



# Public Sector Policy Property Programme

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POLICY WORDING

# Contents

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	Page		
<b>PROPERTY DAMAGE SECTION</b>	<b>2</b>	<b>CONTRACT WORKS SECTION</b>	<b>65</b>
Definitions	2	Definitions	65
Cover	4	Cover	66
Insured Perils	9	Conditions	67
Conditions	12	Extensions	68
Basis of Settlement	15	Special Conditions	70
Exclusions	17	Exclusions	71
Endorsements	19		
Optional Extension Clause – Goods in Transit	20	<b>TERRORISM INSURANCE SECTION</b>	<b>73</b>
Optional Extension Clause – Money and Personal Accident (Assault)	22	Definitions	73
Optional Extension Clause – Deterioration of Stock	25	Cover	74
		Conditions	75
		Exclusions	76
<b>BUSINESS INTERRUPTION SECTION</b>	<b>26</b>		
Definitions	26		
Cover	27		
Memoranda	28		
Basis of Settlement			
- Gross Profit: Code GP	30		
- Declaration Linked Gross Profit: Code DLGP	31		
- Gross Profit: Flexible Limit of Loss: Code GPFL	33		
- Additional Increase in Cost of Working: Gross Profit: Code AICWGP	34		
- Gross Revenue: Code GR	35		
- Declaration Linked Gross Revenue: Code DLGR	36		
- Gross Revenue Flexible Limit of Loss: Code GRFLL	37		
- Additional Increase in Cost of Working: Gross Revenue: Code AICWGR	38		
- Rent Receivable: Code RR	39		
- Declaration Linked Rent Receivable: Code DLRR	40		
- Research and Development Expenditure: Code RDE	42		
- Increase in Cost of Working: Code ICW	43		
Extensions	44		
Optional Extension Clause – Outstanding Debit Balances	47		
Exclusions	48		
Endorsements	50		
<b>COMPUTER ALL RISKS SECTION</b>	<b>51</b>		
Definitions	51		
Cover	53		
Extensions	54		
Additional Cover	55		
Conditions	56		
Basis of Settlement	59		
Exclusions	61		
Endorsements	64		

# Property Damage Section

## Definitions

In this Section the following terms shall have the following meanings

### 1. Buildings

The word 'Buildings' shall mean the buildings at the Business Premises and includes

- (a) landlord's fixtures and fittings therein and thereon
- (b) outbuildings annexes and extensions
- (c) walls gates fences canopies and signs
- (d) surfaces and foundations of car parks yards forecourts driveways roads pathways pavements lampposts and other fixed street furniture permanent swimming pools hard tennis courts and other fixed hard standing sports and recreation areas including floodlights
- (e) Services
- (f) Foundations
- (g) all Glass including framework alarm strips or fittings and lettering thereon and Sanitary Ware

### 2. Damage or Damaged

The words 'Damage' or 'Damaged' shall mean for the purposes of this Section loss or destruction of or damage

### 3. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

### 4. Fixed Media

The words 'Fixed Media' shall mean Media integral to Computer and Telecommunication Equipment

### 5. Glass

The word 'Glass' shall mean flat annealed fixed glass toughened and laminated glass illuminated signs and electric light fittings at the Business Premises

### 6. In Transit

The words 'In Transit' shall mean whilst in the course of a journey by any means including the process of

- (i) loading and unloading

- (ii) temporarily housing during transit for a period of no more than 30 days (excluding storage at rental or under contract for storage packing and/or distribution)

and concluding when the Property has either been placed at the Premises or receipt acknowledged by a consignee

### 7. Insured Peril(s)

The words 'Insured Peril' shall mean the perils as described herein and which are operative only if stated in the Schedule

### 8. Machinery Plant and All Other Contents

The words 'Machinery Plant and All Other Contents' shall include

- (a) fixtures and fittings other than landlord's fixtures and fittings and tenants improvements alterations and decorations
- (b) Services but not where insured under Buildings (or where the designation under which such Property appears in the Named Insured's books would require such Property to be insured under Buildings)
- (c) office equipment other than as described in (g) and (h) below
- (d) deeds plans designs documents manuscripts business books and records (other than property and Programs and/or Data described in (g) and (h) below) but only for their value as materials together with the cost of clerical labour expended in reproducing them and not for the value to the Named Insured of the information contained therein for an amount not exceeding £25,000 in respect of any Event
- (e) patterns models and moulds up to the value as materials and the cost of labour to reinstate them in so far as they are not otherwise insured
- (f) directors' partners' Employees' and visitors' pedal cycles tools instruments and other personal effects up to a limit of £500 per person

but not Stock or Money or other Property Insured specified in the Schedule

Additionally where there is not a Computer All Risks Section forming part of this Policy the words 'Machinery Plant and All Other Contents' shall include

- (g) Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media for their value as materials but not Programs or Data) and Ancillary Equipment
- (h) additionally in the event of accidental loss distortion corruption or erasure of Programs and/or Data recorded on Fixed Media and/or Unfixed Media insured by this Section the

Company will pay the costs necessarily and reasonably incurred by the Named Insured in

- (i) the Reinstatement of Programs and /or the Reinstatement of Data but not for the value to the Named Insured of the Data contained therein

and

- (ii) associated documentation and source materials excluding the value to the Named Insured of the information contained therein

for an amount not exceeding £25,000 in respect of any one claim or claims arising from an Event

but not Stock or other Property Insured specified in the Schedule

#### **9. Media**

The word 'Media' shall mean solely the materials on which Data and/or Programs are recorded

#### **10. Premises and Business Premises**

The word 'Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it

The words 'Business Premises' shall mean those Premises which the Named Insured own occupy or are responsible for

#### **11. Programs**

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

#### **12. Property and Property Insured**

The words 'Property' and 'Property Insured' shall mean as described in the Schedule and Specification forming part of this Section

#### **13. Reinstatement of Data**

The words 'Reinstatement of Data' shall mean the reinstatement of Data following accidental loss distortion corruption or erasure of such Data

#### **14. Reinstatement of Programs**

The words 'Reinstatement of Programs' shall mean the reinstatement of Programs following accidental loss distortion corruption or erasure of such Programs

#### **15. Rent**

The word 'Rent' shall mean periodic payments made to the Named Insured or by the Named Insured for the lease of Buildings

#### **16. Sanitary Ware**

The words 'Sanitary Ware' shall mean wash basins lavatory pans or other sanitary fittings at the Business Premises

#### **17. Services**

The word 'Services' shall mean above ground and underground telephone gas water and electric installations oil tanks drains sewers piping ducting cables wires and associated control gear and accessories on the Business Premises and extending to the public mains but only to the extent of the Named Insured's responsibility

#### **18. Stock**

The word 'Stock' shall mean stock merchandise goods held in trust materials of trade and finished goods which the Named Insured owns or for which the Named Insured is responsible

#### **19. Unfixed Media**

The words 'Unfixed Media' shall mean Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured

#### **20. Working Hours**

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

# Cover

## 1. General

If during the Period of Insurance the Property Insured described in the Schedule or any part thereof shall be Damaged by an Insured Peril the Company will pay to the Named Insured the value of the Property or the amount of the Damage at the time of the happening of such Damage in accordance with the Basis of Settlement (or as otherwise provided for herein) or at the Company's option reinstate replace or repair such Property or any part thereof provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured

## 2. Temporary Removal

Subject to the limit specified in the Schedule the insurance on Property Insured by this Section at the Premises is covered whilst temporarily away from the Premises within the Territorial Limits during the Period of Insurance for the purposes of renovation repair service or cleaning

This clause does not cover

- (a) Damage to explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
- (b) Damage to Property resulting from dishonesty fraudulent actions trick or device or other false pretence of any Employee of the Named Insured
- (c) Property more specifically insured under the Optional Extension Clause — Goods in Transit

## 3. Mortgagee/Freeholder/Lessor

The interest of the mortgagee/freeholder/lessor in the insurance by this Section shall not be prejudiced by any act or neglect of the Named Insured or occupier of any Building hereby insured whereby the risk of Damage is increased without the authority or knowledge of the mortgagee/freeholder/lessor provided the mortgagee/freeholder/lessor shall immediately on becoming aware thereof give notice in writing to the Company and pay an additional premium if required

## 4. Non-Invalidation

Notwithstanding General Conditions 1 and 2 and 3 the insurance by this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Named Insured provided that immediately the Named Insured become aware thereof shall give notice to the Company and pay an additional premium if required

## 5. Workmen

Workmen are allowed in or about any of the Business Premises for the purpose of carrying out minor alterations minor repairs decorations and maintenance without prejudice to this insurance

## 6. Architects' Surveyors' Legal and Other Fees

The insurance in respect of Property Insured as specified in the Schedule unless insured by a separate item includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon its Damage by an Insured Peril but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such reinstatement and provided that

- (a) unless (b) below applies the Company's liability for Damage and fees shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (b) where there is a specific item in the Schedule for architects' surveyors' legal and other professional fees the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

## 7. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

## 8. Capital Additions

The insurance on items specified in the Schedule in respect of Buildings and or Machinery Plant and All Other Contents extends to include

- (a) alterations additions and improvements to Property Insured (but not appreciation in value thereof)
- (b) newly acquired and/or occupied property insofar as the same are not otherwise insured anywhere within the Territorial Limits

Provided that

- (i) at any one situation this cover shall not exceed 15% of the Sum Insured under the relevant item or £5,000,000 in the aggregate whichever is the less
- (ii) the Named Insured shall advise the Company as soon as practicable and in any event within 3 months of any such newly acquired and/or occupied property
- (iii) the Named Insured shall pay to the Company any additional premium due

## 9. Removal of Debris

The insurance by this Section extends to include costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

as a result of Damage by an Insured Peril

Provided that

- (i) The Company will not pay for any costs or expenses
  - (a) incurred in removing debris except from the site of such Property Damaged and the area immediately adjacent to such site
  - (b) arising from the pollution or contamination of property not insured by this Section
- (ii) unless (iii) below applies the Company's liability for Damage and removal of debris costs as insured under this cover clause shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (iii) where there is a specific item in the Schedule for removal of debris the Company will pay for costs or expenses incurred in removing debris only to the extent described in such item in the Schedule and the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

**10. European Union and Public Authorities Clause (including Undamaged Property)**

Subject to the following special conditions the insurance in respect of Property as specified in the Schedule extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of

- (a) European Union Legislation or
- (b) Building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority or the Company's requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to the 29th Edition of the LPC rules when installed but fails to conform to subsequent amendments to those rules

(hereinafter referred to as the Stipulations) in respect of

- the Damaged Property thereby insured
- undamaged portions thereof

excluding

- (i) the cost incurred in complying with the Stipulations

- (a) in respect of Damage occurring prior to the granting of this extension
  - (b) in respect of loss destruction or damage not insured by the Section
  - (c) under which notice has been served upon the Named Insured prior to the happening of the Damage
  - (d) for which there is an existing requirement which has to be implemented within a given period
  - (e) in respect of Property entirely undamaged by any peril hereby insured against
- (ii) the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
  - (iii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by the owner thereof by reason of compliance with the Stipulations

**Special Conditions**

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may in writing allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this extension not being thereby increased
2. If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of this Section then the liability of the Company under the extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of this Section in respect of this extension shall not exceed
  - (a) in respect of the Damaged Property
    - (i) 15% of its Sum Insured
    - (ii) where the Sum Insured by the item applies to Property at more than one Business Premises 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed

- (b) in respect of undamaged portions of Property (other than foundations) 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed

- 4. The total amount recoverable under any item of this Section shall not exceed its Sum Insured
- 5. All the terms and conditions of this Section except in so far as they are varied hereby shall apply as if they had been incorporated herein

#### 11. Glass and Sanitary Ware

Insofar as Glass forming part of Property is insured under this Section the amount payable under the relevant Item of Property Insured shall include the costs incurred in

- (a) any necessary boarding up or temporary glazing pending replacement of broken Glass
- (b) removing and re-fixing window fittings or other obstacles to Glass replacement

In respect of Machinery Plant and All Other Contents insured at the Business Premises where Buildings at such Business Premises are not insured the insurance by this Section extends to include should it be the responsibility of the Named Insured the costs incurred in replacing all fixed Glass on the interior and exterior of the Buildings and any Sanitary Ware together with the costs incurred as provided for in (a) and (b) above

The insurance provided under this Section in respect of Glass and Sanitary Ware shall not apply where the responsibility for such costs has been passed by the Named Insured to a tenant occupying the Building

#### 12. Loss of Metered Water and Gas

The insurance by this Section extends to include loss of metered water or gas arising from Damage by an Insured Peril and not otherwise excluded at the Business Premises resulting in a water or gas charge which the Named Insured is unable to recover from any other party

Provided that

- (a) the extent of such loss is determined by measurement from the Water or Gas Authority meter
- (b) the amount payable is in respect of the excess water or gas charges levied by the Water or Gas Authority but shall not exceed £15,000 in respect of any one Event and £75,000 in any one Period of Insurance
- (c) in establishing the amount of such excess charges in paragraph (a) above account shall be made of historic metered usage adjusted as necessary to provide for circumstances in the

Business affecting usage during the relevant period

#### 13. Fire Extinguishing Expenses and Alarm Re-setting Expenses

The insurance by this Section extends to include the costs incurred by the Named Insured in

- (a) recharging replenishing or replacing fire extinguishing appliances
- (b) recharging of gas extinguishing installations including but not limited to FM200 Argon Inergen and CO2 gas extinguishing installations
- (c) refilling sprinkler tanks where costs are metered
- (d) replacing sprinkler heads in automatic sprinkler installations
- (e) resetting fire and intruder alarms and closed circuit television systems

rendered necessary as a result of Damage to Property Insured caused by fire at the Business Premises for which liability is admitted under this Section

#### 14. Keys Clause

(Applicable only if Insured Peril 4 operative)

The insurance by this Section extends to include the reasonable cost of replacement locks or lock mechanisms and keys in respect of doors and windows necessary to maintain the security of the Business Premises and safes and strongrooms contained in the Business Premises

