or tribunal.

Section E – Legal Expenses

5. The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Insured Event 10. c) where the **insured** has taken advice from **our** Identity Theft Advice and Resolution Service.
6. The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention directed under Insured Events 10. e) Executive suite and 11. Crisis communication.

Reasonable prospects of success

1. Other than as set out in 2. and 3. below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained.
2. In criminal prosecution claims where the **insured**
 - i) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - ii) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
3. In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Tenancy agreement

An agreement to let **your insured property**:

1. under an assured shorthold tenancy; or
2. under an assured tenancy; as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or
3. under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or
4. under a short-assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or
5. in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
6. to a limited company or business partnership for residential purposes by its employees.

Territorial limits

For Part A – the United Kingdom.

For Part B Insured Event 5. Legal defence – the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

For all other Insured Events under Part B – the United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**.

You/Your

The **business** or person named in the schedule, including any subsidiary and/or associated companies declared to **us**, and/or any person or business appointed as an agent of the named **business** or person to manage the letting of the **insured property** to the extent that any such agent has acted on behalf of the Person or **business** named in the schedule.

Insuring clause

This policy has two parts:

- Part A covers **you** for legal disputes that arise from owning or letting out **your insured property**.
- Part B relates to other legal matters arising from **your business**.

If **you** are not trading as a **business**, only Part A of this policy applies.

Following an Insured Event the **Insurer** will pay **Legal Costs & Expenses** including the cost of appeals (and compensation awards under Part B Insured Event 2. Employment compensation awards), up to the policy limits stated below subject to the following requirements being met:

1. **You** have paid the insurance premium.
2. The **insured** keeps to the terms of this section of the policy and cooperates fully with **us**.
3. Unless otherwise stated in this policy, the Insured Events shown in Part B arise in connection with **your business**.
4. The Insured Event occurs within the **territorial limits**.
5. The claim

Section E – Legal Expenses

- a) always has **reasonable prospects of success** and
- b) is reported to **us**
 - i) during the **period of insurance** and
 - ii) as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.

Where **You** have a disagreement with a tenant of **your insured property** you must notify **us** within 60 days of first becoming aware of the dispute.

6. Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us**
 - a) in any claim to be heard by an Employment Tribunal and/or
 - b) before proceedings have been or need to be issued.
7. Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **territorial limits**.

We consider that a claim has been reported to **us** when **we** have received the **insured's** fully completed claim form.

This policy will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other policy terms

Policy limits

The most the **insurer** will pay for all claims related by time or originating cause including the cost of appeals shall be limited to the following.

Insured Events Part A:

- £50,000

Insured Events Part B:

- £100,000 for Insured Events 1. To 9., 10. a), b) and c).
- £25,000 for Insured Events 10. d), 10. e) and 11.

In respect of Part B Insured Event 2. Employment compensation awards, the most the **insurer** will pay for all claims notified to **us** during any one **period of insurance** is £1,000,000.

Insured Events – Part A Your Insured Property

1. Property damage, nuisance & trespass
 - a) An event which causes physical damage to **your insured property** and/or anything owned by **you** at **your insured property**.
Provided that if the **insured property** is used as holiday accommodation:
 - i) **you** can provide a detailed inventory of its condition and contents which has been signed by **your** guest(s) and
 - ii) A dilapidations deposit has been paid in case or payment has cleared in **your** bank account.
 - b) A public or private nuisance or trespass relating to **your insured property**.

What is not covered under Property damage, nuisance & trespass

1. The first £250 of any claim in respect of Insured Event 1. b) except where **you** bring a claim against a person who is living at **your insured property** without **your** permission (i.e. squatters). **You** will have to pay this as soon as **we** accept **your** claim.
2. Any claim arising from or relating to:
 - a) damage or loss arising from a contract between you and a third party who is not
 - i) **your** tenant or ex-tenant
 - ii) A guest or guests staying at **your insured property** that **you** have let out as holiday accommodation
 - b) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority
 - c) a dispute with any party other than the party who caused the damage, nuisance or trespass
 - d) any nuisance or trespass claim in respect of Insured Event 1. b) that arises from a contract, lease, licence or **tenancy agreement** between **you** and the third party (including trespass by **your** ex-tenant).

2. Repossession of residential property

Pursuit of **your** legal rights to repossess **your insured property** that has been let under a **tenancy**

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agreement provided you:

- a) have demanded rent in writing from **your** tenant as soon as it is overdue and can provide evidence of this
- b) have given the tenant the correct notices for the repossession of **your insured property**
- c) are seeking a right of possession in England, Wales or Scotland where the court **MUST** find that the named ground of possession applies or
- d) have a legal right to repossess **insured property** that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.

