

# Commercial Combined Policy Wording



**DUAL Oliva Limited**

## Important Notice

Please read this Policy carefully to ensure that it is in accordance with your requirements and that you understand its terms, exclusions and conditions. Contact the broker who arranged this policy for you or us directly immediately if any corrections or amendments are necessary.

Any enquiries you may have regarding your policy may be addressed either to the insurance broker who arranged the policy for you or us directly.

## Claims Procedure

If you wish to make a claim, please contact the insurance broker who arranged the insurance or contact us directly on 01732 520270

DUAL Oliva Ltd (Claims)  
c/o Woodgate & Clark  
The Red House  
King Street  
West Malling  
ME19 6QT

(Section I only):  
[Claims@dualcorporaterisks.com](mailto:Claims@dualcorporaterisks.com)  
DUAL Corporate Risks Limited  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

## Complaints Procedure

### How to Complain

If there is any occasion where service does not meet your expectations in the first instance please contact **Your** broker.

If **You** remain dissatisfied please contact DUAL:

In writing:  
Head of Compliance  
DUAL Corporate Risks Limited  
107 Leadenhall Street  
London EC3A 4AF  
By email: [complaints@dualgroup.com](mailto:complaints@dualgroup.com)  
By phone: +44 (0)20 7337 9888

In the first instance, DUAL will review **Your** complaint and hope to resolve the matter. DUAL will investigate the circumstances regarding **Your** complaint and write to **You** within four weeks with our response.

If **You** are not happy with the way DUAL has handled your complaint, **You** may have the right to refer your case to the Financial Ombudsman Service (FOS). This also applies if **You** are insured

in a business capacity and have an annual turnover of less than € 2 million and fewer than ten staff.

The FOS can be contacted at:

In writing:  
The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

By email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
By phone: 0800 023 4567/ 0300 123 9123

You can find information on the FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Please remember that **You** may have to refer **Your** complaint to the FOS within specific timelines. We will communicate the applicable timeline in our response to your complaint.

Making a complaint will not affect your legal rights.

Alternatively you may direct your enquiry to:

(Section A B C D E G & H only)

Customer Relations Manager  
Elite Insurance Company Ltd  
Newton Chambers  
Isaac Newton Way  
Grantham  
NG31 9RT

Telephone 01476 541 699

(Section I only)

If **You** remain unhappy with the way DUAL has handled **Your** complaint, **You** may have the right to refer **Your** case to Lloyd's.

If **You** wish to ask Lloyd's to investigate your complaint **You** may do so by contacting:

In writing:  
Complaints Team  
Lloyd's  
One Lime Street  
London EC3M 7HA  
By Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)  
By Phone: +44 (0)20 7327 5693  
By fax: +44 (0)20 7327 5225  
Website: [www.Lloyds.com/complaints](http://www.Lloyds.com/complaints)

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address.

If you are not happy with the way DUAL and Lloyd's have handled your complaint, **You** can refer **Your**

case to the Financial Ombudsman Service. The process to follow to contact the FOS is as stated above. Making a complaint will not affect your legal rights. The existence of this complaints procedure does not affect any right of legal action you may have against DUAL Corporate Risks Limited.

(Section J only)

The Customer Service Manager  
Abbey Legal Protection  
Minorities House  
2-5 Minorities  
London EC3 1BJ

Tel 0870 600 1480  
Fax 0870 600 1481

(HSB Engineering Insurance Limited General  
Endorsement - Equipment Breakdown only)

The Commercial Manager  
HSB Engineering Insurance Ltd  
Cairo House  
Greenacres Road  
Waterhead  
Oldham  
OL4 3JA

Tel 0161 621 5555  
Fax 0161 621 5500

If in the event of contacting the above office, you are still dissatisfied then you may direct your complaint to:

If **You** are not happy with the way your complaint handled, **You** may have the right to refer your case to the Financial Ombudsman Service (FOS). This also applies if **You** are insured in a business capacity and have an annual turnover of less than € 2 million and fewer than ten staff.

The FOS can be contacted at:

In writing:

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

By email: [complaint.info@financial-](mailto:complaint.info@financial-ombudsman.org.uk)

[ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

By phone: 0800 023 4567/ 0300 123 9123

Please quote your policy number in all correspondence so that your complaint may be dealt with speedily.

### Data Protection Act

We have collected and may continue to collect certain information about individuals within or connected to your Company and any subsidiaries ("data subjects") in the course of conducting our relationship with you. This information will be processed for the purpose of underwriting your insurance coverage, managing the policy, providing risk management advice and administering claims. We may pass the information to our capacity providers, legal advisers, loss adjusters, the Police, Government agencies or agents for these and other purposes. This may involve its transfer to countries which do not have data protection laws.

Some of the information we collect may be classified as "sensitive" – that is, information about disciplinary proceedings, convictions, sentences or alleged criminal activities.

