



INSTANT
UNDERWRITING

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Property Owners

Insurance Policy

Wording IU ERG-PRO-01-01102020

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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-C – MPL Claims Management Ltd

Telephone – 0800 030 2014

E-mail – ergo@mplclaims.com

Section D– ARAG plc

Telephone – **0344 571 7975**

E-mail – newclaims@arag.com

Download a claim form at **www.arag.co.uk/newclaims**.

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.

Insurance Act 2015

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 18.

Financial Services Compensation Scheme (FSCS)

Great Lakes Insurance SE and ARAG plc and AmTrust Europe Limited are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if Great Lakes Insurance SE or ARAG plc is unable to meet its obligations to **you** under this policy. If **you** were entitled to compensation from the Scheme, the level and extent of the compensation would depend on the nature of this policy.

Further information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU) and on their website www.fscs.org.uk

Important Information

Registration and regulatory information

Sections A-C

Great Lakes Insurance SE, a German insurance company with its headquarters at Königinstraße 107, 80802 Munich. Registered with the commercial register of the local court of Munich under number: HRB 230378. Registered address: Munich Re Group Offices, 13th Floor, 10 Fenchurch Avenue, London, EC3 5BN. Great Lakes Insurance SE UK Branch is authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Section D

ARAG plc is authorised and regulated by the Financial Conduct Authority firm registration number 452369. ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG plc is authorised to administer this insurance on behalf of the Insurer AmTrust Europe Limited. AmTrust Europe Limited is registered in England and Wales number 1229676. Registered address: Market Square House, St. James's Street, Nottingham NG1 6FG. AmTrust Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority firm registration number 202189

Instant Underwriting is authorised and regulated by the Financial Conduct Authority firm registration number 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.

Data 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

Important Information

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;
- 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-C:

Great Lakes Insurance SE

Contact our Data Protection Officer at:

Munich Re Group Offices, 13th Floor, 10 Fenchurch Avenue, London, EC3 5BN

or by emailing: datenschutz@munichre.com

or by telephoning: 0203 003 7000.

The privacy and security of your personal information is very important to us. The details provided are a summary of how we process – that is collect, use, share, transfer and store – your information.

For our full Data Privacy Notice please visit our website, the link is here;

<https://www.ergo.com/en/Datenschutz>

Section D:

ARAG plc, Customer Relations Department, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN.

You can also email: dataprivacyofficer@arag.com. For information about the ARAG plc Group of companies please visit www.arag.com

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.

If you have any questions or concerns about your policy or the handling of a claim you should, in the first instance, contact your broker or us.

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-C: ERGO UK Specialty Limited for Great Lakes Insurance SE, UK Branch

Important Information

If your complaint is about the administration of your policy or how it was sold to you:

If at any time you have any query or complaint regarding the way the policy was sold, you should refer to your Insurance Intermediary. If your complaint is about the administration of your claim:

If your complaint is not able to be resolved satisfactorily by close of business on the third working day following receipt, your complaint will be referred to the Complaints Manager for Great Lakes Insurance SE, UK Branch at ERGO UK Specialty Limited, who will send you an acknowledgement letter. If you don't receive any acknowledgement letter, or at any time if you wish to do so, you may contact the Complaints Manager yourself by using any of the below contact details:

Post: ERGO UK Specialty Limited for Great Lakes Insurance SE, UK Branch
Munich Re Group Offices, 13th Floor, 10 Fenchurch Avenue, London, EC3 5BN
Telephone: +44 (0) 203 3003 7130
Email: complaints@ergo-commercial.co.uk
Website: www.ergo-commercial.co.uk

Sections D: ARAG plc
Post: ARAG plc,
Customer Relations Department, 9 Whiteladies Road, Clifton,
Bristol, BS8 1NN.
Telephone: +44 (0) 1179 171 561
Email: customerrelationsarag.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 only consider a complaint from private individuals or from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

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);

Important Information

- b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;
 - 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.

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 centers.
- 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.

Building Works

Any works that include removal or alteration of load bearing walls, construction of new buildings and extensions, underpinning, demolition of the whole or any part of any Building, re-roofing and installation of cavity wall insulation at the Premises.

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

General definitions

- 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;
- h) a voluntary helper while working under your supervision and control in connection with the business; or
- i) 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).

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.

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 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.

General definitions

Period of insurance

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

Phishing

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

Pollution or Contamination

a) Pollution or contamination by naturally occurring or man-made substances, forces, and organisms, including, but not limited to, (i) any actual, threatened, feared or perceived use of any biological, chemical, radioactive or nuclear agent, material or device, whether or not related in any way to any act of Terrorism, and (ii) the deposit of or impairment by dust or soot, chemical precipitation, adulteration or impurification, or any combination of them whether permanent or transitory pollution

b) all loss, damage to property and bodily injury directly or indirectly caused by such 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.