- (a) resulting from any accidental loss
- (b) where there is reasonable evidence that such keys have been copied by an unauthorised person

The Company's liability is limited to £10,000 any one claim or claims arising from an Event

#### 15. Theft Damage to Buildings

(Applicable only if Insured Peril 4 operative)

When Buildings at the Business Premises are not insured by this Section cover extends to include the cost of repairing Damage to the Buildings caused by theft or attempted theft provided the Named Insured is legally liable for such cost and the Damage aforesaid is not otherwise insured

#### 16. Landscaped Gardens

The insurance by this Section shall extend to include the cost of restoring any Damage done to landscaping at the Business Premises caused by the emergency services in entering the Business Premises as a result of any Damage to Property Insured at the Business Premises for an amount not exceeding £15,000 in respect of all claims arising during the Period of Insurance

**17. Inadvertent Omission to Insure**

The Named Insured having intended to insure with the Company all buildings within the Territorial Limits and the Named Insured's belief is that all such property is insured if hereafter any building shall be found to have been inadvertently omitted the Company will deem such property to be insured within the terms of this Section as if it were insured under the Property Insured item in respect of Buildings subject to payment of the required premium in respect of such property as from the inception of this Section or from the date of the Named Insured's interest in the buildings if erected or purchased after the inception of this Section

Provided that

- (a) at any one situation the Company's limit of liability under this cover clause shall not exceed £5,000,000 any one Event
- (b) such insurance will be for Damage by the Insured Perils stated in the relevant Property Insured Schedule
- (c) at any one situation the limit of liability under this cover clause shall for the purpose of the Underinsurance Condition be added to the Sum Insured on the item of Property Insured in respect of Buildings to which the building relates or in the case of Reinstatement Day One Basis to the Declared Value
- (d) the insurance under this cover clause shall not apply in respect of buildings situate outside of the Territorial Limits
- (e) the insurance under this cover clause shall not apply in circumstances where the Cover Clause 8 Capital Additions applies
- (f) the Named Insured shall undertake and complete a full and thorough review of their buildings portfolio at least once a year to check that insurance has been placed with the Company for all buildings and in respect of any omission discovered the Named Insured shall immediately advise the Company

**18. Temporary Removal (Deeds and Documents) Clause**

This Section insofar as it applies to deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) and Unfixed Media on which Data and/or Programs are recorded at the Premises extends to cover such property whilst temporarily removed from the Premises anywhere within the Territorial Limits provided that the Company's limit of liability under this cover clause shall not exceed £25,000 any one Event

**19. Other Interested Parties**

The interest of other parties in this insurance is noted it being understood that in the event of loss the nature and extent of such other interest will be disclosed to

the Company by the Named Insured in the event of a claim against this Section

It is agreed that where work is carried out at any Business Premises insured by this Section under Clause 22(c) of the JCT Standard form of Building Contract or any similar contract then the contractor and others named in the contract are deemed to be joint insured under this section to the extent required by the contract provided that the Named Insured shall inform the Company as soon as practicable and accept additional terms as the Company may require

**20. Loss Prevention and Mitigation Expenditure**

The insurance by this Section extends to include the costs and expenses reasonably incurred by the Named Insured in

- (a) preventing or mitigating Damage to Property Insured in the event of imminent Damage by an Insured Peril
- (b) preventing or mitigating further Damage by an Insured Peril to Property Insured after in consequence of actual Damage to Property Insured by an Insured Peril

Provided that

- (i) the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred and
- (ii) the costs and expenses so incurred did prevent or mitigate the Damage
- (iii) the Company's limit of liability under this cover clause shall not exceed in respect of all claims arising during the Period of Insurance 10% of the sum insured on the specific Building or other Property Insured the subject of the loss reduction expenditure and £100,000 in the aggregate during the Period of Insurance

**21. Drains and Gutters**

The insurance by this Section extends to include costs and expenses necessarily incurred by the Named Insured in clearing drains sewers and gutters the property of the Named Insured or for which they are responsible at Business Premises following Damage to Property Insured by an Insured Peril

Provided that the Company's liability for Damage and such costs shall not exceed in total the Sum Insured in respect of the relevant insured item of Property Insured at the Business Premises

**22. Alternative Accommodation**

Notwithstanding anything contained in this Section insofar as it is the responsibility of the Named Insured as lessor to any lessee the insurance by this Section in respect of Property Insured being Buildings comprising private dwelling houses bungalows maisonettes flats and their domestic outbuildings and garages extends to include the reasonable additional



cost of comparable alternative accommodation (including kennelling costs for pets) necessarily incurred by the lessee of such Buildings in the event of their being uninhabitable due to Damage by an Insured Peril but only in respect of the period necessary for Reinstatement as defined in the Reinstatement Basis of Settlement

Provided that

- (a) the Business Premises are not insured in respect of loss of rent receivable under the Business Interruption Section
- (b) the Company's liability under this cover clause shall not exceed in the aggregate in respect of all claims during the Period of Insurance at any one situation 20% of the Sum Insured applicable to the Buildings of the Business Premises so Damaged

- (a) the insurance under this clause 24 of the cover shall not apply in respect of the cost of repairs to any fixed domestic water services or heating installation
- (b) the Company's limit of liability under this clause 24 of the cover clause shall not exceed £25,000 in respect of any one Event and £100,000 in any one Period of Insurance

### **23. Theft of Building Parts**

In respect of Damage by Insured Peril 4 where operative the cover provided by this Section shall extend to include Damage caused by forcible and violent theft or attempted theft of an external part of the building at the Business Premises and or anything attached to it

Provided that

- (a) the building and or property attached to it sustaining such Damage is insured by this Section in respect of Insured Peril 3
- (b) the cover provided by this clause 23 of the Cover shall not apply in respect of
  - (i) any building that has been unoccupied for a period of more than thirty consecutive days at the time such Damage occurs
  - (ii) any building that has scaffolding erected to the outside of the building at the time when such Damage occurs
- (c) the Company's liability under this clause 23 of the Cover shall not exceed £100,000 any one Event and in any one Period of Insurance
- (d) the Named Insured shall be responsible for the first £2,500 in respect of each claim or claims arising from an Event or the Deductible shown in the Schedule (whichever is the greater amount)

### **24. Trace and Access**

The insurance by this Section extends to include costs necessarily and reasonably incurred with the consent of the Company in locating the source of any escape of water from any fixed domestic water services or heating installation or escape of fuel oil including subsequent repair to walls floors or ceilings provided that

# Insured Perils

The following Insured Perils apply only if stated in the Schedule

1. Fire lightning explosion earthquake but excluding Damage
  - (a) to that part of the Property caused by its own spontaneous fermentation or heating or its undergoing any heating or any process involving the application of heat
  - (b) caused by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
2. Aircraft or other aerial devices or articles dropped therefrom excluding Damage by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
3. Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding
  - (a) Damage arising from confiscation requisition or destruction by order of the government or any public authority
  - (b) Damage arising from cessation of work
  - (c) Damage by theft or attempted theft directly caused by malicious persons not acting on behalf of or in connection with any political organisation
4. Theft or attempted theft of Property Insured
  - (a) from the buildings (but not grounds) at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days
  - (b) away from the Premises (where the insurance so provides) in the following circumstances
    - (i) from or on an unattended vehicle or trailer during Working Hours where all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property has been placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and additionally if out of Working Hours such vehicle or trailer is garaged in a securely closed and locked building or compound
      - (ii) from or on an unattended soft topped open topped or open sided vehicle or trailer where also involving theft of the vehicle or trailer
      - (iii) where Property is otherwise left unattended (which term shall mean that the Named Insured or any person to whom the Named Insured has entrusted the Property Insured into their care custody and control is unable to exercise control over or otherwise unable to influence events affecting the Property) where contained in a locked building of substantial construction or in a secure locked room
5. Accidental escape of water from any automatic sprinkler installation excluding Damage resulting from explosion earthquake or heat caused by fire
6. Breakage or collapse of radio and television receiving aerials aerial fittings and masts
7. Escape of oil from any fixed oil fired heating system including any resulting loss of oil
8. Impact by any road vehicle or animal
- 9A. Storm excluding Damage
  - (a) caused by
    - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
    - (ii) inundation from the sea

whether resulting from storm or otherwise
  - (b) resulting from frost subsidence ground heave or landslip
  - (c) to fences gates and moveable property in the open
- 9B. Storm or flood excluding Damage
  - (a) attributable solely to change in water table level
  - (b) resulting from frost subsidence ground heave or landslip
  - (c) to fences gates and moveable property in the open
  - (d) resulting from escape of water from any tank apparatus or pipe
10. Escape of water from any tank apparatus or pipe excluding Damage caused by water discharged or leaking from any automatic sprinkler installation
11. Subsidence or ground heave or landslip of any part of the site on which the Property stands subject to the Special Condition below and excluding Damage

- (a) to yards car parks roads pavements walls gates and fences and any similar or other property outside the confines of any building within the Business Premises to the extent that such property is insured unless also affecting a building within the same Business Premises insured
- (b) caused by or consisting of
  - (i) the normal settlement or bedding down of new structures
  - (ii) the settlement or movement of made up ground
  - (iii) coastal or river erosion
  - (iv) defective design or workmanship or the use of defective materials
  - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (c) which originated prior to the inception of this insurance
- (d) resulting from
  - (i) demolition construction structural alteration or repair of any Property
  - (ii) groundworks or excavation
 at the same Premises
- (e) the Deductible stated in the Schedule and which shall apply to each separate Premises as ascertained after the application of any Underinsurance Condition

**Special Condition**

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

12. Any other accidental breakage of Glass and Sanitary Ware excluding Damage
- (a) by any of the Insured Perils listed in 1-11 whether included in the Cover or not or by any of the causes expressly excluded from these Insured Perils
  - (b) to items already cracked at the start of the Period of Insurance
  - (c) resulting from alterations or repair to the Premises
  - (d) consisting of scratching or chipping

- (e) to Glass which is bent tinted stained and fired or special glass unless specifically noted by the Company
13. Any other accidental cause excluding Damage
- (a) by any of the Insured Perils listed in 1-12 whether included in the Cover or not or by any of the causes expressly excluded from these Insured Perils
  - (b) to a building or structure caused by its own collapse or cracking
  - (c) to that part of the Property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
  - (d) caused by or consisting of
    - (i) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
    - (ii) faulty or defective workmanship operational error or omission on the part of the Named Insured or any Employee

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded

- (e) (i) caused by or consisting of
  - (a) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity or action of light
  - (b) change in temperature colour flavour texture or finish
  - (c) the freezing solidification or inadvertent escape of molten material
 but this shall not exclude
  - A. such Damage as described in paragraphs (e)(i)(a) to (e)(i)(c) above which itself results from another cause not otherwise excluded
  - B. other subsequent Damage which itself results from a cause not otherwise excluded
- (ii) consisting of breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude

- (a) such Damage as described which itself results from another cause not otherwise excluded
- (b) subsequent breakdown or derangement to surrounding property not forming part of the same machine apparatus or equipment
- (c) other subsequent Damage which itself results from a cause not otherwise excluded
- (iii) consisting of joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers super heaters pressure vessels or any range of steam and feed piping in connection therewith but this shall not exclude
  - A. such Damage as described which itself results from another cause not otherwise excluded
  - B. other subsequent Damage which itself results from a cause not otherwise excluded
- (f) caused by the impact of any watercraft

# Conditions

1. **Fire Precautions** (applicable only if the devices described therein are installed at the Business Premises)

The Named Insured shall ensure that in respect of

1. **Fire Break Doors and Shutters**  
all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order
2. **Fire Extinguishing Appliances**  
all fire extinguishing appliances will be regularly inspected and maintained in efficient working order
3. **Fire Alarm Installations and Automatic Sprinkler Installations**

the Named Insured shall

- (a) take all reasonable steps to
  - (i) prevent frost and other damage to the installations
  - (ii) subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
  - (iii) maintain ready access to the water supply control facilities
- (b) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (c) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (d) make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open
- (e) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (f) make a test at least once a week for the purpose of ascertaining the condition of (i) Brigade connection and (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 - As regards (i) where the Fire Brigade has given a written undertaking to carry out this test the Named Insured's responsibility will be confined to requirement (ii)

N.B. 2 - Where the circuit concerned in (i) is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (g) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 - Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) this test need not be made

- (h) remedy promptly any defect revealed by the above tests
- (i) give notice to the Company in relation to any automatic sprinkler installation if
  - (i) its water supply be turned off
  - (ii) it becomes inoperative from any cause except for the purpose of testing maintenance or repair
- (j) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies
  - (i) the description of the goods which may be stored
  - (ii) the maximum height of storage
  - (iii) the minimum permitted clearance between goods stored and the sprinkler deflectors

and comply with the terms of the notice

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by Insured Peril 5 where operative until the alterations or repairs have been carried out and approved by the Company

2. **Theft Precautions — Business Premises**

The Named Insured shall ensure that

- 1) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to the Business

Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business

- 2) where the Company have required an Intruder Alarm to be installed or if an Intruder Alarm is already installed on the Business Premises
  - (a) the Intruder Alarm must be maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company
  - (b) a maintenance service contract with the installation company or as otherwise approved by the Company must be in force and the maintenance company immediately advised of any apparent defect in the Intruder Alarm or its signalling
  - (c) the Intruder Alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
    - (i) the Intruder Alarm is put into full and effective operation including where the equipment permits any central station to which the Intruder Alarm is connected acknowledging the setting signal
    - (ii) the Intruder Alarm is regularly tested and is in full and efficient working order
  - (d) immediate written notice shall be given to the Company if the Named Insured receives from the Police or security organisation warning of a possible or intended withdrawal of response to calls from the Intruder Alarm or of a reduced response level

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or attempted robbery where Police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

The words 'Intruder Alarm' include detection devices sensors detection circuit control and processing equipment power supplies audible and remote signalling including ancillary telecommunication systems

### 3. Underinsurance

The Sum Insured by each item of this Section is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependant upon which Basis of Settlement applies and is detailed therein

### 4. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any Building or part thereof becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied Building or part thereof becomes occupied

### 5. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which they are responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service that complies with the statutory regulations applying in respect of such vessel machinery or apparatus

### 6. Claims Conditions

#### (a) Contracting Purchaser's Interest

If at the time of Damage the Named Insured shall have contracted to sell his interest in any Building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase (if and so far as the Property is not otherwise insured against such Damage by him or on his behalf) shall be entitled to benefit under this Policy without prejudice to the rights and liabilities of the Named Insured or the Company until completion

#### (b) Subrogation Waiver

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might become entitled by subrogation against any company

- (i) standing in the relation of parent to subsidiary to the Named Insured
- (ii) standing in the relation of subsidiary to parent to the Named Insured
- (iii) which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by current legislation

#### (c) Contract Price

In respect only of goods sold but not delivered for which the Named Insured is responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of Damage either wholly or in part the liability of the Company shall be based on the contract price and for the purpose of the Underinsurance Condition the value of all goods to which this Clause would in the event of Damage be applicable shall be ascertained on the same basis

**(d) Reinstatement**

If any Property is to be reinstated or replaced by the Company the Named Insured shall at his own expense provide all such plans documents books and information as may reasonably be required. The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured.