Data subjects have a right of access to, and correction of, information we hold about them. If they would like to exercise either of these rights, they should contact our Compliance Officer at;

DUAL Oliva Ltd  
Bankside House  
107 – 112 Leadenhall Street  
London  
EC3A 4AF

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## **THE CONTRACT OF INSURANCE**

The Named Insured having made to the Company a Proposal and declaration and having paid or agreed to pay the premium to the Company the Company will provide the insurance indicated in the Policy Sections during the Period of Insurance stated in the Master Schedule or during any subsequent period of Insurance for which the Company may accept payment subject to the terms conditions and exclusions contained herein or endorsed heron

Unless otherwise stated any word or expression to which a particular meaning has been given in the general definitions or specific Section definitions in this Policy shall bear the same meaning wherever it appears in the Policy or specific Section respectively and unless the context requires otherwise

- (a) the singular includes the plural and vice versa
- (b) the male gender includes the female and neutral genders
- (c) person includes a body corporate

Signed for and on behalf of the Company



Paul R Bennett  
Managing Director  
DUAL Oliva Ltd

## GENERAL (TERMS AND CONDITIONS)

Not Applicable to Section I

### General Definitions

#### 1. Agent

The word 'Agent' shall mean any person Company firm or subcontractor directly appointed by the Insured to act on their behalf

#### 2. Ancillary Equipment

The words 'Ancillary Equipment' shall mean air conditioning equipment generating equipment voltage regulating equipment temperature and humidity recording equipment electronic access equipment heat and smoke detection equipment gas flooding cylinders pipe work and computer room partitioning used solely in connection with Computer and Telecommunication Equipment

#### 3. Bodily Injury

The words 'Bodily Injury' shall mean

- (a) death injury disease or illness of any person
- (b) mental injury or mental anguish and shock that results in a recognisable psychiatric injury

#### 4. Business

The word 'Business' shall mean the business described in the Master Schedule carried on by the Named Insured at or from premises within the Territorial Limits and shall include

- (a) the ownership and/or occupancy of the property by the Named Insured
- (b) the provision and management by the Named Insured of catering sports social welfare and educational organisations fire first aid medical dental ambulance and security services

#### 5. Company

The word 'Company' shall mean DUAL Oliva Ltd on behalf of

- (a) Elite Insurance Company Ltd for Sections A B C D E G & H
- (b) and Pool Re for Section F
- (c) HSB Engineering Insurance Limited General Endorsement - Equipment Breakdown under delegated authority
- (d) Abbey Legal Protection a trading division of Abbey Protection Group Limited on behalf of Brit Insurance Limited for Section J

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

Elite Insurance Company Ltd are authorised by the Financial Services Commission and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.

Details about the extent of our and your insurance intermediary's authorisation and regulation by the Financial Conduct Authority can be checked on the Financial Conduct Authority's register by visiting the Financial Conduct Authority's website [www.fca.gov.uk](http://www.fca.gov.uk) or by contacting the Financial Conduct Authority on 0800 023 4567/ 0300 123 9123.

#### 6. Compensation

The word 'Compensation' shall mean compensatory damages imposed by law including interest which may be awarded on such damages

#### 7. Computer and Telecommunication Equipment

The words 'Computer and Telecommunication Equipment' shall mean a network of machine components microprocessors computer chips or other computerised or electronic components or equipment capable of accepting information processing it according to a plan and producing the desired results Computer and Telecommunication Equipment includes fixed disks and tape drives printers visual display unit screens modems personal computers remote terminals interconnection wiring and telecommunication equipment

#### 8. Computer Fraud

The words 'Computer Fraud' shall mean the dishonest or fraudulent electronic transfer through use of any computer system of Money securities or property or any other pecuniary advantage or financial benefit to the deprivation of a Third Party and for the purposes of this definition "securities" means negotiable and non-negotiable instruments or contracts representing either money or other property "property" means tangible property other than Money or securities Money shall include electronic cash equivalents Computer Fraud shall not include Computer Misuse

#### 9. Computer Misuse

The words 'Computer Misuse' shall mean deliberate or accidental misuse abuse or contamination or corruption of hardware equipment software programs data records or information in relation to any computer

Computer Misuse shall include but not be limited to the modification destruction or theft of data or information entrusted to the Insured by the Insured's customers or suppliers that is held on the Computer or Telecommunication System

Computer Misuse shall not include Denial of Access and Computer Fraud

**10. Computer or Telecommunication System**

The words 'Computer or Telecommunication System' shall mean

- (a) Computer and Telecommunication Equipment and tapes disks CD's or other magnetic or optical storage devices and Ancillary Equipment that form part of a computer network used for any purpose other than as stated in (b) hereunder owned leased or rented by the Named Insured or for which they are legally responsible
- (b) Computer and Telecommunication Equipment and tapes disks CD's or other magnetic or optical storage devices and Ancillary Equipment that form part of a computer network owned leased or rented by the Named Insured or for which they are legally responsible used for the purpose of operating or controlling machinery or equipment

**11. Computer Virus**

The words 'Computer Virus' shall mean a piece of code that is designed to corrupt and which has the effect of corrupting (and may destroy alter contaminate or degrade the integrity quality or performance of) data or any computer application software computer network or computer operating system and related software