Products

Any tangible products or goods (including containers, labelling, instructions or advice provided in connection with those products or goods) which are manufactured, sold, supplied, erected, repaired, altered, treated, designed, tested, installed, formulated, constructed or serviced by You in the course of the business.

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:
 - i) land, piers, jetties, bridges, culverts or excavations; and
 - ii) 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

General definitions

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

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.

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

An act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

General definitions

Uplift

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

Unoccupied

Any building or part of any building which is empty, disused, unfurnished or untenanted by you or any of your tenants 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

Great Lakes Insurance SE for Sections A-D and Sections E ARAG plc. who is authorised under a binding authority agreement to administer this insurance on behalf of the Insurer.

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:
 - 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

General Conditions

registered letter to you 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 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;
- 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.

General Conditions

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 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

General Conditions

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
- 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

General Conditions

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)

General Conditions

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. 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.

11. 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.

12. 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

As a condition precedent to liability under this policy, if you need to make a claim you must comply with the following conditions. If you fail to do so, we may not pay your claim, or any payment could be reduced.

- a) You must notify your insurance agent as soon as reasonably practicable giving full details of what has happened.
- b) You must provide your insurance agent with any other information we may reasonably require.
- c) You must forward to your insurance agent as soon as reasonably practicable, if a claim for liability is made against you, any letter, claim, writ, summons or other legal document you receive.
- d) You must inform the police as soon as reasonably practicable following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property.
- e) You must not admit liability or offer or agree to settle any claim without our written permission.
- f) You must take practical steps to prevent further damage or bodily injury, recover property lost and otherwise minimise the claim.

Claims procedure applicable to Section 5 – 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/newclaims;
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.

Claims conditions

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. Claims co-operation

You must provide all help, assistance and co-operation reasonably required by us in connection with any claim.

3. 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 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.

4. 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.

5. 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.

6. 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.

7. 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.

Claims conditions

8. 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. **Asbestos**

Save to the extent the policy provides otherwise any loss, cost or expense directly or indirectly arising out of, resulting from or in respect of which a link has been or is established to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or been operative in the sequence of events resulting in a loss.

3. **Building Works**

Loss, cost or expense caused by or arising out of Building Works at the Premises.

4. **Cyber and Data Exclusion**

1) Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this Policy excludes any:

- a) Cyber Loss, unless subject to the provisions of paragraph 2;
 - b) loss, Damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;
regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2) Subject to all the terms, conditions, limitations and exclusions of this policy or any endorsement thereto, this policy covers physical loss or physical damage to property insured under this policy caused by any ensuing fire or explosion which directly results from a cyber-incident, unless that cyber incident is caused by, contributed to by, resulting from, arising out of or in connection with a cyber-act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act.
- 3) Subject to all the terms, conditions, limitations and exclusions of this policy or any endorsement thereto, should data processing media owned or operated by the Insured suffer physical loss or physical damage insured by this policy, then this policy will cover the cost to repair or replace the data processing media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank data processing media. However, this policy excludes any amount pertaining to

General exclusions

the value of such Data, to you or any other party, even if such data cannot be recreated, gathered or assembled.

- 4) In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5) This exclusion supersedes and, if in conflict with any other wording in the policy or any endorsement thereto having a bearing on cyber loss, data or data processing media, replaces that wording.

For the purpose of this Exclusion –

Cyber and Data Exclusion:

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

Cyber Act: means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident: means:

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

Loss: means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

Data: means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

Data Processing Media: means any property insured by this Policy on which Data can be stored but not the Data itself.

4. Computer data 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.

5. Disease

Damage or legal liability in respect of any loss, cost or expense caused directly or indirectly by any one or more of the following, whether or not acting in any sequence with any other cause:

General exclusions

Poisoning, disease or illness, epidemic or pandemic, (including in all cases any contagious disease that affects animals) or any limitation or prevention of the use of objects because of hazards or potential hazards to human or animal health

This exclusion does not apply if such loss or damage arises out of one or more of the following perils;

- i) Fire, lightning and explosion;
- ii) Aircraft or other aerial devices or articles dropped from them;
- iii) Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
- iv) Earthquake or subterranean fire;
- v) Storm;
- vi) Flood;
- vii) Escape of water or oil from any tank apparatus or pipe;
- viii) Subsidence, ground heave or landslip of any part of the site on which the property stands.