**(e) Company's Rights following a Claim**

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner.

No Property may be abandoned to the Company whether taken possession of by the Company or not.

**7. Designation**

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's books.

**8. Programs and Data**

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs and/or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situated
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situated

# Basis of Settlement

The amount payable for each Item of Property stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that Item in the Schedule or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

## 1. Indemnity — Code: INDTY

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

### Special Provision

- (a) Underinsurance Condition  
If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Insured considered to be their own insurer for the difference

## 2. Reinstatement — Code REINS

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For this purpose Reinstatement means

- (a) the rebuilding or replacement of Property sustaining Damage which provided the liability of the Company is not increased may be carried out
- (i) in any manner suitable to the requirements of the Named Insured
- (ii) upon another site
- (b) the repair or restoration of Property Insured lost or damaged

in either case to a condition equivalent to or substantially the same as but not better than or more extensive than its condition when new

### Special Provisions

#### (a) Repairs and Restoration

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

#### (b) Underinsurance Condition

If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property Insured covered by any Item to which

this Basis applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

## (c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

## 3. Day One Reinstatement — Code: DAY 1

Subject to the following Special Provisions the basis on which the amount payable for the Property Insured Damaged will be calculated is the same as the Reinstatement Basis of Settlement except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of Damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the Damage will not exceed that proportion of the Damage which the Declared Value bears to such cost of reinstatement

### Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
- (i) Removal of Debris
- (ii) Professional Fees
- (iii) complying with Public Authority Requirements
- (c) At the commencement of each Period of Insurance the Insured will notify the Company of the Declared Value of the Property Insured by



each item In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance

- (d) The Declared Value for each item of Property insured in accordance with this Basis of Settlement is the amount shown in the brackets below the Sum Insured in respect of each item on the Property Damage Specification
- (e) In the event of loss the liability of the Company in respect of Property insured in accordance with this Basis of Settlement will not exceed
  - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedules

or

  - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedules

#### **Underinsurance Condition**

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the Insurable Amount the amount payable by the Company in respect of such Damage will be proportionately reduced

#### **4. Rent — Code: RENT**

In respect of Rent of Buildings which suffer Damage the Company will pay

- (a) if the loss relates to rent receivable by the Named Insured and where insured by the relevant item in the Schedule
  - the actual reduction in rent received solely in consequence of the Damage but not reduction in rent once the Building or portions of the Building become fit for occupation
- (b) if the loss relates to rent payable by the Named Insured and where insured by the relevant item in the Schedule
  - the amount of rent which continues to be payable by the Insured in respect of the Building or portions of the Building which are unfit for occupation in consequence of the Damage

but the Company's liability will be limited to the loss suffered within the period of rent insured (as specified in the Schedule) which commences from the date of the Damage

#### **Subject to the following Provisions**

##### **Insurable Amount**

For the purpose of the Underinsurance Condition the Insurable Amount is the annual rent receivable or the annual rent payable at the commencement of the Period of Insurance such amount to be proportionately increased to correspond with the period of rent insured where that period exceeds twelve months

# Exclusions

The insurance provided under this Section does not cover

1. Damage caused by pollution or contamination but this shall not exclude Damage to Property Insured not otherwise excluded caused by
  - (a) pollution or contamination which itself results from any of Insured Perils 1-11 hereby insured against
  - (b) any of the Insured Perils 1-11 hereby insured against which itself directly results from pollution or contamination
2. Damage to Property Insured in or on soft topped open topped or open sided vehicles or trailers (to the extent that the insurance by this Section would otherwise apply) if caused by
  - (a) storm tempest water hail frost or snow
  - (b) malicious persons when the vehicle or trailer is left unattended out of Working Hours
3. Damage caused by or consisting of
  - (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
  - (b) disappearance unexplained or inventory shortage misfiling or misplacing of information
4. Damage in respect of any Building (and or to property within) which is unoccupied for a period of more than thirty consecutive days other than Damage caused by any of the Insured Perils 1 and 2 hereby insured against subject to the following Special Condition

### Special Condition

Notwithstanding General Condition 1 it is a condition precedent to liability under the Policy that

- (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks
- (b) all services to be disconnected other than limited services required for security guards fire and burglar alarms unless otherwise agreed by the Company in writing
- (c) all letter boxes shall be sealed to prevent insertion of material
- (d) perimeter fences walls and gates shall be kept complete and maintained

- (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
  - (f) vegetation surrounding such unoccupied buildings shall be kept down
  - (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
5. Damage in respect of
    - (a) Money
    - (b) Stock In Transit unless specifically mentioned as insured by this Section
  6. Damage in respect of
    - (a) vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
    - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
    - (c) land piers jetties bridges culverts or excavations
    - (d) livestock growing crops or trees or other growing vegetation

unless specifically mentioned as insured by this Section
  7. property which at the time of the happening of Damage is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
  8. loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded
  9. any property more specifically insured by or on behalf of the Named Insured
  10. consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section

11. Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
  - (a) correctly to recognise any date as its true calendar date
  - (b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) to capture save retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from any of the Insured Perils 1 2 3 4 7 8 9 and 10 hereby insured against where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

12. Damage to any Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media) and Ancillary Equipment Programs and Data where there is a Computer All Risks Section forming part of this Policy
13. Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from any of the Insured Perils 1 5 and 10 hereby insured against
14. Damage to Property outside the Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America
15. Damage in respect of jewellery precious stones precious metals bullion furs curiosities works of art or rare books unless specifically mentioned as insured by this Section

## Endorsements

The following endorsements are only operative if shown on the Property Damage Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

### **PD02. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Insured Peril 4 (a) is restated as follows

#### 4. Theft or attempted Theft of Property Insured

- (a) from the Premises in the following circumstances
  - (i) from the buildings (but not outbuildings or grounds) at the Premises
  - (ii) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
  - (iii) from within the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons

and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

### **PD03. Stock Declaration**

Where stated in the Schedule the insurances by item(s) on Stock are subject to the following conditions

- (a) The first and annual premiums for the item(s) are provisional and are subject to adjustment as hereinafter provided
- (b) The separate value of the Property Insured by each such item shall be declared in writing by the Named Insured to the Company either monthly or quarterly as previously agreed and if a declaration be not so given the Named Insured shall be deemed to have declared the Sum Insured by the item(s) on the declaration date as the value
- (c) Unless noted to the contrary in the Schedule the dates on which values are to be calculated shall be

- (i) monthly declarations - last day of each month
- (ii) quarterly declaration - last day of March, June, September and December

the declared values to reach the Company within thirty days of the declaration date

- (d) On the expiry of each Period of Insurance, the actual premium required shall be calculated by applying the agreed rates per cent per annum to the average amount(s) declared, i.e. the total of the sum declared divided by the number of declarations. If the actual premium be greater than the first premium (or, in the case of the second and subsequent Periods of Insurance, the annual premium), the Named Insured shall pay the difference, if it be less the difference shall be repaid to the Named Insured
- (e) Any other stock and materials in trade insurance shall be deemed to be on an identical wording with this insurance

# Optional Extension Clause - Goods in Transit

## Definitions

The following terms shall have the following meaning

### 1. Any One Loss Limit

The words 'Any One Loss Limit' shall mean the maximum amount which the Company will pay in respect of any one Event

### 2. Property

The words 'Property' for the purposes of this Optional Extension Clause shall mean Stock and tools used in connection with the Business belonging to or the responsibility of the Named Insured

## Cover

Notwithstanding Section Exclusions 5(b) and 7 this Section extends to indemnify the Insured subject to the Any One Loss Limit by payment (or at the Company's option by repair reinstatement or replacement) for Damage to the Property whilst In Transit by the method of conveyance shown in the Schedule

- (a) anywhere in the Geographical Limits shown in the Schedule including sea or air transits between these territories in respect of method of conveyance A and B (other than by parcel post) where insured

and

- (b) anywhere in the world in respect of the method of conveyance by parcel post where insured

in connection with the Business during the Period of Insurance

In addition the Company will

1. pay costs and expenses necessarily incurred by the Named Insured up to 10% of the Schedule limits in
  - (a) removing or reloading the Property or any part thereof
  - (b) removing debris of such Property
  - (c) dismantling or breaking up such Property

following damage to or spillage of the Property from any road vehicle or trailer following an accident to such vehicle or trailer

2. pay salvage or general average costs where applicable

3. indemnify for Damage to tarpaulins chains sheets and ropes belonging to or the responsibility of the Named Insured arising out of an Event which is otherwise the subject of indemnity under this Optional Extension Clause subject to a limit of £500 any one Event

## Exclusions

- A. The insurance provided under this Extension does not cover Damage to
1. explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
  2. jewellery precious stones precious metals bullion furs curiosities works of art or rare books wines spirits or tobacco
  3. Property resulting from dishonesty fraudulent action trick device or other false pretence of any Employee of the Named Insured
  4. Property
    - (a) whilst In Transit by method of conveyance A caused by theft or attempted theft of the Property
      - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
      - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
      - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
      - (iv) where Property is otherwise left unattended (which term shall mean that the Named Insured or any person

to whom the Named Insured has entrusted the Property Insured into their care custody and control is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room

- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
  - (i) storm tempest water hail frost or snow
  - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
- 5. Property placed on the open deck of a vessel unless packed in a secured container or secured hard topped vehicle or trailer
- 6. Property caused by or attributable to defective packing or incorrect or insufficient addressing
- 7. Property carried by or despatched by the Named Insured for hire or reward
- 8. Property stored at rental or under contract for storage packing and / or distribution
- 9. Property caused by or arising out of mechanical or electrical breakdown or derangement wear and tear action of light deterioration mildew moth vermin and the like unless external Damage has occurred
- 10. Property caused by bruising scratching chipping or denting
- 11. furniture glass or other brittle objects unless caused by fire theft or accident to the mode of carriage

**B. The Company will not be liable in respect of**

- 1. mysterious loss or unexplained inventory shortages
- 2. loss of market or consequential loss of any kind or description whatsoever
- 3. Damage to Property outside the Territorial Limits (where the insurance provided by this Extension so provides) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America

THE TERMS OF THIS OPTIONAL EXTENSION CLAUSE ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS

# Optional Extension Clause - Money & Personal Accident (Assault)

## Definitions

The following terms shall have the following meaning

1. The term 'Employee' for the purposes of this Optional Extension Clause shall mean a person employed under a contract of service or apprenticeship with the Named Insured
2. The term 'Business Hours' shall mean the Named Insured's usual business hours (including overtime) during which the Named Insured his directors partners or Employees entrusted with the Money are on the Business Premises for the purpose of the Business
3. The term 'Insured Person' shall mean
  - (a) the Named Insured or any director partner or Employee of the Named Insured
  - (b) any person to whom the Named Insured has entrusted money other than an employee of a professional security company or organisation
4. The term 'Loss of Limb' shall mean loss by physical severance at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg

## Part A — Money Cover

Notwithstanding Section Exclusion 5(a) this Section extends to indemnify the Named Insured following the undernoted events subject to the limits specified in the Schedule or as hereunder

1. Loss of Money the property of the Named Insured or for which the Named Insured is responsible in the course of the Business
  - (a) on the Named Insured's Business Premises
  - (b) In Transit
  - (c) deposited in bank night safe until removed by a bank official
  - (d) at the private dwelling houses of the Named Insured's directors partners or authorised Employees

- (e) in the custody of representatives of the Named Insured for twenty four hours from the time of receipt or until the next working day whichever is the later
  - (f) on sites of contracts or exhibitions whilst the Named Insured's Employees are working thereat
2. Damage to any case bag or waistcoat used for the carriage of Money following theft of Money or any attempt thereat occurring in the course of the Business up to a limit of £500 any one Event
  3. Damage to safe(s) strongroom(s) or franking machine(s) resulting from theft of Money or any attempt thereat
  4. Damage to clothing and personal effects belonging to the Named Insured or any director partner or Employee of the Named Insured following theft of Money or any attempt thereat occurring in the course of the Business up to a limit of £500 any one Event

## Conditions

1. The Insured shall comply with the following
  - (a) a complete record shall be kept of Money In Transit and at the Business Premises but this shall not apply to petty cash floats at the Business Premises where the total amount of such floats does not exceed £100 in total any one Event
  - (b) such record shall be deposited in a secure place other than in the safe(s) and/or strongroom(s) containing the Money
  - (c) outside Business Hours the safe(s) and/or strongroom(s) shall be kept locked and the keys thereof shall not be left on the Business Premises unless the Business Premises are occupied by the Named Insured or an authorised Employee in which case such keys if left on the Business Premises shall be deposited in a secure place not in the vicinity of the safe(s) and/or strongroom(s)
  - (d) the Named Insured shall maintain the following minimum standards of precaution for the safety of Money In Transit at all times
    - (i) The times of transits routes and conveyances used shall be varied as far as possible
    - (ii) All persons engaged in the transit of Money shall be able-bodied adults
    - (iii) In respect of any one transit the following minimum number of able-bodied adults shall carry the Money which shall be divided equally between them