**12. Deductible**

The word 'Deductible' shall mean the amount for which the Named Insured is responsible the application of which is further defined in General Exclusion 4

**13. Defined Peril**

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

**14. Denial of Access**

The words 'Denial of Access' shall mean the inability of a Third Party who is authorised to do so by the Named Insured

- (i) to gain access to the Computer or Telecommunication System
- and/or
- (ii) to be able to use the Computer or Telecommunication System to communicate with other computers or computer networks

through the use of Cybermedia in a manner in which the Third Party is legally entitled

**15. Employee**

The word 'Employee' shall mean any (except under Section J)

- (a) person under a contract of service or apprenticeship with the Named Insured
- (b) labour only sub-contractor or working labour master or any person directly for the supplied by them
- (c) self-employed person providing labour only
- (d) person hired to or borrowed by the Named Insured
- (e) person under work experience or similar schemes

Whilst working directly for the Named Insured in connection with the Business.

**16. Event**

The word 'Event' shall mean an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this policy

**17. Hacking Event**

The words 'Hacking Event' shall mean an attack which allows unauthorised access to the Computer or Telecommunication System by electronically circumventing the security systems and procedures

**18. Inception Date**

The words 'Inception Date' shall mean the date on which the Policy becomes effective

**19. Injury**

The word 'Injury' shall mean

- (a) Bodily Injury
- (b) false arrest wrongful detention or false imprisonment or malicious prosecution of any person
- (c) wrongful entry or eviction or other invasion of the right of private occupancy

**20. Insured**

The word 'Insured' shall mean

- (i) the Named Insured
- (ii) at the request of the Named Insured
  - (a) any director partner Employee or volunteer worker of the Named Insured in respect of liability for which the Named Insured would have been entitled to indemnification under this insurance if the claim had been made against the Named Insured except under Section J where the Insured is charged under the Corporate Manslaughter and Corporate Homicide Act 2007.
  - (b) any officers committees or members of the catering sports social welfare health

and safety and educational organisations  
fire first aid medical dental ambulance  
and security services owned by the  
Named Insured in their respective  
capacities as such

- (c) any officers or trustees of the Named Insured's pension scheme(s)
- (iii) the legal personal representative of any party covered hereunder in accordance with paragraph (ii) above

Provided that

- (a) each party covered hereunder shall observe fulfil and be subject to the terms and conditions of the Policy insofar as they can apply
- (b) the Company's aggregate liability to all persons firms bodies corporate or entities comprising the Named Insured and any other party or parties shall not exceed any of the specified amounts detailed in the Schedules as sums insured or limits of indemnity or the amount of any other limit stated in the Policy

#### **21. Money**

The word 'Money' shall mean current coin bank and currency notes postal and money orders bankers drafts cheques giro drafts and payment orders travellers cheques crossed warrants bills of exchange current postage revenue and national insurance stamps stamped national insurance cards national savings certificates war bonds premium savings bonds franking machine impressions debit/credit/charge card sales vouchers luncheon vouchers trading stamps VAT input documents travel tickets warrants authenticated travel certificates telephone paycards and consumer redemption vouchers

Money shall include electronic cash equivalents for the purposes of the Network Security Section

Money shall include securities for money for the purpose of the Property Damage Section and any optional extension applicable thereto

#### **22. Named Insured**

The words 'Named Insured' shall mean persons firms bodies corporate or entities as specified in the Master Schedule or their legal personal representative

#### **23. Period of Insurance**

The words 'Period of Insurance' shall mean the period stated in the Master Schedule (unless there is a renewal certificate applicable to the Policy in which case they shall mean the period stated in the latest renewal certificate)

#### **24. Policy**

The word 'Policy' shall mean this policy document comprising its general definitions conditions and exclusions and the Sections stated as operative in the Master Schedule and any Schedule and endorsement applicable thereto

#### **25. Proposal**

The word 'Proposal' shall mean all information provided and all statements or declarations made to the Company by or on behalf of the Named Insured

#### **26. Renewal Date**

The words 'Renewal Date' shall mean the first day immediately subsequent to the expiry of the Period of Insurance

#### **27. Schedule**

The word 'Schedule' shall mean the Schedule to the Policy

#### **28. Territorial Limits**

The words 'Territorial Limits' shall mean Great Britain Northern Ireland the Isle of Man or Channel Islands

#### **29. Third Party**

The words 'Third Party' shall mean a person firm or Company other than the Insured



## General Conditions

This Policy is to be interpreted in accordance with the Insurance Act 2015 in its entirety and nothing within this Policy is intended to represent an intention on the Insurer's part to contract out of any provision within the Act. Where language nonetheless remains within this Policy that is either prohibited or otherwise rendered of no effect by the Act, the Insurer acknowledges that their rights shall thereby be curtailed.