6. Micro-Organism Exclusion

We will not Indemnify against any loss Damage claim cost expenses or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is;

- i) any physical loss or Damage to Insured Property;
- ii) any Specified Peril or cause whether or not contributing concurrently or in any sequence;
- iii) any loss of use occupancy or functionality;
- iv) any action required including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation or steps taken to address medical or legal concerns or to comply with the advice or orders of any competent public or governmental authority or body.

This Exclusion replaces and supersedes any provision in this policy that provides insurance, in whole or in part, for these matters.

7. Nuclear Energy Risks

Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations. For the purpose of this Policy, Nuclear Energy Risks shall be defined as all first party and or third party insurances in respect of:

- i) nuclear reactors and nuclear power stations or plant;
- ii) any other premises or facilities whatsoever related to or concerned with:
 - a) the production of nuclear energy or
 - b) the production or storage or handling of nuclear fuel or nuclear waste
- iii) any other premises or facilities eligible for insurance by any local Nuclear Pool and/or Association.

8. Pollution

Loss, damage or expense directly or indirectly caused by or contributed by or arising from Pollution.

This exclusion does not apply if such loss or damage arises out of one or more of the following perils:

General exclusions

- i) Fire, lightning and explosion;
- ii) Aircraft or other aerial devices or articles dropped from them;
- iii) Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
- iv) Earthquake or subterranean fire;
- v) Storm;
- vi) Flood;
- vii) Escape of water or oil from any tank apparatus or pipe;
- viii) Subsidence, ground heave or landslip of any part of the site on which the property stands.

9. Radioactivity

Loss, damage, expense or legal liability directly or indirectly caused by or contributed by or arising from;

- i) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- v) any chemical, biological, bio-chemical, or electromagnetic weapon.

10. 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.

11. Sonic Bangs

Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

12. Terrorism

Loss, damage, cost or expense or legal liability of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism or any loss, damage, costs or expenses directly or indirectly caused by or arising out of any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

General exclusions

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

In the event that any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

a) Loss or damage or loss of rent or alternative accommodation in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:

- 1) Riot, civil commotion (except in respect of loss or damage or loss of rent or alternative accommodation by fire or explosion), strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
- 2) This insurance also excludes loss or damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

13. War

Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

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. However, no cover will be provided if the premises is unoccupied.

Covers – provided as standard (Specified Perils)

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) 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 damage caused by explosion, earthquake, subterranean fire or heat caused by fire.
- Excluding any loss or damage whilst the building is unoccupied.
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;

Section A – Property damage

- 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 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;

Section A – Property damage

- 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;
 - 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 11. a) above provided that our liability will not exceed £10,000 in total any one period of insurance.
- 12. Breakage of fixed sanitary ware 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;

Section A – Property damage

- 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, 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 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.

Section A – Property damage

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 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

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.

Section A – Property damage

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 tothose 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.

This extension will not apply if the premises are unoccupied.

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 (or any transitional or replacement legislation enacted by the UK Government in connection with the departure of the UK from the EU and/or any subsequent trade arrangement between the UK and the EU), public authority or other statutory requirements first imposed upon you 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

Section A – Property damage

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;
- 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.

Section A – Property damage

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 (or any transitional or replacement legislation enacted by the UK Government in connection with the departure of the UK from the EU and/or any subsequent trade arrangement between the UK and the EU), 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

Section A – Property damage

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;
- 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*

Section A – Property damage

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

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 or as frequently as permitted under the tenancy agreement 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

Section A – Property damage

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.

In respect 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

In the event of damage resulting from escape of water or oil as covered by this policy, we will pay for the costs necessarily and reasonably incurred in locating the source of damage and later making good the damage and the cost of repairing or replacing tanks, apparatus, pipes or appliances.

We will not pay more than £10,000 any one loss.

This extension will not operate if the premises are unoccupied.

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

Section A – Property damage

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.

This extension will not operate if the premises are unoccupied.

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;
- 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, we will consider a request to reinstate the Sum Insured from the date of the damage. Such reinstatement is at our sole discretion and will require: any loss as long as:

- a) you to have paid the appropriate additional premium for reinstatement of cover; and
- b) you to have carried 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:

Section A – Property damage

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

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:

Section A – Property damage

- 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;
- 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

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 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.

Premises

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

Section B – Business Interruption

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 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 (Specified Perils)

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.

Section B – Business Interruption

- 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 landslip;
 - 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 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. 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 damage caused by explosion, earthquake, subterranean fire or heat caused by fire.

Excluding any loss or damage whilst the building is unoccupied.

- 7. Impact by any road vehicle or animal.
- 8. 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

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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;
- 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.