Amount	No. Of Persons
£1 to £2,500	1
£2,501 to £7,500	2
£7,501 to £10,000	3
£10,001 and over	Specialist Security Company

## Part B - Personal Accident (Assault) Cover

### Exclusions

1. The insurance provided under this Extension does not cover
  - (a) shortages due to clerical or accounting errors
  - (b) loss due to the fraud or dishonesty of any director partner or Employee of the Named Insured
    - (i) not discovered within seven working days of the occurrence
    - (ii) more specifically insured by any other policy or policies except in respect of any excess beyond the amount payable under such other policy or policies
  - (c) loss or damage arising elsewhere than in Great Britain Northern Ireland the Isle of Man and the Channel islands
  - (d) loss of Money from
    - (i) vending and/or gaming machines and/or automated money operated machinery
    - (ii) unattended vehicles
  - (e) loss resulting directly or indirectly from forgery fraudulent alteration or substitution or fraudulent use of a computer or electronic transfer
  - (f) notwithstanding exclusion (e) above loss caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude loss not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe
  - (g) loss arising from depreciation in value or due to dishonoured cheques
  - (h) loss suffered as the result of a business transaction

The Company shall in addition pay to the Named Insured the amount of the Benefit specified in the Schedule in respect of the Contingencies happening to an Insured Person as a result of theft or attempt thereof arising in the course of the Business

### Contingencies

Bodily injury caused by violent accidental external and visible means resulting directly solely and independently of other causes in

#### Contingencies

Bodily injury caused by violent accidental external and visible means resulting directly solely and independently of other causes in

- |  |   |  |
|--|---|--|
| <ol style="list-style-type: none"> <li>1. Death</li> <li>2. Permanent loss of all sight in one or both eyes</li> <li>3. Loss of one or more limbs</li> </ol> | } | <p>Occurring within twenty four months of bodily injury as aforesaid</p> |
|--|---|--|
4. Temporary total disablement from engaging in or giving attention to an Insured Persons' profession or occupation commencing within 12 calendar months of bodily injury as aforesaid
  5. Permanent and total disablement (other than by Loss of Limbs or sight) which on the expiration of 104 weeks from the date of such bodily injury shall permanently and totally disable an Insured Person from following or engaging in or giving attention to any kind of profession or occupation

### Conditions

1. (a) This insurance applies only to
  - (i) persons between the ages of 16 and 70 years at the commencement of the Period of Insurance
  - (ii) contingencies occurring within Great Britain Northern Ireland the Isle of Man and the Channel Islands
- (b) Benefit cannot be paid under more than one of the contingencies 1 to 3 and 5 in connection with the same injury



- (c) Payment of a claim under one of the contingencies 1 to 3 and 5 will end the cover granted in so far as it applies to the Insured Person concerned
- (d) The benefit under contingency 4 shall not be payable for more than 104 weeks in respect of any one injury calculated from the date of commencement of disablement
- (e) If and when benefit becomes payable under any of contingencies 1 to 3 or 5 weekly benefit being paid in connection with the same injury will cease and any weekly benefit already paid under contingency 4 will be deducted from the Benefit payable under contingencies 1 to 3 or 5
- (f) All certificates information and evidence required by the Company shall be furnished at the expense of the Named Insured and shall be in such form and of such nature as the Company may prescribe An Insured Person as often as required shall submit to medical examination on behalf of the Company at his own expense in respect of any alleged bodily injury The Company shall in the event of the death of an Insured Person be entitled to have a post-mortem examination at its own expense

THE TERMS OF THIS OPTIONAL EXTENSION CLAUSE (PART A / PART B) ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS

# Optional Extension Clause - Deterioration of Stock

## Definitions

The following terms shall have the following meaning

**1. Plant**

The word 'Plant' shall mean as described in the Schedule situate at the Premises identified by the 'Premises Code' shown against the item of Property Insured and detailed in the List Of Premises And Other Locations Schedule

**2. Property and Property Insured**

The words 'Property' and 'Property Insured' for the purposes of this Optional Extension Clause shall mean as described in the Schedule being the property of the Named Insured or for which they are legally responsible

## Cover

It is agreed that loss as insured by this Section extends to indemnify the Named Insured for Damage to Property Insured described in the Schedule or any part thereof whilst contained in the Plant by deterioration contamination putrefaction or howsoever otherwise Damaged caused by

- (a) rise or fall in temperature in consequence of
  - (i) the failure of the Plant due to its own inherent devices or accidental means
  - (ii) the accidental failure of the public supply of electricity at the terminal end of the electric authority's service feeders at the Premises including (notwithstanding anything herein to the contrary) accidental failure solely due to destruction or damage by fire lightning explosion or earthquake elsewhere than at the said Premises
- (b) accidental leakage of refrigerant or refrigerant fumes

The Company will by payment or at its option by reinstatement indemnify the Named Insured against such Damage

Provided that the liability of the Company under this Extension during any one Period of Insurance shall not exceed

- (a) in respect of any one item of the Property the sum set opposite thereto in the Schedule to this Extension

- (b) in respect of all Damage the Total Sum Insured under this Extension

## Exclusions

The Company shall not be liable under this Extension in respect of

1. consequential loss of any kind
2. Damage occasioned by failure of the public supply of electricity occasioned by the deliberate act of any Electricity Authority or by the exercise by any such Authority of its power to withhold or restrict supply
3. Damage due to failure to comply with the Manufacturers instructions or the use of components not approved by the Manufacturers
4. Damage occasioned by error in operation of the Plant
5. Damage as a result of failure of any Plant which is over 10 years old

## Conditions

1. The Named Insured shall take all reasonable precautions for the safety of the Property and immediately upon having knowledge of any event giving rise or likely to give rise to a claim under this Extension shall give immediate notice thereof to the Company and the Company's risk in respect of the Plant shall forthwith cease until the said Plant shall have been repaired to the satisfaction of the Company
2. The Named Insured shall ensure that all Plant is serviced in accordance with the manufacturers' recommended standards

THE TERMS OF THIS OPTIONAL EXTENSION CLAUSE ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS

# Business Interruption Section

## Definitions

### 1. Business Premises

The words 'Business Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it which the Named Insured own occupy or are responsible for

### 2. Damage

The word 'Damage' shall mean for the purposes of this Section loss or destruction of or damage

### 3. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

### 4. Glass

The word 'Glass' shall mean flat annealed fixed glass toughened and laminated glass illuminated signs and electric light fittings at the Business Premises

### 5. In Transit

The words 'In Transit' shall mean whilst in the course of a journey by any means including the process of

- (i) loading and unloading
- (ii) temporarily housing during transit for a period of no more than 30 days (excluding storage at rental or under contract for storage packing and/or distribution)

and concluding when the property has either been placed at the Premises or receipt acknowledged by a consignee

### 6. Indemnity Period

The words 'Indemnity Period' shall mean the period beginning when the Damage occurs and ending when the results of the Business cease to be affected by the Damage but not exceeding the Maximum Indemnity Period (as shown in the Schedule)

### 7. Insured Peril

The words 'Insured Peril' shall mean any of the Insured Perils 1 to 13 as detailed in that part of the Property Damage Section of this Policy headed 'INSURED PERILS' whether operative under the Property Damage Section or not and for the purpose of this definition

- (a) Insured Peril 1 is extended to include explosion of any boiler or economiser on the Business Premises
- (b) any term defined therein which does not appear within the definitions to this Business Interruption Section shall be given the same meaning in this Business Interruption Section in so far as the context requires

### 8. Media

The word 'Media' shall mean solely the materials on which Data and/or Programs are recorded

### 9. Programs

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

### 10. Working Hours

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

## Cover

If any building or other property or part thereof used by the Named Insured at the Business Premises identified against each item in the Schedule for the purpose of the Business be the subject of Damage by any Insured Peril during the Period of Insurance and in consequence the Business at such Business Premises carried on by the Named Insured be interrupted or interfered with then the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in respect of each item in the Schedule in accordance with the Basis of Settlement identified by the Basis of Settlement Code shown against the item in the Schedule

Provided that

1. at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Named Insured in the property at the Business Premises (or elsewhere where loss as insured hereunder is so extended to apply in respect of property belonging to the Named Insured or for which they are legally responsible) against such Damage and that
  - (a) payment shall have been made or liability admitted therefor
  - (b) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the Company under this Section shall not exceed
  - (a) in the whole the Total Sum Insured or in respect of 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 (or Limit other than where otherwise stated as applying in respect of any one Event) remaining after deduction for any other loss destruction or interference consequent upon Damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such Sum Insured (or Limit)

# Memoranda

## 1. Opening and Closing Stocks

The amounts of the opening and closing stocks and works in progress shall be arrived at in accordance with the Named Insured's normal accountancy methods with due provision being made for depreciation

## 2. Accountants

Any particulars or details in the Named Insured's books of account or other business books or documents which may be required by the Company under General Condition 6 of the Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Named Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company will pay to the Named Insured the reasonable charges payable by the Named Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Company under the terms of General Condition 6 of the Policy and reporting that such particulars or details are in accordance with the Named Insured's books of account or other business books or documents

Provided that the liability of the Company payable under this Clause when aggregated with any amount otherwise payable under the Section shall in no case exceed the Total Sum Insured by this Section

## 3. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

## 4. Current Cost Accounting

For the purpose of this Section any adjustment implemented in current cost accounting shall be disregarded

## 5. Value Added Tax

To the extent that the Named Insured is accountable for Value Added Tax to the authorities all terms in this Section shall be exclusive of such tax

## 6. Alternative Trading

If goods be sold or services rendered during the Indemnity Period elsewhere than at the Business Premises for the benefit of the Business either by the Named Insured or by others on the Named Insured's behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover or Rent Receivable or Gross Revenue (as insured) during the Indemnity Period

## 7. Payments on Account

Any claim settlement payments will be made to the Named Insured monthly during the Indemnity Period if desired

## 8. Accumulated Stock

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on the Named Insured's Business Premises

## 9. Salvage Sale (applicable only to Basis of Settlement Code GP or DLGP or GPFL)

If following Damage giving rise to a claim under this Section the Named Insured shall hold a salvage sale during the Indemnity Period the term Reduction in Turnover shall for the purpose of such claim read as follows

'The term Reduction in Turnover means the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the turnover for the period of the salvage sale) shall in consequence of the Damage fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale'

## 10. Programs and Data

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs and/or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Business Premises where the Media on which the Programs are recorded is situate
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Business Premises where the Media on which the Data is recorded is situate

## 11. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any building or part thereof at the Business Premises becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied building or part thereof becomes occupied

## 12. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which they are responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service



that complies with the statutory regulations applying in respect of such vessel machinery or apparatus

# Basis of Settlement - Gross Profit: Code GP

The insurance under this item is limited to loss of Gross Profit due to

**(a) Reduction in Turnover**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

- (a) in respect of **Reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and the expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

Provided always that if the Sum Insured by this item shall be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionally reduced

## Special Definitions

**Gross Profit**

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

**Turnover**

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Business Premises

**Uninsured Working Expenses**

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Named Insured

**Rate of Gross Profit**

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

**Annual Turnover**

The words 'Annual Turnover' shall mean the Turnover during the twelve months immediately before the date of the Damage

**Standard Turnover**

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memoranda

**Uninsured Standing Charges**

If any standing charges of the Business be not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the sum of the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges

**Return of Premium**

In the event of the Gross Profit (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the such Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this Item such return shall be made in respect only of so much of this difference as is not due to the Damage

# Basis of Settlement – Declaration Linked Gross Profit: Code DLGP

The insurance under this item is limited to loss of Gross Profit due to

**(a) Reduction in Turnover**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

- (a) in respect of **Reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and the expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

**Limit of Liability**

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Gross Profit 133 1/3% of the Estimated Gross Profit stated herein nor in the whole the sum of 133 1/3% of the Estimated Gross Profit and 100% of the Sums Insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Company

## Special Definitions

**Gross Profit**

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

**Estimated Gross Profit**

The amount declared by the Named Insured to the Company as representing not less than the Gross Profit which it is anticipated will be earned by the Business during

the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months)

**Turnover**

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Business Premises

**Uninsured Working Expenses**

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Named Insured

**Rate of Gross Profit**

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

**Standard Turnover**

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memoranda

**Uninsured Standing Charges**

If any standing charges of the Business be not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the sum of the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges

**Renewal**

The Insured shall prior to each renewal furnish the Insurer with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing year of insurance





### **Premium Adjustment**

The First and Renewal Premiums in respect of Insured Items are provisional and are based on the Estimated Gross Profit for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Gross Profit the above-mentioned declaration shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Gross Profit for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Profit but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Profit for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit

# Basis of Settlement - Gross Profit: Flexible Limit of Loss: Code GPFL

The insurance under this item is limited to loss of Gross Profit due to

**(a) Reduction in Turnover**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

(a) in respect of **Reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover

(b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

less any sum saved during the Indemnity Period in respect of the charges and the expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

Provided that the maximum amount payable under this item is limited to the Sum Insured stated in the Schedule

## Special Definitions

**Gross Profit**

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

**Turnover**

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for the services rendered in course of the Business at the Business Premises

**Uninsured Working Expenses**

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Named Insured

**Rate of Gross Profit**

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

**Standard Turnover**

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memorandum

**Uninsured Standing Charges**

If any standing charges of the Business be not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the sum of the Gross Profit bears the sum of the Gross Profit and the uninsured standing charges

## **Basis of Settlement - Additional Increase in Cost of Working: Gross Profit: Code AICWGP**

The insurance under this item is limited to such further Additional Increase in Cost of Working beyond that recoverable under clause (b) 'In Respect of Increase in Cost of Working' of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the reduction in Turnover

# Basis of Settlement - Gross Revenue: CODE GR

The insurance under this item is limited to

**(a) Loss of Gross Revenue**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

- (a) in respect of **Loss of Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured by this item be less than the Annual Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