### 1. Condition Precedent

The due observance of the terms provisions and amendments of this Policy by the Insured insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers and information supplied on or in connection with the Proposal shall be a condition precedent to any liability of the Company to make any payment under this Policy

### 2. Misrepresentation and Fraud

This insurance shall be voidable

(a) if the Insured has concealed or misrepresented and/or failed to declare any fact or circumstance material to the insurance or its subject matter

or

(b) if the Insured or anyone acting on the Insured's behalf has committed fraud attempted fraud or sworn falsely concerning this insurance or its subject matter

whether before or after loss

If the Insured notifies any claim knowing it to be false or fraudulent as regard amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited

### 3. Alteration

The Named Insured shall give notice to the Company as soon as reasonably practicable of any fact or event affecting the risks insured by this Policy which is or might be material to the Company

### 4. Assignment

Assignment of interest under this insurance shall not bind the Company without its written consent

### 5. Reasonable Care

The Insured at its own expense shall

- (a) take all reasonable precautions to prevent or diminish losses or liability arising in connection with the insured risks
- (b) comply with all statutory obligations and regulations imposed by any authority

### 6. Claims (Duties owed by the Insured)

#### Special Definition

The words 'Letter of Claim' where used in this condition shall mean any request in writing indicating an intention to claim against the Insured that specifies sufficient information about the incident to enable it to be investigated and includes at least preliminary information as to the nature of the injury or damage sustained and as defined in any protocols issued under the Civil Procedure Rules (or any amendments or supervening legislation)

- (a) If circumstances should exist and/or on the happening of any Event which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Company in writing
- (b) In respect of third party liability claims any pre-action Letter of Claim should be acknowledged within twenty-one days of receipt providing details of this Policy and a copy of both the pre-action Letter of Claim and the response shall be forwarded to the Company at the same time
- (c) Every writ summons or claim form process impending prosecution notice requiring arbitration notice of an inquest or fatal accident inquiry in connection with any such circumstance or event aforesaid shall be immediately forwarded to the Company unacknowledged
- (d) Other than as prescribed in (b) within thirty days (seven days in the case of Damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons if insured by this Policy) of any circumstance or Event aforesaid or such further time as the Company may in writing allow the Insured shall give full particulars of the circumstance or event
- (e) The Insured if required by the Company shall attend all proceedings and assist the Company in the giving of evidence and the attendance of witnesses and shall give the Company all information and assistance and do and concur in doing whatever the Company may require in connection with any circumstance event or claim
- (f) Following receipt by the Insured of a pre-action Letter of Claim the Insured shall within forty five days provide to the Company copies of all documents records and minutes of meetings necessary to consider the claim fully The Insured shall also give to the Company all such proofs and information with respect to any claim

as the Company may require together with (if demanded) a statutory declaration of the truth of such claim and of any matters relating thereto

- (g) The Insured shall bear their own costs and expenses under this Condition unless specific cover is provided within any Section of the Policy
- (h) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company

## **7. Claims (Company's rights)**

- (a) The Company may
  - (i) investigate handle and control any claim notified to it at its absolute discretion and may settle compromise or make ex-gratia payments in respect thereof and generally conduct any proceedings process or actions related to such claim as it deems appropriate and the costs incurred by the Company in this undertaking shall be subject to any Deductible shown in the relevant Section Schedule under which the claim is being brought by the Insured irrespective of whether an indemnity is subsequently provided to the Insured in respect of such claim
  - (ii) at its discretion take over and control the legal representation of the Insured at any inquest inquiry or other proceedings in any Court concerning any matter that has or may give rise to a claim hereunder and/or the defence and settlement of any claim  
The Company shall conduct such representation and defence and settlement of claims as it sees fit so to do In the event that the Company makes any payment the Insured will on demand pay to the Company the amount of the Deductible applicable
- (b) The Company may at any time pay to the Insured the amount of the Limit of Indemnity (less any sum already paid and less the amount of any Deductible) or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment for which the Company is liable hereunder The Company shall not be responsible for any loss which the Insured may claim to have sustained

by reason of the Company having acted in such way

## **8. Subrogation**

The Company shall be subrogated to all the Insured's rights of recovery against any person or organisation before or after any claims payment under this insurance and the Insured shall provide all relevant information and assistance in this regard Any recovery made shall be applied first to the Company's outlay and then to the Insured's Deductible in priority to any outstanding uninsured loss of the Insured in the absence of agreement to the contrary

The Company shall not exercise said rights against any Employee of the Insured unless the claim in question has been brought about or contributed to by the dishonest fraudulent criminal or malicious act error or omission of the Employee

## **9. Contribution**

If at the time any claim arises under this Policy there be any other insurance effected by or on behalf of the Insured covering the same property and/or same liability and/or same protection the Company will not be liable to pay or contribute more than its rateable proportion of any such claim and costs and expenses in connection therewith

## **10. Arbitration**

If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Company in accordance with statutory provisions

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Company

## **11. Policy Interpretation**

The parties to this contract are able to choose the law applicable to this Policy and they agree that the Policy and any dispute concerning its interpretation or application is to be subject to and to be construed in accordance with English law Each party agrees to submit if required to the jurisdiction of any Court of competent jurisdiction within England and to comply with all requirements necessary to give such Court jurisdiction