9. 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.

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- 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.

10. Breakage of fixed sanitary ware 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;
- g) of bulbs or tubes unless the signs or fittings are also damaged;
- h) caused by fire or explosion.

11. 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.

12. Subsidence, ground heave or landslip of any part of the site on which the property stands but not consequential loss:

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- 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. 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.

2. 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,

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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 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.

3. 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.

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4. 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.

5. 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.

6. 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 £25,000, whichever is the lesser, any one loss.

7. Managing agents' premises

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.

8. Murder Suicide & Defect Clause

This Section is extended to include loss directly resulting from interruption of or interference with the business carried on by you at the premises in consequence of:

- a) murder or suicide occurring at the premises
- b) injury or illness sustained by any guest arising from, or traceable to, foreign or injurious matter in food or drink provided on the premises
- c) the closing of the whole or part of the premises by the order or on the advice of a competent Public Authority as a result of: -
 - i) defects in the drains or sanitary installations at the premises

Section B – Business Interruption

- ii) the premises becoming infested with vermin or pests

For the purpose of this clause, Indemnity Period means the period during which the business shall be affected in direct consequence of the interruption or interference commencing:

1. in respect of a) and b) above, with the occurrence or discovery of the incident.
2. in respect of c) above, with the date the restrictions on the premises were applied for a period not exceeding three months thereafter.

The maximum amount payable under this clause shall not exceed in respect of any one loss 10% of the sum insured or £25,000 whichever is the lesser amount.

9. 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.

10. 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.

11. 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 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.

Section B – Business Interruption

12. 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 of the type insured by this policy 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.

13. 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.

14. 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.

Section B – Business Interruption

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, we will consider a request to reinstate the Sum Insured from the date of the damage. Such reinstatement is at our sole discretion and will require: any loss as long as:

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

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

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

- 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 the sum insured 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

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

- 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.

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.

Section C – Property Owners' Liability

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
- 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 loss 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

Section C – Property Owners’ Liability

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.

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;

Section C – Property Owners' Liability

- 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

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.

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13. 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.

14. 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;
 - 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.

15. 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

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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 for signs of smoke or smouldering or flames.

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

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;

Section C – Property Owners' Liability

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. Pollution or Contamination other than 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 or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

Our liability for all damages payable in respect of all Pollution or Contamination which is deemed to have occurred during the period of insurance shall not exceed in the aggregate the amount shown in the schedule as the Limit of Indemnity for any one event.

For the purpose of this Exclusion Pollution or Contamination means:

- a. All pollution or contamination of buildings or other structure or of water, land or the atmosphere;
- b. All injury or loss or damage directly or indirectly caused by such pollution or contamination;
8. Any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss. Or any liability arising directly or indirectly out of exposure to, inhalation of, or fears of the consequences of exposure to, or inhalation of asbestos, asbestos fibres or any derivatives of asbestos.

Prosecution Defence costs applicable to sections C

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

Prosecution Defence costs applicable to sections C

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

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

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 D – Legal Expenses

This section is automatically provided

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

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

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 “no-win no-fee”.

Conditional fee agreement

A legally enforceable agreement between the insured person and the appointed advisor for paying their professional fees on the basis of “no-win no-fee”.

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

- a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the appointed advisor on the standard basis and agreed in advance by us;
- b) In civil claims, the other side's costs, fees and disbursements where the insured person has been ordered to pay them or pays them with our written consent;
- c) The professional fees and expenses of an appointed advisor selected by us to reduce the actual or anticipated adverse or negative publicity or media attention directed towards you arising from an event insured under Part B – Cover 3. Crisis communication.
- d) Your employee's basic wages or salary under Part B – Cover 9. Loss of earnings in the course of their employment with you while attending court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the appointed advisor or whilst on jury service where you do not pay for time lost and lost wages or salary cannot be claimed back from the court, tribunal or other relevant body; and
- e) Reasonable accountancy fees reasonably incurred under Part B – Cover 11. Tax protection by the appointed advisor and agreed by us in advance;

Employee (this definition replaces the General definition of employee for this section only).

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

Full enquiry

An extensive examination by the HM Revenue & Customs which considers all aspects of your tax affairs, or where applicable the personal tax affairs of your directors or partners excluding those enquiries which are limited to one or more specific aspects

Section D – Legal Expenses

of the self-assessment and/or corporate tax return.

Insured person

- a) You and your directors, partners, managers, officers and employees of your business;
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of that person dying; and
- 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.