## Special Definitions

**Gross Revenue** The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

**Standard Revenue**

The Gross Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

**Annual Revenue**

The Gross Revenue during the twelve months immediately before the date of the Damage

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memorandum

**Return of Premium**

In the event of the Gross Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceed twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the such Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this item such return shall be made in respect only of so much of this difference as is not due to the Damage

# Basis of Settlement - Declaration Linked Gross Revenue: Code DLGR

The insurance under this item is limited to

**(a) Loss of Gross Revenue**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

- (a) in respect of **Loss of Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Limit of Liability - Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Gross Revenue 133 1/3% of the Estimated Gross Revenue stated herein nor in the whole the sum of 133 1/3% of the Estimated Gross Revenue and 100% of the Sums Insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Company

## Special Definitions

**Gross Revenue** The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

**Estimated Gross Revenue** - The amount declared by the Named Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months)

**Standard Revenue**

The Gross Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memoranda

**Renewal**

The Insured shall prior to each renewal furnish the Insurer with the Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing year of insurance

**Premium Adjustment**

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Gross Revenue for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Gross Revenue the above-mentioned declaration shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Gross Revenue was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Gross Revenue for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Revenue but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Revenue for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Revenue

# Basis of Settlement - Gross Revenue Flexible Limit of Loss: Code GRFLL

The insurance under this item is limited to

**(a) Loss of Gross Revenue**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity thereunder shall be

- (a) in respect of Loss of **Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Provided that the maximum amount payable under this item is limited to the Sum Insured stated in the Schedule

## Special Definitions

**Gross Revenue** The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

**Standard Revenue**  
The Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## **Basis of Settlement - Additional Increase in Cost of Working: Gross Revenue: Code AICWGR**

The insurance under this item is limited to such further Additional Increase in Cost of Working beyond that recoverable under clause (b) 'In Respect of Increase in Cost of Working' of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the reduction in Gross Revenue

# Basis of Settlement - Rent Receivable: CODE RR

The insurance under this item is limited to

**(a) Loss of Rent Receivable**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity hereunder shall be

(a) in respect of **Loss of Rent Receivable** the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable

(b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the reduction in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business normally payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured by this item be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

## Special Definitions

### Rent Receivable

The money paid or payable to the Named Insured for accommodation and services provided in respect of the letting of the Business Premises shown in the Schedule including any additional rent which would have been received as a result of an increase in rent following a rent review

### Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Damage

### Standard Rent Receivable

The Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memorandum

### Return of Premium

In the event of the Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this item such return shall be made in respect only of so much of this difference as is not due to the Damage



# Basis of Settlement - Declaration Linked Rent Receivable: CODE DLRR

The insurance under this item is limited to

**(a) Loss of Rent Receivable**

and

**(b) Increase in Cost of Working**

and the amount payable as indemnity hereunder shall be

- (a) in respect of **Loss of Rent Receivable** the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable
- (b) in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the reduction in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business normally payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage

**Limit of Liability**

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Rent Receivable 133 1/3% of the Estimated Rent Receivable stated herein nor in the whole the sum of 133 1/3% of the Estimated Rent Receivable and 100% of the Sums Insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Company

## Special Definitions

**Rent Receivable**

The money paid or payable to the Named Insured for accommodation and services provided in respect of the letting of the Business Premises shown in the Schedule including any additional rent which would have been received as a result of an increase in rent following a rent review

**Estimated Rent Receivable**

The amount declared by the Named Insured to the Company as representing not less than the Rent Receivable which it is anticipated will be received by the Named Insured during the financial year most nearly

concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months)

**Standard Rent Receivable**

The Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

## Additional Memoranda

**Renewal**

The Named Insured shall prior to each renewal furnish the Insurer with the Estimated Rent Receivable for the financial year most nearly concurrent with the ensuing year of insurance

**Premium Adjustment**

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Rent Receivable for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each Period of Insurance a declaration confirmed by the Insured's auditors of the Rent Received during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Rent Receivable the above-mentioned declaration shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Rent Receivable was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Rent Receivable for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated



Rent Receivable but not exceeding 50% of such premium

- (b) is greater than the Estimated Rent Receivable for the relative Period of Insurance the Insured shall pay a pro- rata addition to the premium paid on the Estimated Rent Receivable

# Basis of Settlement – Research and Development Expenditure: Code RDE

The indemnity under this item is limited to the loss sustained by the Named Insured in consequence of the Damage in respect of

(a) Research and Development Expenditure

and

(b) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be:

(a) in respect of Research and Development Expenditure for each working week in the Indemnity Period during which the activities of the Business are in consequence of the Damage

(i) Totally Interrupted or totally given over to the re-working of projects affected by the damage the Insured Amount per week

(ii) Partially Interrupted or partially given over to the re-working of projects affected by the Damage - an equitable portion of the Insured Amount per week based upon the time rendered ineffective by reason of the Damage

(b) in respect of Increase in Cost of Working the additional expenditure reasonably and necessarily incurred by the Named Insured solely in consequence of the Damage in order to minimise the interruption but the amount payable under this heading shall not exceed the additional amount payable under (a) for loss of Research and Development Expenditure if no such Increase in Cost of Working had been incurred

less any sum saved during the Indemnity Period in respect of such Research and Development expenses as may cease or be reduced in consequence of the Damage

provided that if the Sum Insured hereby is less than the Annual Research and Development Expenditure the amount payable under (a) and (b) hereof shall be proportionately reduced

# Special Definitions

**Research and Development Expenditure** - The total expenditure on research by the Named Insured at the Business Premises less the relative cost of raw materials consumed

**Insured Amount Per Week –**

One fiftieth part of the Research and Development Expenditure incurred during the financial year immediately before the date of the Damage

**Annual Research and Development Expenditure –**

The aggregate amount of the Research and Development Expenditure incurred during the twelve months immediately before the date of the Damage

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

# Additional Memorandum

**Premium Adjustment**

In the event of the Research & Development Expenditure during the accounting period of twelve months most nearly concurrent with any period of insurance being less than the respective sum insured thereon a pro- rata return of premium not exceeding 50% of the premium paid on such sum insured for such period of insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this Section such return shall be made only in respect of so much of the said difference as is not due to such Damage

## **Basis of Settlement - Increase in Cost of Working: Code ICW**

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the interruption of or interference with the Business which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage Additional expenditure would be deemed to include the cost of removal to and from temporary premises and expenses incidental thereto increase in rent rates and taxes salaries of additional staff and overtime payments

The Company's liability shall not exceed in respect of the first three months of the Indemnity Period one half of the Sum Insured and for each of the succeeding months within the Indemnity Period one equal pro-rata part of the balance after deducting the amount payable in respect of the first three months

# Extensions

The following extensions are operative only where stated as 'applicable' in the Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

Provided that the limit of the Company's liability under

- (i) each extension except extension 10 in respect of any one Event
- (ii) extension 10 in any one Period of Insurance

shall not exceed

- (a) the percentage of the total of the Sums Insured by each applicable insured item (or 1331/3% of the Estimated Sums Insured if the basis of settlement is Declaration Linked)

or

- (b) the amount

as specified in the Schedule

## 1. Prevention of Access

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to the surrounding areas and/or to property in the vicinity of the Business Premises which shall prevent or hinder the use thereof or access thereto whether the Premises or property of the Named Insured shall be damaged or not but excluding Damage to property of any supply undertaking from which the Named Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Business Premises

## 2. Public Utilities - Electricity

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any generating station or sub-station of the public electricity supply undertaking from which the Named Insured obtains electricity

## 3. Public Utilities - Gas

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the Named Insured obtains gas

## 4. Public Utilities - Telecommunication

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of any public telecommunications undertaking from

which the Named Insured obtains telecommunications services

## 5. Public Utilities - Water

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any water works or pumping station of the public water supply undertaking from which the Named Insured obtains water

## 6. Specified Suppliers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's suppliers specified in the Schedule

## 7. Specified Customers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's customers specified in the Schedule

## 8. Unspecified Suppliers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's suppliers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

## 9. Unspecified Customers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of any of the Named Insured's customers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

## 10. Infectious Diseases etc

It is agreed that loss as insured by this Section extends to include loss as insured hereunder directly resulting from interruption of or interference with the Business carried on by the Named Insured at the Business Premises in consequence of

1. Infectious Disease manifested by any person whilst at the Business Premises which results in closure of the whole or part of the Business Premises
2. an outbreak of a Infectious Disease within 10 miles of the Business Premises
3. an outbreak of legionella species at the Business Premises which results in closure of the whole or part of the Business Premises by the order of a competent local authority
4. murder manslaughter or suicide occurring at the Business Premises
5. bodily injury occurring at the Business Premises

6. closing of the whole or part of the Business Premises by the order of a competent local authority as a result of
  - (a) defects in the drains or other sanitary arrangements at the Business Premises
  - (b) the Business Premises becoming infested with vermin or pests
7. or attributable to food or drink supplied from the Business Premises

Provided that Memoranda 3 — Automatic Reinstatement shall not apply to this extension

### Clause Definitions

#### Infectious Disease

The term 'Infectious Disease' shall mean

- (i) Food or Drink poisoning
- (ii) Cholera  
Plague  
Relapsing fever  
Smallpox  
Typhus
- (iii)
 

Acute encephalitis	Mumps
Acute poliomyelitis	Ophthalmia neonatorum
Anthrax	Paratyphoid fever
Chicken Pox	Rabies
Diphtheria	Rubella
Dysentery	Scarlet fever
(amoebic or bacillary)	Tetanus
Leprosy	Tuberculosis
Leptospirosis	Typhoid fever
Malaria	Viral haemorrhagic fever
Measles	Viral hepatitis
Meningitis	Whooping cough
Meningococcal septicaemia (without meningitis)	Yellow fever

#### Indemnity Period

For the purpose of this extension 'Indemnity Period' means the period during which the results of the Business shall be affected in consequence of the matters set out at 1 to 7 above beginning

- (i) in the case of 1 2 4 5 and 7 above with the occurrence or discovery of the incident
- (ii) in the case of 3 and 6 above with the date from which the restrictions on the Business Premises are applied

and ending not later than three months thereafter

#### 11. Transit

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst In

Transit by road rail or inland waterway in Great Britain Northern Ireland the Isle of Man or the Channel Islands provided that no liability shall attach in respect of any loss arising from delay or loss of use of the conveying road or rail vehicle or waterborne craft

#### 12. Contract Sites

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured at any situation in Great Britain Northern Ireland the Isle of Man or the Channel Islands not in the occupation of the Named Insured where the Named Insured is carrying out a contract

#### 13. Property Stored

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst stored anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands elsewhere than any premises in the occupation of the Named Insured

#### 14. Loss of Attraction

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property in the vicinity of the Business Premises which shall cause loss of custom to the Named Insured directly due to loss of amenities in the immediate vicinity of the Business Premises whether the Business Premises or the property of the Named Insured therein shall be damaged or not

#### 15. Exhibition Sites

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst at any situation not in the occupation of the Named Insured where the Named Insured is exhibiting his goods for sale

#### 16. Exhibition Loss of Expenses

It is agreed that this Section extends to indemnify for Exhibition Loss of Expenses sustained by the Named Insured as a result of Damage to

- (a) any building stand marquee or similar erection or other property or any part thereof used by the Named Insured at the exhibition premises
- (b) exhibition property of the Named Insured used in connection with the exhibition while in transit to or from the exhibition premises or whilst at the exhibition premises

at which the Named Insured is exhibiting at any time before the advertised public closing time of the exhibition and the exhibition being abandoned or interfered with in consequence thereof

Definition applying to this extension

The words 'Exhibition Loss of Expenses' shall mean expenses directly incurred in connection with the exhibition including advertising printing stationery charges for space and services hire of stand transport charges and the cost of installing stands fittings and exhibits

## 17. Fines and Damages

It is agreed that this Section extends to indemnify for fines and damages for breach of contract that the Named Insured shall be legally liable to pay for non-completion or late compliance of orders solely in consequence of the Damage at the Business Premises

## 18. Bomb (Hoax or Actual)

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business at the Business Premises directly in consequence of the actual or suspected presence of an incendiary or explosive device

(A) within the Business Premises

(B) or in the vicinity of the Business Premises

which shall prevent or hinder the use of the Business Premises or access thereto

Provided that

- (a) the liability of the Company shall be limited to providing indemnity in respect of interruption or interference during
  - (i) in respect of (A) above the actual period of closure of the Business Premises
  - (ii) in respect of (B) above the actual period for which the use of the Business Premises is prevented or hindered or access denied
- (b) closure of the Business Premises or surrounding area is made at the request of the appropriate competent authority
- (c) loss resulting from interruption to or interference with the Business not exceeding two hours in duration is excluded
- (d) loss resulting from interruption to or interference with the Business in consequence of any Damage caused by the device (as opposed to its presence or suspected presence) is excluded

# Optional Extension Clause — Outstanding Debit Balances

The following extension is only operative if it appears on the Business Interruption Section Schedule with a sum insured and subject otherwise to the terms conditions and exclusions of the Section and the Policy

It is agreed that loss as insured by this Section extends to include untraceable or unestablishable Outstanding Debit Balances in whole or in part due to the Named Insured as a result of the Named Insured's books of account or other business books or records being the subject of Damage as insured by this Section

Then the Company will pay to the Named Insured the amount of loss resulting from such Damage in accordance with the provisions contained herein subject to the Sum Insured specified in the Schedule in respect of any one claim or claims arising from an Event

In respect of Outstanding Debit Balances directly due to such Damage the amount payable in respect of any one occurrence of Damage shall not exceed

- (i) the difference between
  - (a) the Outstanding Debit Balances and
  - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the Company in tracing and establishing customers' debit balances after the Damage

provided that if the Sum Insured by this item be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced

The Named Insured shall ensure that the books of account or other business books or records in which customers' accounts are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use

'Outstanding Debit Balances' shall mean the total declared in the statement last given in accordance with the provisions of the Note below adjusted for

- (a) bad debts
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of Damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage
- (c) any abnormal condition of trade which had or could have had a material effect on the business