What is not covered under Repossession of residential property

Any claim in England, Wales and Scotland where **you** are seeking a right of possession where the court **MAY** find that the named ground of possession applies.

3. Commercial lease disputes

Pursuit or defence of **your** legal rights arising from a dispute with **your** business tenant under the terms of a written lease agreement in relation to **your insured property** which is:

- a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of **your** lease agreement or the granting of a new business tenancy:
 - i) **you** will be opposing **your** tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act 1954; and
 - ii) **you** can evidence that **you** have served the correct legal notice to terminate on the tenant in the prescribed form before **your** tenant has served **you** with a request for a new tenancy, or
- b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) **you** have correctly served the necessary legal notice on **your** tenant and
 - ii) **your** tenant has made the relevant declaration and
 - iii) the lease is noted accordingly.

What is not covered under Commercial lease disputes

Any disputes that arise from or relates to a disagreement with **your** tenant over payment or non-payment of service charges; or recovery of rent arrears that is otherwise covered by Insured Event 4.

4. Recovery of rent arrears

Pursuit of **your** legal right to recover rent owed to **you** by:

- a) **your** residential or business tenant or ex-tenant of **your insured property**
- b) a guest or guests staying at **your insured property** which is used as a holiday accommodation.

5. Holiday homes contract disputes

A dispute that arises from:

- a) a written agreement which **you** have entered into to let out **your insured property** as holiday accommodation that is not otherwise covered by Part A Insured Event 1. Property damage, nuisance & trespass or 4. Recovery of rent arrears
- b) a contract **you** have entered into to buy or hire goods or services for the **insured property** which **you** have let or intend to let to guests as holiday accommodation.

What is not covered under Holiday homes contract disputes

Any claim arising from or relating to:

- 1. goods or services which exceed £6,000 (including VAT) in value
- 2. loans and mortgages
- 3. an employment contract
- 4. a settlement due under an insurance policy.

Insured Events – Part B Your Business

1. Employment

A dispute between **you** and **your employee**, ex-**employee**, or a prospective **employee**, arising from a breach or an alleged breach of their

- a) contract of service with **you**
- b) related legal rights.

You can claim as soon as all internal procedures as set out in the

- i) ACAS Code of Practice for Disciplinary and Grievance Procedures, or

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- ii) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland
have been ought to have been concluded.

What is not covered under Employment

Any claim arising from or relating to:

1. the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal
2. actual or alleged redundancy that is notified to **employees** within 180 days of the start of this section of the policy, except where **you** have had equivalent cover in force up until the start of this section of the policy
3. costs **you** incur to prepare for an internal disciplinary hearing, grievance or appeal
4. a pension scheme where actions are brought by ten or more **employees** or ex-**employees**.

2. Employment compensation awards

Following a claim **we** have accepted under Insured Event 1. Employment, the **insurer** will pay any

- a) basic and compensatory award or
- b) an amount agreed by **us** in settlement of a dispute.

Provided that compensation is:

- a) agreed through mediation, conciliation or under a settlement approved by **us** in advance or
- b) awarded by a tribunal judgment after full argument unless given by default.

What is not covered under Employment compensation awards

1. Money due to an **employee** under a contract or a statutory provision relating thereto.
2. Compensation awards or settlement relating to
 - a) trade union membership, industrial or labour arbitration or collective bargaining agreement
 - b) civil claims or statutory rights relating to trustees of occupational pension schemes.

3. Employment restrictive covenants

- a) A dispute with **your employee** or ex-**employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.
Provided that the restrictive covenant
 - i) is designed to protect **your** legitimate **business** interests, for a period not exceeding 12 months and
 - ii) is evidenced in writing and signed by **your employee** or ex-**employee** and
 - iii) extends no further than is reasonably necessary to protect the **business** interests.
- b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

4. Tax disputes

- a) A formally notified enquiry into **your business** tax.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- c) An enquiry with HMRC about Value Added Tax.
Provided that:
 - a) **you** keep proper records in accordance with legal requirements and
 - b) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

What is not covered under Tax disputes

Any claim arising from or relating to:

1. tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
2. an investigation by the Fraud Investigation Service of HMRC
3. circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
4. any enquiry that concerns assets, monies or wealth outside of the United Kingdom

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5. **your** failure to register for VAT.

5. Legal defence

- a) A criminal investigation and/or enquiry by:
 - i) the police or
 - ii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the **insured** being prosecuted.
- b) The charge for an offence or alleged offence which leads to the **insured** being prosecuted in a court of criminal jurisdiction.

What is not covered under Legal defence

Any claim relating to a parking offence.