## **12. Cross Liabilities**

Where the Named Insured comprises more than one party the Company will indemnify each Named Insured to whom this Policy applies in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount payable shall not exceed the specified amount detailed in the Schedules or elsewhere in the

Policy as the Limit of Indemnity regardless of the number of parties claiming to be indemnified

Provided that the Company shall not indemnify the Named Insured against liability for which an indemnity is or would be granted under any Employers Liability insurance but for the existence of this Policy

### **13. Contracts (Rights of Third Parties) Act 1999**

A person firm body corporate or entity who is not the Named Insured has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

### **14. Premium Adjustment**

Where in the Master Schedule any Section of this Policy is shown to be subject to a premium adjustment the Named Insured shall within thirty calendar days of the expiry of the Period of Insurance forward to the Company such information as the Company may require The Company shall thereupon adjust the premium subject to any minimum premium specified by the Company

### **15. Cancellation**

This insurance or any cover included herein may be cancelled at any time by the Company by giving at least thirty calendar days notice by Recorded Delivery letter to the Named Insured at the last known address The Named Insured shall be entitled to the return of a proportionate part of the premium corresponding to the unexpired Period of Insurance

Where the premium payable is subject to an instalment plan and the deposit premium has not been paid to the Company within a specified time from the commencement of the Period of Insurance the Policy shall be treated as cancelled from such commencement date

### **16. Risk Improvements**

Any risk improvements deemed necessary by the Company following the Company's survey or surveys of the risk shall be complied with and implemented within the time specified by the Company

The Company reserves the right to review all the terms and conditions of the Policy following the survey or surveys

### **17. Jurisdiction**

Any indemnity provided by this Policy in respect of legal liability to pay Compensation (including claimants costs and expenses) shall operate in accordance with the law of any country but not in respect of any judgement awarded payment or

settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement award payment or settlement either in whole or in part)

Provided that the indemnity provided by the Employers' Liability Section where operative will not apply to any action for Compensation brought against the Insured in any court outside the European Union

### **18. Housing Grants Construction and Regeneration Act**

This Policy shall not indemnify the Named Insured in respect of any claim loss liability or cost and expense incurred in connection with any dispute or matter being referred to adjudication

Notwithstanding the above it is understood and agreed that any indemnity provided by this Policy in respect of legal liability to pay Compensation and claimants' and defence costs and expenses shall apply to indemnify for the liability of the Named Insured including any fees payable by the Named Insured as if they were defence costs and expenses as indemnified for under the Policy arising under a decision of an adjudicator relating to claims made against the Named Insured referred to adjudication in accordance with an adjudication clause contained in a contract (hereafter termed 'the Contract') to comply with the Housing Grants Construction and Regeneration Act 1996 or any other similar adjudication clause

Provided always that as a condition precedent to coverage being afforded hereunder the Named Insured undertakes to comply with both A and B as follows

#### **A. Policy Conditions**

- (i) to give written notice to the Company within 72 hours upon receipt of a 'notice of adjudication' and/or a 'referral notice' pursuant to the Scheme For Construction Contracts Regulations 1997 and/or any adjudication notice pursuant to contract
- (ii) to promptly supply the Company with all details relating to any references to adjudication including copies of all documentation made available to the Named Insured or subsequently by the Named Insured to the adjudicator
- (iii) to meet any request direction or timetable of the adjudicator
- (iv) to permit the Company to pursue legal arbitration or other proceedings in the name and on behalf of the Named Insured in respect of any decision direction award or the exercise of any power of the adjudicator and the Named Insured shall give all such

- assistance as may be reasonably required from the Company in relation to such proceedings and the cost of any such proceedings shall be indemnified for as if they were defence costs and expenses as indemnified for under the Policy
- (v) not to agree to accept the decision of the adjudicator as finally determining the dispute without the prior written consent of the Company
  - (vi) to satisfy the Company that any liability incurred by an adjudicator's decision for which indemnity is sought would otherwise be the subject of indemnity under this Policy
  - (vii) to undertake that should indemnity be provided in relation to an adjudication such indemnity shall not be treated as a waiver of the rights of the Company under the Policy and where subsequent investigation of the circumstances reveal material facts that would have entitled the Company to decline an indemnity then in these circumstances the Company shall be entitled to a full recovery of all payments made in connection with such indemnity from the Named Insured

**B. Conditions relating to the Contract**

- (i) the adjudication provisions in the Contract shall
  - (a) provide that the adjudicator must be independent of the parties to the dispute
  - (b) not allow for the adjudicator's decision to finally determine the dispute
  - (c) not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial considerations
- (ii) the Contract must not place any conditions upon the timing of commencement of legal or arbitration proceedings (which for the avoidance of doubt does not apply to adjudication proceedings)

Any dispute or difference arising between the Named Insured and the Company shall be referred to the arbitration of a Queen's Counsel to be agreed upon by both parties or in the absence of agreement by a Queen's Counsel nominated by the Chairman of the Bar Council. The Company agree to pay the costs of such referral except in instances where indemnity has been denied and the Queen's Counsel upholds such decision