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred

## Note

The Named Insured shall within thirty days of the end of each month prepare and retain a signed statement showing the total amount outstanding in customers' accounts as set out in the Named Insured's accounts as at the end of the said month

On the expiry of the Period of Insurance the actual premium shall be calculated at the rate per cent per annum on the average amount insured i.e. the total of the sums declared divided by the number of declarations If the actual premium shall be less than the premium paid for this cover the difference shall be repaid to the Named Insured but such repayment shall not exceed 50% of the said paid premium

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration then for the purposes of this memorandum only the Named Insured shall be deemed to have declared such a sum insured

In consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance

The burden of proving that any Outstanding Debit Balances are untraceable or unestablishable as a result of Damage shall be upon the Named Insured



# Exclusions

The insurance provided under this Section does not cover loss resulting from interruption to or interference with the Business

1. if after the commencement of this insurance
  - (a) the Business be wound up or permanently discontinued or the Named Insured becomes bankrupt or the Business is carried on by the liquidator(s)
  - (b) the interest of the Named Insured ceases other than by death
2. in consequence of Damage other than by an operative Insured Peril and is not otherwise excluded from the Insured Perils
3. in consequence of Damage caused by pollution or contamination but this shall not exclude Damage not otherwise excluded caused by
  - (a) pollution or contamination which itself results from any of Insured Perils 1-11
  - (b) any of the Insured Perils 1-11 which itself directly results from pollution or contamination
4. in consequence of Damage to property in or on soft topped open topped or open sided vehicles or trailers (to the extent that the insurance by this Section would otherwise apply) if caused by
  - (a) storm tempest water hail frost or snow
  - (b) malicious persons when the vehicle or trailer is left unattended out of Working Hours
5. in consequence of Damage caused by or consisting of
  - (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
  - (b) disappearance unexplained or inventory shortage misfiling or misplacing of information
6. in consequence of Damage in respect of (and or to property within) any building at the Business Premises which is unoccupied for a period of more than thirty consecutive days other than Damage caused by any of the Insured Perils 1 and 2 subject to the following Special Condition
 

**Special Condition**  
Notwithstanding General Condition 1 it is a condition precedent to liability under the Policy that

  - (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks
- (b) all services to be disconnected other than limited services required for security guards fire and burglar alarms unless otherwise agreed by the Company in writing
- (c) all letter boxes shall be sealed to prevent insertion of material
- (d) perimeter fences walls and gates shall be kept complete and maintained
- (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
- (f) vegetation surrounding such unoccupied buildings shall be kept down
- (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
7. in consequence of Damage in respect of
  - (a) Money
  - (b) property In Transit unless specifically mentioned as insured by this Section
8. in consequence of Damage to vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
9. in consequence of Damage in respect of
  - (a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
  - (b) land piers jetties bridges culverts or excavations
  - (c) livestock growing crops or trees

unless specifically mentioned as insured by this Section
10. in consequence of loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other insured Damage to property used by the Named Insured and is not otherwise excluded
11. in consequence of Damage caused by or consisting of breakdown or derangement of Computer and Telecommunication Equipment Media and Ancillary Equipment but this shall not exclude

- (a) such Damage which itself results from other Damage and is not otherwise excluded
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
12. in consequence of Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
- (a) correctly to recognise any date as its true calendar date
  - (b) to capture save retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) to capture save retain and /or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from any of the Insured Perils 1 2 3 4 7 8 9 and 10 where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

13. in consequence of Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from any of the Insured Perils 1 5 and 10
14. in consequence of Damage caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services but this shall not exclude
- (a) such Damage which itself results from other Damage and is not otherwise excluded
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
15. in consequence of Damage to property of the Named Insured outside the Territorial Limits (where loss as insured by this Section so provides) where such property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America

## Endorsements

The following endorsements are only operative if shown on the Business Interruption Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

**BI01. Public Utilities**

Loss as insured by each of Section extensions 2 3 4 and 5 where operative is hereby extended to include loss resulting from interruption to or interference with the Business in consequence of Damage to connecting pipes and cables between the premises of the utility undertaking as described in the particular Section extension and the terminal connecting point at the Business Premises

**BI03. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Insured Peril 4 (a) is restated as provided for in endorsement PD02 of the Property Damage Section

# Computer All Risks Section

## Definitions

In this Section the following terms shall have the following meanings

### 1. **Damage or Damaged**

The words 'Damage' or 'Damaged' shall mean for the purposes of this Section accidental loss or destruction of or damage

### 2. **Data**

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

### 3. **Fixed Media**

The words 'Fixed Media' shall mean Media integral to Computer and Telecommunication Equipment

### 4. **Indemnity Period**

The words 'Indemnity Period' shall mean the period beginning with the occurrence of an Insured Incident and ending not later than the last day of the period as specified in the Schedule under the title of 'Indemnity Period' during which the results of the Business shall be affected in consequence of the Insured Incident

### 5. **Insured Incident**

The words 'Insured Incident' shall mean

- (i) Damage insured by this Section
- (ii) Reinstatement of Data and Reinstatement of Programs insured by this Section
- (iii) Damage recoverable under guarantee or under a maintenance rental hire or lease agreement on the Property and for which there is not in force an insurance covering the interest of the Named Insured in the property for such Damage
- (iv) Damage to any item due to its own breakdown or derangement if a maintenance rental hire or lease agreement is not in force on such item
- (v) the accidental failure or fluctuation of the public supply of electricity at the terminal ends of the public supply authority's service feeders at the Premises in which the Property is situated not occasioned by the deliberate act of any supply authority nor the exercise by any such authority of its power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authority's property

- (vi) the accidental failure of the electricity supply in the distribution wiring within the Premises in which the Property is situated not occasioned by failures as in (v) above
- (vii) the accidental failure of any telecommunications system used in connection with the Property not occasioned by
  - (a) the deliberate act of any telecommunications authority nor the exercise by any such authority of its power to withhold or restrict operation of the system nor the inability of any such authority to maintain the system due to industrial action by any of its employees
  - (b) the use by the Named Insured of machinery and equipment which is not acceptable to the telecommunications authority as properly installed and compatible with the telecommunications system
- (viii) (a) Damage to the Premises in which the Property is situated or to any contents thereof or to property in the vicinity of the Premises and/or
  - (b) the exercise by any public and/or police authority of its powers for the sole purpose of safeguarding life

which prevents the Named Insured gaining access to and/or using the Computer and Telecommunication Equipment

### 6. **Media**

The word 'Media' shall mean solely the materials on which Data and/or Programs are recorded

### 7. **Premises and Business Premises**

The word 'Premises' shall mean the buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it

The words 'Business Premises' shall mean those Premises which the Named Insured own occupy or are responsible for

### 8. **Programs**

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

### 9. **Property and Property Insured**

The words 'Property' and 'Property Insured' shall mean as described in the Schedule

**10. Reinstatement of Data**

The words 'Reinstatement of Data' shall mean the reinstatement of Data following accidental loss distortion corruption or erasure of such Data

**11. Reinstatement of Programs**

The words 'Reinstatement of Programs' shall mean the reinstatement of Programs following accidental loss distortion corruption or erasure of such Programs

**12. Stock**

The word 'Stock' shall mean stock merchandise goods held in trust materials of trade and finished goods which the Named Insured owns or for which the Named Insured is responsible

**13. Unfixed Media**

The words 'Unfixed Media' shall mean Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured

**14. Working Hours**

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

## Cover

The Company will indemnify the Named Insured in accordance with the undernoted cover clauses following Damage as insured hereunder occurring during the Period of Insurance provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured

**1. Damage to Computer and Telecommunication Equipment Media and Ancillary Equipment**

In the event of Damage to the Property Insured described in the Schedule (other than by an excluded cause) the Company will pay to the Named Insured in accordance with the Basis of Settlement

Excluding accidental loss distortion corruption or erasure of Programs and Reinstatement of Programs and Reinstatement of Data or the value to the Named Insured of the Data contained therein

**2. Reinstatement of Programs**

In the event of accidental loss distortion corruption or erasure of Programs recorded on Media insured by Cover 1 the Company will pay the costs necessarily and reasonably incurred by the Named Insured in the Reinstatement of Programs but not for any Reinstatement of Data or the value to the Named Insured of the Data contained therein

**3. Reinstatement of Data**

In the event of accidental loss distortion corruption or erasure of Data recorded on Media insured by Cover 1 the Company will pay the costs necessarily and reasonably incurred by the Named Insured in the Reinstatement of Data but excluding the value to the Named Insured of the Data

**4. Increase in Cost of Working**

If the computer operations of the Business at the Premises or elsewhere as identified by the respective Premises Code or Location Code (and detailed in the List Of Premises and Other Locations Schedule) shown against the item(s) stated in the Schedule applying to this Cover 4 are interrupted or interfered with due to the occurrence during the Period of Insurance of an Insured Incident the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Named Insured during the Indemnity Period in consequence of such interruption or interference

# Extensions

The cover provided by this Section shall extend to include the following subject to the liability of the Company not exceeding in respect of each insured extension the limit stated in the Schedule in respect of any one Event

## 1. Removal of Debris

The Company will pay for costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

following a loss insured by this Section

The Company will not pay for any costs or expenses

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (ii) arising from the pollution or contamination of property not insured by this Section

## 2. Temporary Repairs and / or Expediting Costs

The Company will pay for costs necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by this Section

## 3. Incompatibility of Computer Records

The Company will pay for

- (a) costs of modification of Computer and Telecommunication Equipment including Fixed Media

or

- (b) costs of replacement of Unfixed Media

together with reinstatement of Programs and/or Data thereon

(whichever is less) to achieve compatibility in the event that loss or destruction of Computer and Telecommunication Equipment insured by this Section has resulted in undamaged Unfixed Media being incompatible with the replacement Computer and Telecommunication Equipment

## 4. Additional Property

The Insurance extends to include Damage to Property acquired after the commencement of the Period of Insurance for the period up to the next renewal date subject to the Company being notified in writing within 28 days of acquisition and the Insured paying or agreeing to pay such additional premium as the Company may reasonably require

## 5. Additional Rental

In the event of Damage insured by this Section to Property requiring replacement of a lease/hire agreement by a new contract for similar property the Company undertakes to pay any additional rental charges reasonably incurred

## 6. Accidental Discharge of Gas Flooding Systems

Where such gas flooding systems conform to the requirements of health and safety legislation the Company will pay for the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such systems

## Additional Cover

professional accountants for producing particulars of any claim for which indemnity is provided by Cover 4 Increase in Cost of Working

### **A. Consulting Engineers' Fees / Repair Investigation Costs**

The Company will pay said fees/costs incurred with the consent of the Company in conducting investigations and/or tests into possible repair reinstatement (whether or not successful) or replacement consequent upon Damage insured by this Section but not for preparing any claim

The Company's liability for such Damage and fees/costs shall not exceed in the aggregate the appropriate Sum Insured

### **B. Measures Taken in Avoidance of Impending Loss or Damage**

The Company will subject to the Sum Insured on Computer and Telecommunication Equipment Media and Ancillary Equipment pay costs incurred by the Named Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage insured by this Section

provided that

- (i) the impending Damage does not stem from any reasonable foreseeable cause and that Damage would be the natural outcome to be expected in the absence of such measure
- (ii) the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken
- (iii) the terms exclusions and conditions of this Section shall apply as if Damage had occurred

### **C. Automatic Reinstatement**

The amounts stated in this Section as Sums Insured will be automatically reinstated from the date of occurrence of any claim at additional premium to be agreed between the Company and the Named Insured except that the Company will not require additional premium if the total cost of the claim does not exceed £10,000

### **D. Waiver of Subrogation against Authorised Users**

Notwithstanding General Condition 8 the Company shall waive any rights of subrogation against any user of the Property provided that

- (i) such user has the authority of the Named Insured to use the Property and
- (ii) that such user shall as if he were the Named Insured observe fulfil and be subject to the terms exclusions and conditions of this Section

### **E. Professional Accountants' Charges**

The Company will subject to the Sum Insured shown in the Schedule in respect of Cover 4 Increase in Cost of Working pay to the Named Insured the reasonable charges payable by the Named Insured to their

### **F. Fire Extinguishing Expenses**

The insurance by this Section extends to include the costs incurred by the Named Insured in recharging replenishing or replacing fire extinguishing appliances (other than gas flooding systems) and replacing sprinkler heads in automatic sprinkler installations rendered necessary as a result of fire at the Business Premises for which liability is admitted under this Section



# Conditions

- 1. Fire Precautions** (applicable only if the devices described therein are installed at the Business Premises)

The Named Insured shall ensure that in respect of

- 1. Fire Break Doors and Shutters**  
all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order
- 2. Fire Extinguishing Appliances**  
all fire extinguishing appliances will be regularly inspected and maintained in efficient working order
- 3. Fire Alarm Installations and Automatic Sprinkler Installations**

the Named Insured shall

- (a) take all reasonable steps to
  - (i) prevent frost and other damage to the installations
  - (ii) subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
  - (iii) maintain ready access to the water supply control facilities
- (b) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (c) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (d) make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open
- (e) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (f) make a test at least once a week for the purpose of ascertaining the condition of (i) Brigade connection and (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 - As regards (i) where the Fire Brigade has given a written undertaking to carry out this test the Insured's responsibility will be confined to requirement (ii)

N.B. 2 - Where the circuit concerned in (i) is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (g) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 - Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) this test need not be made

- (h) remedy promptly any defect revealed by the above tests
- (i) give notice to the Company in relation to any automatic sprinkler installation if
  - (a) its water supply be turned off
  - (b) it becomes inoperative from any cause except for the purpose of testing maintenance or repair

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by escape of water from said installation until the alterations or repairs have been carried out and approved by the Company

## 2. Theft Precautions — Business Premises

The Named Insured shall ensure that

- 1) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to the Business Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business
- 2) where the Company have required an Intruder Alarm to be installed or if an Intruder Alarm is already installed on the Business Premises
  - (a) the Intruder Alarm must be maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company