6. Compliance & regulation

- a) Receipt of a Statutory Notice that imposes terms against which **you** wish to appeal.
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.
- c) A civil action alleging wrongful arrest arising from an allegation of theft.
- d) A claim against **you** for compensation under the Data Protection Act 2018 provided that
 - i) **you** are registered with the Information Commissioner
 - ii) **you** are able to evidence that **you** have in place a process to
 - investigate complaints from data subjects regarding a breach of their privacy rights
 - offer suitable redress where a breach has occurred and that **your** complaints process has been fully engaged.
- e) A civil action alleging that an **insured** has
 - i) committed an act of unlawful discrimination; or
 - ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of **your employees**.

What is not covered under Compliance & regulation

Any claim arising from or relating to:

- 1. the pursuit of an action by **you** other than an appeal
- 2. a routine inspection by a regulatory authority
- 3. an enquiry, investigation or enforcement action by HMRC
- 4. a claim brought against **your business** where unlawful discrimination has been alleged.

7. Statutory licence appeals

An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run **your business**.

What is not covered under Statutory licence appeals

Any claim relating to a licence or registration scheme affecting **your insured property**.

8. Loss of earnings

The **insured's** absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the **appointed advisor** or whilst on jury service which results in loss of earnings.

What is not covered under Loss of earnings

Any sum which can be recovered from the court.

9. Personal injury

An event that causes bodily injury to, or the death of, an **insured**.

What is not covered under Personal injury

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

10. Executive suite

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This Insured Event applies only to the principal, executive officers, directors and partners of **your business**.

- a) An HMRC enquiry into the executive's personal tax affairs.
- b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from **your business**.
- c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive Suite Identity Theft Resolution helpline.
- d) A dispute that arises from the terms of **your business** partnership agreement that is to be referred to mediation.
- e) Crisis communication as described in Insured Event 11. below shall be available to the principal, executive officers, directors and partners of the **business** for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

What is not covered under Executive suite

1. Any claim arising from or relating to:
 - a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
 - b) an investigation by the Fraud Investigation Service of HMRC
 - c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
 - d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
 - e) a parking offence
 - f) costs incurred in excess of £25,000 for a claim under 10. d) and 10. e).
2. Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

11. Crisis communication

Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your business**, we will:

- a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed advisor** under this section of the policy, or acts on **your** behalf under any other policy), to draft a media statement or press release
 - b) prepare communication for **your** staff/customers/suppliers and/or a telephone or website script or social media messaging
 - c) arrange, support and represent an **insured** at an event which media will be reporting
 - d) support the **insured** by taking phone calls/emails and managing interaction with media outlets
 - e) support and prepare the **insured** for media interviews
- provided that **you** have sought and followed advice from **our** Crisis communication helpline.

What is not covered under Crisis communication

Any claim arising from or relating to:

1. matters that should be dealt with through **your** normal complaints procedures
2. a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
3. costs incurred in excess of £25,000.

What is not covered by Part A of this section

1. Any disagreement with a tenant of an **insured property** during the first 90 days of the first **period of insurance** where the **tenancy agreement** started before the start of this cover except where **you** have had equivalent cover in force up until the start of this policy.
2. Registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal.
3. Any claim arising from or relating to an **insured property** owned by **you** which has been or which should have been registered as a House of Multiple Occupation.

What is not covered by Part B of this section

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The **insured** is not covered for any claim arising from or relating to:

1. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Part B Insured Event 1. Employment)
2. National Minimum Wage and/or National Living Wage Regulations
3. patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured Event 3. Employment restrictive covenants).

What is not covered (applicable to the whole section)

The **insured** is not covered for any claim arising from or relating to:

1. costs or compensation awards incurred without **our** consent
2. any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this Section of the Policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
3. an allegation against the **insured** involving:
 - a) assault, violence, malicious falsehood or defamation
 - b) indecent or obscene materials
 - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - d) illegal immigration
 - e) money laundering or bribery offences, breaches of international sanctions, fraud, or any other financial crime activitiesexcept in relation to Insured Event 11. Crisis communication
4. defending a claim in respect of loss or damage to property owned by the **insured**
5. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured Event 10. d))
6.
 - a) a franchise agreement
 - b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
7. a judicial review
8. a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6.
9. the payment of fines, penalties or compensation awarded against the **insured** (except as covered under Insured Event 2. Employment compensation awards); or costs awarded against the **insured** by a court of criminal jurisdiction.
10. a dispute where providing cover, payment of any claim or the provision of any benefit would expose the **insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America

Conditions

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions the **insurer** can refuse a claim or withdraw from an ongoing claim. the **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** if this happens.

1. The insured's responsibilities
An **insured** must:
 - a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in the **insured's** favour
 - b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them
 - c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
 - d) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.
2. Freedom to choose an appointed advisor
 - a) In certain circumstances as set out in 2 b) below the **insured** may choose an **appointed advisor**. in all other cases no such right exists and **we** shall choose the **appointed advisor**.
 - b) If:
 - i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor** except, where the **insured's** claim is to be dealt with by the employment tribunal, **we** shall always choose the **appointed advisor**.