**19. Unoccupied Buildings**

It is a condition precedent in respect of any Unoccupied Buildings that

- (a) mains services shall be switched off and the water system drained unless
    - (i) electricity is needed to maintain any fire or intruder alarm system in operation
    - (ii) mains services are needed to maintain any sprinkler system(s) in full working order. In these circumstances heating must be maintained at a minimum temperature of five (5) degrees Centigrade
  - (b) the Buildings shall be inspected thoroughly both internally and externally at least weekly by the Insured or employees of the Insured and
    - (i) a record maintained of such inspections
    - (ii) all defects in security and maintenance are rectified immediately
  - (c) accumulations of combustible materials shall be removed during inspection
  - (d) the Buildings shall comply with the security level requirements stated on the Schedule and be secured against unlawful entry including the setting of all security locking and other security mechanisms in operation
- The Insurer shall also have the right to vary the terms or cancel cover where appropriate

**20. Waste Condition**

The Insured must ensure that

- (a) all combustible trade refuse shall be removed from the Buildings at the end of each working day
- (b) all waste or refuse outside the Buildings is stored in
  - (i) non-combustible closed lidded containers or
  - (ii) waste containers kept at least ten (10) metres from any building or other property
 and removed from the Premises when the containers are full

**21. Stillage Condition**

Contents and Stock in any basement or cellar must be raised at least ten (10) centimetres above the floor

**22. Change of Risk**

This insurance shall cease to be in force if there is any alteration in the Business Premises which increases the risk of injury or Damage unless such alteration is agreed in writing by the Insurer

**23. Other Insurances**

If at the time of any Damage there is any other insurance covering such incidents the Insurer will only pay their rateable proportion of such loss

## 24 Fraudulent Claims

If the Insured shall knowingly make any fraudulent request for an indemnity in respect of any matter notified to the Company as regards amount or otherwise:

3.1 The Company shall not be liable to make any payment in relation to that claim or circumstance;

3.2 The Company may recover all previous payments made in respect of that claim or circumstance from the Insured; and

3.3 The Company may, upon notice to the Insured, treat the Policy as terminated with effect from the time of the fraudulent act and in such circumstances:

(a) The Company shall have no liability for any matter subsequently arising which might otherwise have given rise to a liability under this Policy; and

(b) The Company shall be entitled to retain the Premium.

Termination of the Policy in accordance with clause 3.3 shall not affect the Company's liability for Claims and/or any circumstances notified prior to the fraudulent act.

## General Exclusions

The *Company* shall not be liable

### 1. War and Allied Risks; Dispossession of Property; Radioactive Contamination

in respect of any loss or destruction of or damage to any property whatsoever or any loss of expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of

- (a) war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority This exclusion does not apply to the Employer's Liability Section
- (b) (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel  
(ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

but in respect of Bodily Injury sustained by an Employee this exclusion shall apply only when the Insured under a contract or agreement has undertaken either to indemnify another party or to assume the liability of another party in respect of such bodily Injury

#### Note

General Exclusions 1(a) and 1(b) shall not apply to the extent required to satisfy the Road Traffic Acts

### 2. Property Coverages – Civil Commotion in Northern Ireland

under the

- (a) Property Damage Section
- (b) Goods in Transit Section
- (c) Money & Personal Accident Section
- (d) Business Interruption Section
- (e) Computer All Risks Section

where operative or any Optional Extension Clauses or Endorsement or Extension attaching thereto in respect of any loss destruction or damage in Northern Ireland directly or indirectly caused or occasioned by or happening through or in consequence of civil commotion

### 3. Terrorism Exclusion

notwithstanding any provision to the contrary within this insurance or any endorsement thereto, in respect of any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, or resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss

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

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

If the Underwriters allege that by reason of this exclusion any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured

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

### 4. Deductible

in respect of the amounts stated in any Schedule as a Deductible for the first part of each and every claim hereunder under one or more Sections of this Policy in respect of an Event as ascertained after the application of the terms conditions and provisions of this Policy including any condition of average and which shall apply to costs and expenses incurred by the Company in investigating such claim irrespective of whether an indemnity is subsequently provided to the Insured

For the purpose of the application of the Deductible it is agreed that

- (a) in respect of the Public and Products Liability Section where insured  
All claims attributable to
  - (i) the same act or omission
  - (ii) a series of acts or omissions consequent upon or attributable to the same original cause or source will be regarded as one claim for which the Company's liability shall not exceed any of the specified

amounts detailed in the Schedules as limits of indemnity or the amount of any other limit stated in the Policy

The amount of the Deductible shall form part of such limit of indemnity and for the avoidance of doubt the limit of indemnity shall not apply in excess of the amounts stated as Deductible

- (b) in respect of the Property Damage Section and Business Interruption and Computer All Risks Section where insured
- (i) loss or damage arising from one Event which affects one or more Premises of the Insured
  - (ii) loss or damage to insured property arising during any one period of 72 consecutive hours and caused by storm tempest flooding or escape of water from tanks apparatus or pipes
- shall be deemed a single Event and be treated as one claim