Insured property

- a) Your business premises; and/or
- b) buildings owned by you which are let or which you intend to let to tenants for business or residential purposes; and/or
- c) accommodation which is owned by you and which you let or intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement, located within England, Scotland, Wales or Northern Ireland.

Reasonable prospects of success

- a) For all claims that are not described in b) and c) below the insured person must have a greater than fifty per cent chance of successfully pursuing or defending their claim.
- b) If the insured person is seeking damages or compensation, there must also be a greater than fifty per cent chance of enforcing any judgment that might be obtained.
- c) In criminal prosecution claims where the insured person:
 - i) pleads guilty, the insured person must have a greater than fifty per cent chance of successfully reducing any sentence or fine; and
 - ii) pleads not guilty, there must be a greater than fifty per cent chance of that plea being accepted by the court.

Small claims court

A court in:

- a) England and Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999;
- b) Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014; and
- c) Northern Ireland where the sum in dispute is less than £3,000.

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.

Section D – Legal Expenses

Territorial limit

- a) For Part B – Covers 1.Compliance and regulation, 2.Contract and debt recovery, 8.Legal defence, 9.Loss of earnings and: the European Union,the Isle of Man, the Channel Islands, Norway andSwitzerland.
- b) For Part B – Covers 3. Crisis communication, 4.Employment, 5.Employment compensation awards, 6.Employees extra protection, 7.Employment restrictive covenants, 10.Statutory licence appeals and 11.Tax protection: the United Kingdom, Channel Islands and the Isle of Man.
- c) For Covers not listed in a) and b) above the United Kingdom.

You/your

is extended for this section only to include any person or business appointed as an agent of the business to manage the letting of insured property to the extent that any agent has acted on your behalf.

This Cover 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 section applies.

Insuring clauses

For the covers described below we will pay the insured person's costs and expenses up to £100,000 for all claims related by time or original cause including the cost of appeals. This limit includes payment of employment compensation awards where cover applies with a total limit of £1,000,000 in any one period of insurance.

Provided that:

- 1. the claim (unless otherwise stated) arises in connection with your business and occurs within the territorial limits;
- 2. the claim:
 - a) always has reasonable prospects of success;
 - b) is reported to us:
 - i) during the period of insurance;
 - ii) as soon as is reasonably practicable possible after the insured person becomes aware of the circumstances which could give rise to a claim under this section; and
 - iii) within sixty days of you first becoming aware of the matter in dispute where you are in disagreement with a tenant of your insured property;
- 3. unless there is a conflict of interest, the insured person always agrees to use the appointed advisor chosen by us in any claim;

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- a) to be heard by an Employment Tribunal or small claims court; and/or
 - b) before proceedings have been or need to be issued; and
4. any dispute will be dealt with by a court, tribunal, Advisory Conciliation and Arbitration Service (ACAS) or a relevant regulatory or licensing body in the territorial limits.

A claim is considered to be reported to us when we have received the insured persons fully completed claim form.

PART A – Your insured property

Insured events covered

1. Commercial lease disputes

Pursuit or defence of your legal rights arising from a dispute with your 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) reasonable prospects of success exist to oppose your tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act; and
 - ii) you can demonstrate 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.
- b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) you have correctly served the necessary legal notice on your tenant;
 - ii) your tenant has made the relevant declaration; and
 - iii) the lease is notified to us accordingly.

We will not cover you for any claim that arises from a disagreement with your tenant over payment or non-payment of rent or service charges.

2. 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 3. Property damage, nuisance & trespass or 4. Recovery of rent arrears below;
- b) a contract you have entered into to buy or hire goods or services for the benefit of insured property which you have let or intend to let to guests as holiday accommodation.

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We will not compensate you for:

- a) goods or services which exceed £6,000 (including VAT) in value;
- b) loans and mortgages;
- c) an employment contract; or
- d) a settlement due under an insurance policy.

3. Property damage, nuisance and trespass

- a) An event which causes visible damage to your insured property and/or material property owned by you at your insured property.
- b) A public or private nuisance or a trespass relating to your insured property.

Provided that if your 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 disrepair or defects deposit has been paid in cash or payment has cleared in your bank account.

We will not cover you for any claim relating to:

- a) damage or loss arising from a contract between you and a third party who is not a tenant, ex-tenant, or guest staying at an insured property you have let out as holiday accommodation;
- b) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or material 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 under 3. b) above that arises from a contract, lease, licence or tenancy agreement between you and the third party (including trespass by your ex-tenant);
- e) An excess of £250 applies to 3. b) above except where you bring a claim against a person who is living at the insured property without your permission. We will ask you to pay the excess when we accept your claim.