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- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details.
 - d) Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel and will pay only the costs that the **insurer** would have been liable to pay. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms.)
 - e) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, the **insurer's** liability in respect of that claim will end immediately.
3. Consent
- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. the **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
 - b) An **insured** must have **your** agreement to claim under this policy.
4. Settlement
- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
 - b) The **insured** must not negotiate or settle the claim without **our** written agreement.
 - c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further costs.
5. Barrister's opinion
- We** may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under condition 6 below.
6. Arbitration
- If any dispute between the **insured** and **us** arises from this policy, the **insured** can make a complaint to **us** as described on pages 11-12 of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.
- If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.
- If **we** and the **insured** fail to agree on a suitable person to arbitrate the matter **we** will ask the president of the relevant law society to nominate. The arbitration shall be subject to the arbitration acts and the arbitrator's decision shall be binding on the parties.
7. Other insurance
- The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.
8. Fraudulent claims and claims tainted by dishonesty
- a) If the **insured** makes any claim which is fraudulent or false, the policy may become void and all benefit under it if an **insured** makes any claim which is fraudulent or false, the policy may become invalid and all benefit under it may be lost.
 - b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that the **insured** has breached this condition and that the breach has:
 - i) affected **our** assessment of **reasonable prospects of success**, and/or
 - ii) prejudiced in any part the outcome of the **insured's** claimthe **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured's** breach.
9. Acts of Parliament, statutory instruments, civil procedure rules & jurisdiction
- All legal instruments, bodies and rules referred to within this policy shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This policy will be governed by English law.

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Landlords' and Business legal services

www.araglegal.co.uk

Getting started

Click on the "How our services work" button on the home page to take a two-minute tour of **our** legal services website. Learn more about what the website offers and how **you** can use it to manage **your** tenancies, support the smooth running of **your business** and save legal costs. **You** will need to enter the following voucher codes when **you** register to access landlord and business content on the website.

- Register for Landlords' documents using voucher code **EC426C378CB8**.
- Register for Business legal services using voucher code **X1232KC79BB5**.

Once **you** have registered **you** can access the website at any time to create and securely store **your** legal documents.

Choosing your legal documents

We recommend selecting "Legal healthcheck" from the menu of services. This useful tool will help **you** to identify which legal documents are likely to be most useful to **your** business.

Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if **our** advisors consider that **your** helpline usage is becoming excessive they will tell **you**. If following that warning, usage is not reduced to a more reasonable level, **we** can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If **you** have a legal or tax problem relating to **your** business, **we** recommend **you** call **our** confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays). **We** give advice about business-related legal matters within UK and EU law and tax matters within the UK. **Your** query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Redundancy assistance 0330 303 1955

If **you** are planning redundancies and need extra legal support, **we** can arrange specialist consultancy assistance for **you**. Redundancy assistance will help **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If **you** would like **us** to arrange Redundancy assistance please call **us** between 9am and 5pm on weekdays (except bank holidays).

Executive suite – Identity theft resolution 0333 000 2083

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). **We** provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, **our** specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under Part B Insured Event 10. c) when **your** executives use this helpline.

Crisis communication 0344 571 7964

Following an event that has attracted negative publicity which could affect **your** business, **you** can access professional public relations support from **our** Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for **you** to act upon will be provided over the phone. If **your** circumstances require professional work to be carried out at that time, **we** can help on a consultancy basis and subject to **you** paying a fee. Where an event has led to actual publicity online, in print or broadcast, that could damage **your** business, **you** are insured against the costs of Crisis communication services under Insured Event 11. when **you** use this helpline.

Counselling assistance 0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone to **your** employees or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem. This service is available 24 hours a day, 365 days a year. Calls to this service will not be recorded.

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Privacy Statement

This is a summary of how **we** collect, use, share and store personal information. To view **our** full privacy statement, please see **our** website www.arag.co.uk

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. **We** will hold and process this information in accordance with all relevant data protection regulations and legislation. Should **we** ask for personal or sensitive information, **we** undertake that it shall only be used in accordance with **our** privacy statement. **We** may also collect information for other parties such as suppliers **we** appoint to process the handling of a claim.

Using personal or sensitive information

The reason **we** collect personal or sensitive information is to fulfil **our** contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, **we** may need to share personal or sensitive information with other organisations. **We** will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to **our** full privacy statement for full details.

Keeping personal information

We shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how **we** hold personal data including; the right to a copy of the personal data **we** hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.





INSTANT
UNDERWRITING