#### **5. Punitive and other non compensatory**

##### **Damages**

in respect of

- (a) exemplary damages
- (b) punitive damages
- (c) aggravated damages
- (d) liquidated damages or damages by way of penalty or fine
- (e) damages resulting from the multiplication of compensatory damages or any payment similar in nature to any of a) b) c) or d) above

#### **6. Liability Coverages – Asbestos**

in so far as indemnity would otherwise be provided under the

- (a) Public and Products Liability Section

where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to

- (a) the actual alleged or threatened absorption ingestion or inhalation of asbestos in any form by any person

or

- (b) the existence of asbestos in any form

#### **7. Liability Coverages – Silica**

in so far as indemnity would otherwise be provided the Company shall not be liable to indemnify the Insured under the

#### **Public and Products Liability Section**

where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses arising out of an Event occurring within the United States of America its territories and possessions Puerto Rico and Canada directly or indirectly resulting from caused by contributed to attributed to or in any way related to

- (a) the actual alleged or threatened absorption ingestion or inhalation of
- (i) silica in any form by any person or
  - (ii) silica in any form in combination with other particulate suspension(s) or dust(s) by any persons

or

- (b) the existence of silica in any form or in combination with other particulate suspension(s) or dust(s)

#### **8. Biological Chemical and/or Nuclear Contamination Exclusion Endorsement**

1. loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss
2. any legal liability of whatsoever nature
3. death or injury to any person directly or indirectly caused by or contributed to by or arising from Biological Chemical and or Nuclear contamination due to or arising from
  - (a) terrorism and/or
  - (b) steps taken to prevent suppress control or reduce the consequences of any actual attempted threatened suspected or perceived terrorism

For the purpose of this endorsement "terrorism" means any act(s) of any person(s) or organisation(s) involving

- (i) the causing occasioning or threatening of harm of whatever nature and by whatever means
- (ii) putting the public or any section of the public in fear in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political religious ideological or similar nature

## General Endorsements

The following endorsements are only operative if shown on the Master Schedule.

### A. FULL EQUIPMENT BREAKDOWN

#### Insuring Agreement

Subject to all of the provisions stated herein and in the policy of which this endorsement is part, not in conflict herewith, the *Company* agrees to provide insurance for loss, as defined in the Property Damage and Business Interruption sections of the policy, caused by or resulting from an *Accident to Covered Equipment* owned by the Insured or for which the Insured is responsible.

#### Definitions

1. *Accident* means direct physical loss as follows:
  - (a) electrical or mechanical *Breakdown*, including rupture or bursting caused by centrifugal force;
  - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - (c) *Explosion* or *Collapse* of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Insured, or operated under the Insured's control;
  - (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event (not otherwise excluded) occurring inside such boilers or equipment;
  - (e) loss or damage to hot water boilers or other water heating equipment and their associated oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment.
  - (f) operator error
  - (g) damage caused by materials being processed

If an initial *Accident* causes other *Accidents*, all will be considered one *Accident*. All *Accidents* that are the result of the same event will be considered one *Accident*.

2. *Breakdown* means:

The actual breaking failure distortion or burning out of any part of the *Covered Equipment* whilst in ordinary use arising from defects in the *Covered Equipment* causing its sudden stoppage and necessitating repair or replacement before it can resume work.

Fracturing of any part of the *Covered Equipment* by frost when such fracture renders the *Covered Equipment* inoperative.

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

3. *Collapse* means:

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the *Covered Equipment* caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).
4. *Company*:

For the purposes of this General Endorsement *Company* shall mean HSB Engineering Insurance Limited, registered in England and Wales: 02396114, New London House, 6 London Street, London EC3R 7LP. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
5. *Computer Equipment* means:
  - A) Electronic, Computer and other data processing equipment.
  - B) Peripherals used in conjunction with A)
  - C) Software and programs licensed to the insured and installed on (A)
6. *Covered Equipment* means:

Property Insured built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy. None of the following is *Covered Equipment*:

  - (a) supporting structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
  - (b) insulating or refractory material;
  - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
  - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (e) vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment), aircraft or floating vessel;
  - (f) mobile plant and equipment (other than fork lift trucks used by the Insured at their premises) dragline, excavation or construction equipment;
  - (g) equipment manufactured by the Insured for sale;
  - (h) tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands or any part requiring periodic renewal.
  - (i) any electronic equipment, (other than *Computer Equipment*), that is used for research, diagnostic, treatment, experimental or other medical or scientific purposes
  - (j) domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters.
  - (k) equipment owned by tenants of the Insured



7. *Explosion* means:  
The sudden and violent rending of the *Covered Equipment* by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the *Covered Equipment* together with forcible ejection of the contents
8. *Media* means:  
All forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
9. *Verified* means:  
Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration
10. *Manufacturing Production or Process Equipment* means:  
Any machine or apparatus which takes in processes, forms, cuts, shapes, grinds or conveys raw materials, materials undergoing the process or the finished product, including any equipment forming a part of the dedicated power supply, driving or controlling mechanism for such machine or apparatus.