4. Recovery of rent arrears

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

- a) your tenant or ex-tenant of insured property; and
- b) guest(s) staying at your insured property which is used as holiday accommodation.

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5. Repossession of residential property

- a) Pursuit of your legal rights to repossess your insured property that has been let under:
 - b) an assured shorthold tenancy; or
 - i) a shorthold tenancy; or
 - ii) 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 the Housing (Scotland) Act.

Provided you:

- a) give the tenant the correct notices for the repossession; and
- b) will try to get repossession under:
 - i) Schedule 2, Part 1 (grounds 1 to 8) of the Housing Act 1988 as amended by the Housing Act 1996;
 - ii) Schedule 5, Part 1 (grounds 1 to 8) of the Housing Act (Scotland) 1988;
 - iii) Part 1, Section 21 of the Housing Act 1988 amended by the Housing Act 1996; or
 - iv) Part 2, Section 33 of the Housing Act (Scotland) 1988.
- c) Pursuit of your legal rights to repossess your insured property that you have let:
 - a) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
 - b) to a limited company or business partnership for residential use by employees.
- d) Pursuit of your legal right to recover or repossess your insured property that is occupied by an employee or ex-employee under a service occupancy agreement.

Exclusions that apply to PART A

We will not be liable for:

1. Tenant disagreements

any disagreement with a tenant of your insured property during the first 90 days of the first period of insurance where the tenancy agreement started before the start date of cover under this section unless you were insured for equivalent cover immediately before the start of cover under this section; or

2. Property chamber of the First-tier Tribunal

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.

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3. Houses of multiple occupation

Any claim arising from or relating to an insured property which has been or should have been registered as a House of Multiple Occupations.

PART B – Your Business

Insured events covered

1. Compliance and 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.

We will not cover any claim arising from or relating to:

- i) a routine inspection by a regulatory authority;
- ii) the pursuit of an action by you other than an appeal; or
- iii) a Health and Safety Executive Fee for intervention.

2. Contract and debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by you or on your behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services, provided that if you are claiming for an undisputed debt you have exhausted your normal credit control procedures.

We will not cover you for any claim arising from or relating to:

- a) an amount which is less than £200;
- b) the letting, leasing, licensing sale or purchase of land or buildings where you act as the landlord;
- c) loans, mortgages, endowments, pensions or any other financial product;
- d) the settlement payable under an insurance policy;
- e) computer hardware, software, internet services or systems which have been:
 - i) tailored to your requirements; or
 - ii) supplied by you;
- f) a breach or alleged breach of a professional duty by an insured person;
- g) a dispute between you and an employee or ex-employee; or

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- h) adjudication or arbitration.

3. Crisis communication

Following an event which causes your business 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 adviser under this policy, or acts on your behalf under any other policy), to draft a media statement or press release;
- b) arrange, support and represent an insured person at a press conference; and/or
- c) prepare communications for your customers and/or a telephone or

website script, provided that you have sought and followed advice from our

Crisis Communication helpline. We will not compensate any claim relating to:

- i) costs and expenses in excess of £10,000; or
- ii) matters that should be dealt with through your normal complaints procedures.

4. 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; and/or
- b) related legal rights.

A claim can be made under this section this policy provided that all internal procedures as set out in the:

- a. ACAS Code of Practice for Disciplinary and Grievance Procedures; or
- b. Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland

have been or ought to have been concluded.

We will not cover you for any claim relating to:

- i) the pursuit of an action by you other than an appeal;
- ii) redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first one hundred and eighty days of the inception of this section of this policy, except where you

have had equivalent cover in force up until the start of this section; and
- iii) costs and expenses for preparation and representation at an internal disciplinary hearing, grievance or appeal.

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5. Employment compensation awards

Following a claim we have accepted under Cover 4. Employment above, we will pay any:

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

Provided that:

- a. reasonable prospects of success exist for a wholly successful defence throughout; and
- b. compensation is:
 - i) agreed through mediation or conciliation or under a settlement approved by us; or
 - ii) awarded by a tribunal after full argument unless given by default.

We will not pay employment compensation awards relating to:

- i) money owed to an employee;
- ii) trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council; or
- iii) civil claims or statutory rights relating to trustees of occupational pension schemes.

6. Employees' extra protection

At your request:

- a) where civil proceedings are issued against your employee;
 - i) for unlawful discrimination; or
 - ii) in their capacity as a trustee of a pension fund set up for the benefit of your employees;
- b) where your employee or a member of their family suffers death or physical injury as the result of a sudden event;
- c) a claim arising from personal identity theft targeted at your directors and/or partners.

We will not cover any claim arising from or relating to:

- i) defending you; or
- ii) a condition, illness or disease which develops gradually over time.