- (b) a maintenance service contract with the installation company or as otherwise approved by the Company must be in force and the maintenance company immediately advised of any apparent defect in the Intruder Alarm or its signalling
- (c) the Intruder Alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
  - (i) the Intruder Alarm is put into full and effective operation including where the equipment permits any central station to which the Intruder Alarm is connected acknowledging the setting signal
  - (ii) the Intruder Alarm is regularly tested and is in full and efficient working order
- (d) immediate written notice shall be given to the Company if the Named Insured receives from the Police or security organisation warning of a possible or intended withdrawal of response to calls from the Intruder Alarm or of a reduced response level

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or attempted robbery where Police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

The words 'Intruder Alarm' include detection devices sensors detection circuit control and processing equipment power supplies audible and remote signalling including ancillary telecommunication systems

### 3. Underinsurance

The Sum Insured by each item of Computer and Telecommunication Equipment Media and Ancillary Equipment is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependant upon which Basis of Settlement applies and is detailed therein

### 4. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any building or part thereof in which Property is situate becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when such unoccupied building or part thereof becomes occupied

## 5. Claims Conditions

### (a) Other Interests

The interests of parties under mortgage hiring leasing or similar agreements with the Named Insured are noted in this insurance provided that the nature and extent of any such interests are disclosed to the Company by the Named Insured in the event of a claim against this Section

### (b) Subrogation Waiver

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might become entitled by subrogation against

- (i) any company standing in the relation of parent to subsidiary to the Named Insured
- (ii) any company standing in the relation of subsidiary to parent to the Named Insured
- (iii) any company which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by the Companies Act 1985 as amended

### (c) Reinstatement

If any Property is to be reinstated or replaced by the Company the Named Insured shall at his own expense provide all such plans documents books and information as may reasonably be required The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

### (d) Company's Rights following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner

No Property may be abandoned to the Company whether taken possession of by the Company or not

## 6. Reasonable Precautions

The Named Insured shall

- (a) maintain the Property in an efficient condition

- (b) take all reasonable precautions to prevent Damage to the Property or accidental loss distortion corruption or erasure of Programs and/or Data
- (c) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situate
- (d) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situate

**7. Designation**

Where necessary the item heading under which any Property is insured shall be determined by the designation

under which such Property appears in the Named Insured's books

**8. Non-invalidating**

Notwithstanding General Conditions 1 and 2 and 3 the insurance by this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Named Insured provided that immediately the Named Insured become aware thereof shall give notice to the Company and pay an additional premium if required

# Basis of Settlement

The amount payable for each item of Computer and Telecommunication Equipment Media and Ancillary Equipment stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that item in the Schedule or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

## 1. Indemnity - Code: INDTY

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

### Special Provision

#### (a) Underinsurance Condition

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Insured considered to be his own insurer for the difference

## 2. Reinstatement - Code REINS

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For this purpose **Reinstatement** means

- (a) the rebuilding or replacement of Property sustaining Damage which provided the liability of the Company is not increased may be carried out
  - (i) in any manner suitable to the requirements of the Named Insured
  - (ii) upon another site
- (b) the repair or restoration of Property Insured lost or damaged

in either case to a condition equivalent to or substantially the same as but not better than or more extensive than its condition when new

### Special Provisions

#### (a) Repairs and Restoration

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

## (b) Underinsurance Condition

If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property Insured covered by any Item to which this Basis applies exceeds its Sum Insured at the commencement of loss or damage the amount payable by the Company will not exceed that proportion of the amount of such loss or damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

## (c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

## 3. Day One Reinstatement - Code: DAY 1

Subject to the following special provisions

The basis on which the amount payable for the Property Insured lost destroyed or damaged will be calculated is the same as the Reinstatement Basis except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of loss or damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the loss or damage will not exceed that proportion of the loss or damage which the Declared Value bears to such cost of reinstatement

### Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
  - (i) Removal of Debris

- (ii) Professional Fees
- (c) At the commencement of each Period of Insurance the Insured will notify the Company of the Declared Value of the Property Insured by each item. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance.
- (d) The Declared Value for each item of Computer and Ancillary Equipment is the amount shown on the Schedule in the brackets below the Sum Insured in respect of each such item.
- (e) In the event of loss the liability of the Company in respect of Computer and Ancillary Equipment will not exceed
  - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedule
  - or
  - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedule

# Exclusions

This Section does not cover

1. **Breakdown or Derangement (not applicable to Cover 4 Increase in Cost of Working)**  
Damage to any item of Computer and Telecommunication Equipment including Fixed Media due to its own breakdown or derangement unless such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide a minimum service of on-call remedial and/or corrective maintenance at inclusive cost
2. **Maintenance Agreement**  
Damage recoverable under any guarantee or maintenance rental hire or lease agreement
3. **Consequential Loss**  
consequential loss or damage of any kind or description other than that provided for specifically under this Section and such cover provided under this Section shall not include any consequential loss which is also insured under the Business Interruption Section
4. **48 Hour Exclusion Period if No Maintenance**  
in respect of Cover 4 Increase in Cost of Working the additional expenditure incurred during the first 48 hours following breakdown or derangement of any item of Computer and Telecommunication Equipment if a maintenance rental hire or lease agreement providing a minimum service of on-call remedial and/or corrective maintenance at inclusive cost is not in force on such item
5. **Satellite Telecommunications**  
Increase in Cost of Working due to
  - (a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
  - (b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
6. **Reinstatement of Data and Reinstatement of Programs**  
in respect of Cover 4 Increase in Cost of Working the costs of Reinstatement of Data and Reinstatement of Programs onto Fixed Media and/or Unfixed Media
7. **Wear and Tear**  
Damage caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions rust or corrosion but this exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded
8. **Theft from the Premises**  
Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule unless caused by theft or attempted theft of the Property Insured from the buildings (but not grounds) at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days
9. **Property Insured away from the Premises**  
Damage to Property Insured
  - (a) away from the Premises (where the insurance so provides) caused by theft or attempted theft of the Property Insured
    - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
    - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
    - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
    - (iv) where Property is otherwise left unattended (which term shall mean that the Named Insured or any person to whom the Named Insured has entrusted the Property Insured into their care custody and control is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room
  - (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
    - (i) storm tempest water hail frost or snow
    - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
10. **Stock**  
Damage in respect of Stock

**11. Damage by Defective Packing**

Damage to the Property Insured caused by or attributable to defective packing or incorrect or insufficient addressing

**12. Date Recognition**

Damage to Computer and Telecommunication Equipment Media Ancillary Equipment and/or accidental loss distortion corruption or erasure of Programs and/or Data and/or any Insured Incident as insured under Cover 4 Increase In Cost of Working caused directly or indirectly by or consisting of or other additional expenditure arising directly or indirectly from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000

- (a) correctly to recognise any date as its true calendar date
- (b) to capture save retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
- (c) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or theft or attempted theft where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

For the purposes of this exclusion the words 'Defined Peril' shall mean fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

**13. Inherent Vice Faulty Workmanship**

Damage caused by or consisting of

- (a) inherent vice latent defect gradual deterioration its own faulty or defective design or materials
- (b) faulty or defective workmanship operational error or omission on the part of the Named Insured or any Employee

but this shall not exclude subsequent Damage which itself results from a cause not other excluded

**14. Dishonesty and Disappearance**

Damage caused by or consisting of

- (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
- (b) disappearance unexplained or inventory shortage misfiling or misplacing of information

**15. Unoccupancy**

Damage to Property Insured arising in any building which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire explosion aircraft or other aerial devices or articles therefrom subject to the following Special Condition

**Special Condition**

Notwithstanding General Condition 1 it is a condition precedent to liability under the Policy that

- (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks
- (b) all services to be disconnected other than limited services required for security guards fire and burglar alarms unless otherwise agreed by the Company in writing
- (c) all letter boxes shall be sealed to prevent insertion of material
- (d) perimeter fences walls and gates shall be kept complete and maintained
- (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
- (f) vegetation surrounding such unoccupied buildings shall be kept down
- (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay

**16. Marine Policy or Policies**

property which at the time of the happening of Damage is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected

**17. Property More Specifically Insured**

any property more specifically insured by or on behalf of the Named Insured

## **18. Pollution or Contamination**

Damage caused by pollution or contamination but this shall not exclude Damage to Property Insured not otherwise excluded caused by

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined Peril which itself results from pollution or contamination

For the purposes of this exclusion the words 'Defined Peril' shall mean fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

## **19. Hacking Event or Computer Virus**

Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe

## **20. Erasure of Programs and Data**

under Cover 2 and Cover 3 loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded

## **21. Sanctioned Territories**

Damage to Property outside the Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America



## Endorsements

The following endorsement is only operative if shown on the Computer All Risks Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

**CR01. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Section Exclusion 8 is deleted and replaced by the following

8. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule unless caused by theft or attempted theft of the Property Insured
  - (a) from the buildings (but not outbuildings or grounds) at the Premises
  - (b) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
  - (c) from within the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons

and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

# Contract Works Section

## Definitions

In this Section the following terms shall have the following meanings

**1. Business Premises**

The words 'Business Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy

**2. Completed**

The word 'Completed' shall mean completed and handed over to the Named Insured

**3. Contract**

The word 'Contract' shall mean an agreement entered into by the Named Insured as employer (as defined in the agreement) in respect of the undertaking of the Contract Works

**4. Contract Site**

The words 'Contract Site' shall mean the place where the Contract Works are to be executed

**5. Contract Works**

The words 'Contract Works' shall mean the Permanent Works and Temporary Works in respect of

- (a) new buildings in course of erection and
- (b) alterations and additions to existing buildings

where such buildings are owned by or to be owned by or occupied by the Named Insured and used in connection with their Business upon completion of the Contract Works situate at the Contract Site

**6. Damage or Damaged**

The words 'Damage' or 'Damaged' shall mean accidental loss of or destruction of or damage

**7. Hired in Plant**

The words 'Hired in Plant' shall mean constructional plant tools and equipment (including site huts and temporary buildings) hired in by the Insured and for which the Insured is responsible and not otherwise insured

**8. Hired in Plant Charges**

The words 'Hired in Plant Charges' shall mean the extent of liability under Clauses 5, 8, 9, 12 and 13 of the Model

Conditions for the Hiring of Plant of the Contractors Plant Association or under identical clauses of the Scottish Plant Owners Association

**9. Insured**

The word 'Insured' shall mean for the purposes of this Section only

- (a) the Named Insured
- (b) and where the Named Insured is the employer any management contractor construction manager or contractor appointed by the Named Insured and/or sub-contractors of any tier and/or servants or agents acting on their behalf where the Named Insured is responsible for arranging a Joint Named Policy in respect of the contract in question

**10. Limit of Indemnity**

The words 'Limit of Indemnity' shall mean the maximum liability of the Company in respect of any one Event in respect of each item stated in the Schedule

**11. Own Plant**

The words 'Own Plant' shall mean constructional plant tools and equipment (including site huts and temporary buildings) owned by the Named Insured or for which the Named Insured is responsible and not otherwise insured

**12. Permanent Works**

The words 'Permanent Works' shall mean the permanent materials and equipment for incorporation into the Contract Works

**13. Property Insured**

The words 'Property Insured' shall mean

- (a) the Permanent Works and Temporary Works
- (b) Own Plant
- (c) Hired in Plant

**14. Taken into Use**

The words 'Taken Into Use' shall mean use by the Named Insured of the Permanent Works for their Business

**15. Temporary Works**

The words 'Temporary Works' shall mean those things erected or constructed for the purpose of making possible the erection or installation of the Permanent Works

## Cover

The Company will indemnify the Insured by payment or at its option to reinstate or repair in respect of

1. Damage to the Permanent Works and Temporary Works
2. Damage to Own Plant
3. Damage to Hired in Plant
4. continued liability in respect of Hired in Plant Charges in accordance with the basis of settlement detailed below as a consequence of Damage

(and which is not hereinafter excluded) at the Contract Site situate

- (a) at any of the Business Premises or
- (b) other premises as declared to and agreed by the Company

Provided that the Company's maximum liability shall not exceed the Limit of Indemnity in respect of each item stated in the Schedule or any other limit of liability as expressed by the basis of settlement in respect of Hired in Plant Charges or other limitation contained within this Section

### **Basis of settlement applicable to Hired in Plant Charges**

The Company will indemnify the Insured in respect and to the extent of liability under Clauses 5, 8, 9, 12 and 13 of the Model Conditions for the Hiring of Plant of the Contractors Plant Association or under identical clauses of the Scottish Plant Owners Association irrespective of the terms of the hiring conditions entered into by the Insured provided that

- (a) the Company shall not be liable for the loss of hiring charges for the first 72 normal working hours from the time of any occurrence of an Event
- (b) the liability of the Company shall be limited to £250 per item of plant per day unless otherwise stated
- (c) indemnity shall not apply to loss of hiring charges in respect of plant for which a valid claim has not otherwise been admitted under this Section
- (d) the liability of the Company in respect of Hired in Plant Charges payable by the Insured shall not exceed an amount equal to 90 days income in respect of each item of plant and in total in respect of any one Event shall not exceed the Limit of Indemnity stated in the Schedule

# Conditions

## 1. Fire Prevention on Construction Sites Joint Code of Practice

It is hereby declared and agreed that under this Section of the Policy the Insured undertakes to comply with The Joint Code of Practice on the Protection from Fire on Construction Sites and Buildings Undergoing Renovation dated May 1992 or any subsequent amendment thereto or revised Edition thereof current at the commencement of any construction contract hereinafter referred to as the 'Joint Code'

This condition shall apply to all construction contracts which have an original contract price in excess of £1,000,000 (One Million Pounds)

The appointed representative of the Company shall have the right at all reasonable times to enter and inspect any construction site for the purpose of checking whether the conditions thereon in all respects comply with the Joint Code

In the event of the Company becoming aware of a breach of the Joint Code the Company may inform the Insured of the nature of the breach specifying the remedial measures required by the Company and the period within which these must be completed

## 2. Heat Warranty

Definitions applicable to this Condition 2:

The word 'Equipment' shall mean grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns in each case howsoever powered or driven including all gas or fuel containers and hose connections