7. 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.

Section D – Legal Expenses

Provided that the restrictive covenant:

- i) is designed to protect your legitimate business interests;
 - ii) is evidenced in writing and signed by your employee or ex-employee;
 - iii) extends no further than is reasonably necessary to protect the business interests; and
 - iv) does not contain restrictions in excess of twelve months.
- b) A dispute with another party who alleges that you have breached their legal rights protected by a restrictive covenant.

8. Legal defence

- a) A criminal investigation and/or enquiry by:
- i) the police;
 - ii) a health and safety authority; or
 - iii) other body with the power to prosecute,
- where it is suspected that an offence may have been committed that could lead to the insured person being prosecuted;
- b) An offence or alleged offence which leads to the insured person being prosecuted in a court of criminal jurisdiction; and
- c) A motor prosecution brought against your directors and/or partners which does not relate to the business.

We will not cover any claim:

- a) relating to a parking offence
- b) relating to a claim made against the insured person except under Part B – Covers Employment Compensation awards or the Data Protection and Privacy Cover Endorsement or Costs awarded against the Insured Person by a court of criminal jurisdiction.

9. Loss of earnings

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

We will not pay any sum that can be recovered from the court or tribunal.

10. Statutory licence appeals

An appeal against the decision of the relevant authority to alter, suspend, revoke or refuse to renew your statutory licence or compulsory registration.

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11. Tax protection

- a) A formally notified aspect or full enquiry into your tax affairs, or into the personal tax affairs of your directors and/or partners.
- b) A dispute about your compliance with regulations relating to any of the following:
 - i) Value Added Tax;
 - ii) Pay As You Earn;
 - iii) Social Security;
 - iv) National Insurance Contributions;
 - v) the Construction Industry Scheme;
 - vi) IR35,following a compliance check by HM Revenue and Customs.
- c) An enquiry into your tax affairs, or into the personal tax affairs of your directors and/or partners, arising from an alleged discovery by HM Revenue and Customs.

Provided that:

- a. all returns are completed and have been submitted within the statutory timescales permitted;
- b. you keep proper records in accordance with statutory requirements; and
- c. for any appealable matter you have requested an Internal Review from HM Revenue and Customs where available.

We will not cover any claim arising from or relating to:

- i) tax returns which result in HM Revenue and Customs imposing a penalty or claiming interest or which contain negligent misstatements;
- ii) an investigation by the Specialist Investigations Branch of HM Revenue and Customs;
- iii) where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the insured person's financial arrangements;
- iv) any enquiry that concerns assets, monies or wealth outside of the United Kingdom; or
- v) your failure to register for VAT.

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C. Data Protection and Privacy Cover

This cover operates on a claims-made basis. This means that we will only provide cover for claims or circumstances made against you and notified to us during the period of insurance.

Additional definitions applicable to this cover C. – Data Protection and Privacy Cover

Costs and expenses

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

GDPR

General Data Protection Regulation and any enabling data protection legislation.

What is covered

We will cover you for your liability to pay compensation including costs and expenses arising from a claim made against you for breach of the GDPR, Section 13 of the Data Protection Act 1998 or any amending legislation, caused in connection with the business during the period of insurance.

Provided that the claim is first made against you and notified to us during the period of insurance.

Limit of Liability (how much we will pay)

We will pay £250,000 for all claims made including costs and expenses during the period of insurance.

Conditions (actions that you or we agree to take)

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

1.
 - a) For the purposes of this Data Protection and Privacy cover, any Other insurance clause contained in your policy will not apply and will instead be replaced by either b) or c) as shown below, as may be applicable:
 - b) We will have no liability to pay any sum under this additional cover if cover for that sum is payable under another policy issued to you by us (or would be but for the exhaustion of the limit of liability or the application of the excess amount under that other policy).
 - c) If the liability which is being claimed for under this additional cover is covered by any other Insurer we will not pay more than our proportionate share.
2. You must:
 - a) have in place an appropriate procedure to detect, report and investigate a personal data breach;

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- b) offer suitable redress where a data breach has occurred;
- c) only make a claim under this Data Protection and Privacy cover where a) and b) above have been complied with.