The words 'Bitumen Heaters' shall mean vessels for the heating of tar bitumen or bituminous compounds

Notwithstanding Condition 1 above or General Condition 1 the Company shall not be liable to indemnify the Insured in respect of Damage arising from or caused by the use of Equipment or Bitumen Heaters unless the following precautions are taken at all times

- (a) a responsible worker is appointed to facilitate compliance with all requirements of these conditions
- (b) prior permission from the occupier/owner of the site has been granted to use the Equipment or Bitumen Heaters and suitable and adequate fire extinguishing appliances are provided at the point of use

Suitable and adequate fire extinguishing appliances shall as a minimum mean a nine litre water or a two kilogram multi purpose fire extinguisher

- (c) all workers are aware of the location of fire alarms and fire fighting equipment provided on site which shall be ready for operation at the time the Equipment or Bitumen Heaters are in use
- (d) the item being worked on and the area where the Equipment is to be used including on the other side of any ceiling floor wall or partition and within and on the other side of any tank pipe drum or apparatus are checked to ensure that no combustible material or inflammable liquid or gas is in danger of ignition directly or through conducted heat
- (e) all combustible materials or inflammable liquid or gases in the vicinity of the work other than gas or fuel connected to the Equipment shall be removed to a point at least eight metres from the area where the Equipment is being used

Any combustible material or inflammable liquid or gases which can not be reasonably moved shall be covered and fully protected by overlapping sheets/screens of non combustible material

Where the nature of materials or liquids or gases can not be properly verified by a suitably qualified person as non combustible or non inflammable they must be assumed as combustible or inflammable and all stated precautions be carried out in full

- (f) Equipment and Bitumen Heaters are examined prior to use and any defects found are repaired or replaced prior to use
- (g) Equipment and Bitumen Heaters are attended at all times whilst in operation and only used in accordance with the manufacturers instructions and by a worker who is trained and experienced in its use
- (h) whilst heating is taking place Bitumen Heaters are kept in the open or if within a building or on a roof then placed on a surface of non combustible material
- (i) the area where the Equipment has been used including on the other side of any floor wall ceiling or partition and within and on the other side of any tank pipe drum or apparatus is to be examined immediately following use of the Equipment and then at regular intervals for at least one hour to ensure that there is no risk of fire

# Extensions

(all subject otherwise to the terms of this Section)

## 1. Off Site Storage

The insurance in respect of the Contract Works includes Damage to materials to be incorporated in the works whilst temporarily stored away from the Contract Site (including incidental work relating thereto whilst stored) and whilst in transit from such storage premises to or from the Business Premises or Contract Site

## 2. Additional Costs of Unbuilt Works

If as a direct result of Damage to the Contract Works the cost to the Insured of completing the unbuilt Permanent Works exceeds the contract value from the time of the Damage such additional cost shall be payable under this extension provided that

- (a) the Company have admitted liability under this Section for the aforementioned Damage
- (b) no liability shall attach to the Company under this extension for
  - (i) any costs incurred to accelerate completion of the works
  - (ii) any costs incurred in rectifying or modifying any design plan or specification
  - (iii) any costs arising out of avoidable delay in making good the damage or completing the works
  - (iv) any amount otherwise recoverable under the terms of this Policy
- (c) the Company's limit of liability under this cover clause and for Damage to the Contract Works shall in total be subject to the Limit of Indemnity in respect of Contract Works stated in the Schedule

## 3. Concealed Damage

The insurance in respect of the Contract Works is extended to include the costs and expenses necessarily incurred in locating concealed Damage to the Permanent Works provided that the Company's limit of liability under this extension and for Damage to the Contract Works shall in total be subject to the Limit of Indemnity in respect of Contract Works stated in the Schedule

## 4. Removal of Debris

This Section extends to include in respect of Contract Works the costs and expenses necessarily incurred by the Insured with the Company's consent in removing debris dismantling demolishing shoring up and propping portions of the property as a result of Damage insured by this Section but excluding any costs and expenses

- (a) incurred in removing debris except from the Contract Site at which the Damage has occurred other than from the area immediately adjacent to that site
- (b) arising from pollution or contamination of property not insured by this Section

Provided that the Company's limit of liability under this extension and for Damage to the Contract Works shall in total be subject to the Limit of Indemnity in respect of Contract Works stated in the Schedule

## 5. Professional Fees

This Section extends to include in respect of Contract Works the cost of professional fees being architects surveyors consulting engineers and legal fees necessarily and reasonably incurred in the reinstatement of the property upon its Damage as insured by this Section but excluding the costs of preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective bodies at the time of reinstatement

Provided that the Company's limit of liability under this extension and for Damage to the Contract Works shall in total be subject to the Limit of Indemnity in respect of Contract Works stated in the Schedule

## 6. Own Plant - Transit

Cover in respect of Own Plant is extended to apply whilst such plant is in direct transit to or from any Contract Site or between the Business Premises and any Contract Site within the Territorial Limits

## 7. European Union and Public Authorities Clause (including Undamaged Property)

Subject to the following special conditions the insurance in respect of Contract Works extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of

- (a) European Union Legislation or
- (b) Building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority

(hereinafter referred to as the Stipulations) in respect of

- the Damaged Contract Works thereby insured
- undamaged portions thereof

excluding

- (i) the cost incurred in complying with the Stipulations
  - (a) in respect of Damage occurring prior to the granting of this extension

- (b) in respect of loss destruction or damage not insured by the Section
  - (c) under which notice has been served upon the Insured prior to the happening of the Damage
  - (d) for which there is an existing requirement which has to be implemented within a given period
  - (e) in respect of Property Insured entirely undamaged by any peril hereby insured against
- (ii) the additional cost that would have been required to make good the property Damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (iii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations

## Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may in writing allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this extension not being thereby increased
2. The Company's limit of liability under this extension and for Damage to the Contract Works shall in total be subject to the Limit of Indemnity in respect of Contract Works stated in the Schedule

# Exclusions

The insurance provided under this Section does not cover

1. Damage in respect of
  - (a) (i) any property more specifically insured or for which the Insured is relieved of responsibility by any contract
  - (ii) notwithstanding exclusion 1(a)(i) above any temporary buildings plant machinery tools and equipment the property of any contractor or sub- contractor or for which they alone are responsible (and for the avoidance of doubt not also the responsibility of the Named Insured by virtue of any contract)
  - (b) Money securities for money jewellery precious stones precious metals bullions furs curiosities works of art or rare books
  - (c) (i) any aircraft or watercraft or vessel made or intended to float on or in or travel on or through water or air
  - (ii) any plant tools equipment or other things in or on any aircraft watercraft or vessel except whilst in transit to the extent insured by Extension 6 to this Section
  - (d) any mechanically propelled vehicle including any trailer attached thereto other than any such Damage to vehicle not more specifically insured for such occurrence of Damage and which is
    - (i) not licensed for road use or
    - (ii) designed or adapted primarily for use as a tool of trade

and used in circumstances which do not require insurance or security under any Road Traffic Act legislation
  - (e) Damage to any part of the Permanent Works
    - (i) after such part has been Completed or
    - (ii) after such part has been Taken into Use or
    - (iii) for which a certificate of completion has been issued

other than where Damage (not otherwise excluded by this Section)

    - (i) is the responsibility of the contractor under the terms of any maintenance period or defects liability period clause incorporated in any standard printed form of contract conditions the period for which does not exceed 18 months duration or
- (ii) occurs within 14 days after the Contract Works have been completed or a certificate of completion has been issued but only to the extent the Insured may be required to insure such loss or damage under the conditions of Contract
- (f) any property forming or which has formed part of any structure prior to the commencement of the Contract
2. consequential loss of any kind or description whatsoever including penalties fines liquidated damage or other losses due to delay or non completion or loss of use or non- compliance with contract conditions
3. Hired in Plant Charges solely the responsibility of any contractor or sub-contractor (and for the avoidance of doubt not also the responsibility of the Named Insured by virtue of any contract)
4. works involving
  - (a) demolition (unless as a wider contract for building works)
  - (b) piling or underpinning or dewatering
  - (c) the making maintenance or repair of sewers culverts or other excavations exceeding in any part a depth of five metres from the surface
  - (d) work in on over or adjacent to water
  - (e) bridges flyovers or viaducts
  - (f) dams/coffer dams
  - (g) tunnels exceeding 10 metres in length

and for the avoidance of doubt the insurance provided under this Section does not cover civil engineering works
5. Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level
  - (b) growing vegetation

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
6. (a) Damage caused by or consisting of
  - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity or action of light
  - (ii) change in temperature colour flavour texture or finish



- (iii) the freezing solidification or inadvertent escape of molten material
- (b) Damage consisting of
  - (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
  - (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

  - (A) such Damage not otherwise excluded which itself results from any other accidental Damage
  - (B) subsequent Damage which itself results from a cause not otherwise excluded

7. Damage caused by pollution or contamination but this shall not exclude Damage to the Property Insured not otherwise excluded caused by
- (a) pollution or contamination which itself results from a Defined Peril
  - (b) a Defined Peril which itself results from pollution or contamination

For the purposes of this exclusion the words 'Defined Peril' shall mean fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

- 8. any loss of property by disappearance or shortage where such loss is revealed only by the making of an inventory or periodic stock taking or is not traceable to a specific event
- 9. the costs necessary to replace repair or rectify any of the Property Insured comprising the Contract Works which is in a defective condition due to a defect in design plan specification materials workmanship but this exclusion shall not apply to the remainder of such Property Insured which is free of such defective condition but is damaged as a consequence of such defect
- 10. Damage in respect of property left in or on any unattended vehicle unless the property is placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and all doors windows and other means of access have been secured and locked and the vehicle immobilised by

alarm being set or by removal of the distributor cap or other recognised means

- 11. Damage in respect of Own Plant and Hired in Plant unless
  - (a) stored in a container which is locked outside working hours
  - or
  - (b) stored in a secured compound outside working hours
- 12. Damage in respect of unattended mobile plant unless immobilised by alarm being set or by removal of the distributor cap or other recognised means in addition to removal of the ignition key
- 13. Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
  - (a) correctly to recognise any date as its true calendar date
  - (b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from fire lightning explosion earthquake aircraft riot and civil commotion malicious damage escape of oil impact storm flood escape of water from any tank apparatus or pipe theft or attempted theft hereby insured against where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

- 14. Damage to Property Insured outside the Territorial Limits

# Terrorism Insurance Section

## Definitions

In this Section the following terms shall have the following meanings

- 1. Damage**  
The word 'Damage' shall mean for the purposes of this Section loss or destruction of or damage
- 2. Act Of Terrorism**  
The words 'Act Of Terrorism' shall mean acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- 3. Property**  
The words 'Property' shall mean any building or other property or part thereof insured by the Property Damage Section (and/or property insured under the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section but not any property which is insured in the name of a private individual and is occupied by that individual for residential purposes
- 4. Virus or Similar Mechanism**  
The words 'Virus or Similar Mechanism' shall mean for the purposes of this Section 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
- 5. Hacking**  
The words 'Hacking' shall mean for the purposes of this Section unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data whether the property of the Insured or not
- 6. Denial of Service Attack**  
The words 'Denial of Service Attack' shall mean for the purposes of this Section 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

# Cover

## 1. General

- (a) If Property to the extent insured by the Property Damage Section (and/or the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section be subject to Damage occasioned by or happening through or in consequence of an Act Of Terrorism during the Period of Insurance within Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands nor Northern Ireland)

and/or

- (b) if in consequence of such Damage occasioned by or happening through or in consequence of an Act Of Terrorism (and which shall include Damage occasioned by or happening through or in consequence of an Act Of Terrorism within the territories stated in paragraph (a) to any other building or other property or part thereof to the extent insured by the Business Interruption Section) the Business carried on by the Named Insured be interrupted or interfered with to the extent insured by the Business Interruption Section and/or Computer All Risks Section

then in respect of

- (1) paragraph (a) above the Company will pay to the Named Insured the value of the Property at the time of the happening of its Damage or the amount of such Damage or at the Company's option reinstate replace or repair such Property or any part thereof in accordance with the provisions of the Property Damage Section (and/or the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section and provided that the liability of the Company shall in no case exceed in respect of each insured item shown in the applicable Schedule to the Property Damage Section (and/or the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section the Sum Insured or limit for that item in the Schedule or in the whole the Total Sum Insured in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance

- (2) paragraph (b) above the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in accordance with the provisions of the Business Interruption Section and/or Computer All Risks Section and provided that the liability of the Company shall in no case exceed in respect of each item shown in the applicable Business Interruption Schedule and/or Computer All Risks Section Schedule the Sum Insured or limit for that item in the Schedule or in the whole the Total Sum Insured in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance

## Conditions

1. In any action suit or other proceedings where the Company alleges that any Damage or loss resulting from Damage is not covered by this Section the burden of proving that such Damage or loss is covered shall be upon the Insured
2. The insurance by this Section is not subject to any exclusions of the Property Damage Section (and/or the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section and/or Business Interruption Section and of the Policy relating to causes of Damage other than as stated in the exclusions to this Section
3. The insurance by this Section is subject to all the terms and conditions of the Property Damage Section (and/or the optional extensions for Goods in Transit or Money where attaching thereto) and/or Computer All Risks Section and/or Contract Works Section and/or Business Interruption Section and of the Policy (and which shall include but not limited to the application of any applicable Deductible stated therein) except as expressly varied hereby
4. If this Policy is subject to any long term agreement or undertaking it does not apply to the insurance by this Section

## Exclusions

The insurance provided under this Section does not cover

1. Damage directly or indirectly caused or occasioned by or happening through or in consequence of war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
2. any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
  - (a) Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Insured or not where such Damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack  
  
or
  - (b) loss resulting from interruption to or interference with the Business directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack
3. any Damage whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused or occasioned by or happening through or in consequence of
  - (a) ionising radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  - (c) chemical and/or biological and/or radiological irritants contaminants or pollutants in respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual



**Travelers Insurance Company Limited**

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