What is not covered

We will not cover any claim arising from or relating to:

1. compensation, costs or expenses covered by any other Legal Expenses insurance;
2. the costs of rectifying, rewriting, replacing, reinstating or erasing personal data as defined in the GDPR;
3. the payment of fines or penalties;
4. refund of monies paid to you by any claimant;
5. liability arising solely because you did not comply with your legal obligations set out under the GDPR;
6. any cover relating to the Data Protection Act 1998 which may have applied or does apply to a previous or concurrent policy which is referenced under a DIC/DIL (Difference in Cover / Difference in Limits) clause or similar, which is in excess of the cover available under this endorsement;
7. any actual or alleged act, omission or dispute happening before, or existing at the start of this Data Protection and Privacy cover, and which you knew or ought reasonably to have known could lead to a claim;
8. any deliberate act by you or any director, partner or employee of yours.

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If you need to make a claim

If you need to make a claim under C. Data Protection and Privacy Cover of this endorsement, please telephone ARAG on 0117 917 1698 or download a claim form at www.arag.co.uk/newclaims.

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 this policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any later amendment or replacement legislation.

2. **Arbitration**

In the event of a dispute between the insured person and us under this section, arbitration is available as detailed under Claims condition 3. Arbitration.

3. **Barrister's opinion**

We may require the insured person 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 person, then we will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by us, then we will pay for a final opinion which will be binding on the insured person and us. This does not affect the insured person's right under Claims condition 3. Arbitration.

4. **Consent**

The insured person must agree to us having sight of the appointed adviser'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 adviser's file for auditing and quality and cost control purposes.

5. **Freedom to choose an appointed adviser**

- a) In certain circumstances, as set out in 5.b) below, the insured person may choose an appointed adviser. In all other cases no right exists and we will choose the appointed adviser.
- b) If:
 - i) we agree to start proceedings or proceedings are issued against the insured person; or
 - ii) there is a conflict of interest,

the insured person may choose a qualified appointed adviser except where the insured person's claim is to be dealt with by the Employment Tribunal or small

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claims court where we will always choose the appointed adviser.

- c) Where the insured person wishes to exercise their right to choose, they must write to us (by e- mail, fax or letter) with their preferred representative's contact details. Where the insured person chooses to use their preferred representative we will not pay more than we agree to pay a solicitor from our panel.
- d) If the insured person dismisses the appointed adviser without good reason, or withdraws from the claim without our written consent or if the appointed adviser refuses with good reason to continue acting for the insured person cover will end immediately.
- e) For a claim under Part B Cover 2. Contract and debt recovery you must enter into a conditional fee agreement (unless the appointed adviser has entered into a collective conditional fee agreement) where legally permitted.

6. Settlement

- a) We can settle the claim by paying the reasonable value of the insured person's claim.
- b) The insured person must not negotiate, settle the claim or agree to pay costs and expenses without our written agreement.

If the insured person refuses to settle the claim following a reasonable offer or advice to do so from the appointed adviser, we reserve the right to refuse to pay further costs and expenses.

7. The insured person's responsibilities

An insured person must:

- a) tell us as soon as reasonably practicable of anything that may make it more costly or difficult for the appointed adviser to resolve a claim in their favour;
- b) cooperate fully with us, give the appointed adviser any instructions we reasonably 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;
- d) keep costs and expenses as low as is reasonably possible; and
- e) allow us at any time to take over and conduct in the insured person's name any settlement or defence of any claim or to prosecute for our own benefit any claim for cover or compensation or otherwise and have full discretion in the conduct of any proceedings and in settlement of any claim, proceeding or investigation.

Exclusions

This section does not cover any claim arising from or relating to:

1. Arbitration

a dispute with us or the party who arranged this Cover not dealt with under Claims condition 3. Arbitration; or

2. Before cover commenced

any actual or alleged act, omission or dispute happening before, or existing at the inception of this section, and which the insured person knew or ought reasonably to

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have known could lead to a claim;

3. Fines and penalties

finest, penalties or compensation awarded against the insured person (except as covered under Part B. – Cover 5. Employment compensation awards or Part B Cover 1c) or costs awarded against the insured person by a court of criminal jurisdiction.

4. Franchise

franchise or agency agreements;

5. Judicial review

a judicial review;

6. Legal proceedings

the defence of legal proceedings relating to:

- a) damages for personal injury (other than injury to feelings arising from an employment dispute); or
- b) loss or damage to property owned by the insured person;

7. Money laundering, malicious falsehoods, dishonesty, violence and illegal immigration

an allegation against the insured person involving:

- a) assault, violence, dishonesty;
- b) malicious falsehood or defamation (except in relation to Cover 3. Crisis communication);
- c) the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
- d) illegal immigration; or
- e) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences);

8. Patents, copyright and confidential information

patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to restrictive covenants as covered under Part B. Cover 7. Employment restrictive covenants);

9. Subsidiaries

a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners;

10. Without consent

costs and expenses or employment compensation awards incurred without our written consent.