## Additional Coverage

The following coverages also apply to loss caused by or resulting from an *Accident to Covered Equipment*. These coverages do not provide additional amounts of insurance.

### 1. *Hazardous Substances*

The Company shall be liable for the *additional* cost to repair or replace *Covered Equipment* because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond what would have been required had no hazardous substance been involved.

The Company shall not be liable for more than £10,000 in any one *Period of Insurance* for loss or damage under this coverage, including, if shown as covered, actual of Business Interruption sustained.

### 2. *Computer Equipment, Reinstatement of Data and Increased Costs of Working*

A) The Company shall be liable for loss or damage caused by or resulting from an *Accident to Computer Equipment*. The liability of the Company in respect of any one *Period of Insurance* shall not exceed £250,000 for any one Accident in respect of Computer Equipment

B) In addition the Company shall be liable for costs incurred in reinstating data lost or damaged in consequence of an *Accident to Computer Equipment*.

Provided that

- (a) liability is limited solely to the cost of reinstating data onto *Media*
- (b) the Company shall not be liable for any losses discovered later than six months after the loss was initiated
- (c) the liability of the Company shall not exceed £25,000 in respect of such costs
- (d) The Company shall not be liable for loss of or damage to software
- (e) The Company shall not be liable under this Additional Coverage for costs more specifically described under The Increased Costs Of Working coverage

C) In addition the Company will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the Insured. The total liability of The Company in

any one *Period of Insurance* shall not exceed £25,000 in respect of such additional costs.

### 3. *Business Interruption*

Liability of the Company for loss as described under the Business Interruption section of the policy that is caused by an *Accident to Covered Equipment* shall not exceed £30,000. In any one *Period of Insurance*

### 4. *Public Authorities/Law or Ordinance*

If an *Accident to covered equipment* damages a building that is covered under this policy; and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the *Accident* that regulates the construction or repair of buildings, or establishes zoning or land use requirements, the Company shall be liable for the following additional costs to comply with such ordinance or law:

- (a) the Insured's actual expenditures for the cost to demolish and clear the site of undamaged parts.
- (b) the Insured's actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (c) loss as described under the Business Interruption section of the policy caused by loss covered in (a) or (b) above

The Company shall not be liable for:

- (d) any fine;
- (e) any liability to a third party;
- (f) any increase in loss due to a hazardous substance (other than as specifically insured under Additional Coverage 1 ; or
- (g) increased construction costs until the building is actually repaired or replaced.

### 5. *Expediting Expenses*

With respect to damaged *Covered Equipment*, the Company shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement. The Company shall not be liable for more than £20,000. In respect of any one Accident for loss or damage under this coverage.

### 6. *Hire of Substitute Item*

If Covered Equipment is damaged as a result of an accident the Company will also indemnify The Insured against the cost of hire charges actually incurred by The Insured during the *Period of Insurance* for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The Company shall not be liable In

any one Period of Insurance for more than £5,000 under this coverage

#### 7. *Storage Tanks and Loss Of Contents*

The insurance under this Policy extends to include loss of the contents of oil storage tanks belonging to the Insured or for which the Insured is responsible at the premises by

- a) Escape of Contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an Accident
- b) Contamination - contamination of the contents of the oil storage tanks caused by or resulting from an Accident

including cleaning costs incurred as a result of such loss

This Additional Coverage excludes

- 1) loss caused by fire howsoever the fire may have been caused
- 2) loss resulting from corrosion erosion or wasting
- 3) contamination of the contents resulting from
  - a) the natural settling separation or accumulation of fluids or materials constituting the normal contents
  - b) the deliberate use of fluids or materials in the oil storage for cleaning flushing or similar purposes
- 4) loss sustained whilst oil storage tanks are in transit between premises
- 5) costs or expenses arising from pollution or contamination of property not covered by this Additional Cover

The *Company* shall not be liable for more than £5,000 under this coverage in respect of any one Accident.

#### 8. *Loss Avoidance Measures*

Reasonable costs necessarily incurred by you to take exceptional measures to prevent or mitigate impending damage to covered equipment as a result of an accident.

Provided that:

- a) damage would be reasonably be expected if such measures were not implemented
- b) the *Company* is satisfied that damage has been avoided or mitigated by means of the exceptional measures
- c) the amount payable will be limited to the cost of damage which would have otherwise occurred
- d) the terms conditions and exclusions of this section and the policy apply as if damage has occurred
- e) if damage had occurred it would have resulted in a claim that would have been accepted by the *Company* under this section of the policy

The *Company* shall not be liable for more than £5,000 under this coverage for any one *Period of Insurance*

#### **Equipment Breakdown – Memorandum**

##### ***Reinstatement basis of settlement in the event of a claim***

Applicable unless stated otherwise in the schedule

Subject to the following special conditions the basis upon which the amount payable in respect of *covered equipment* is to be calculated shall be the reinstatement of the *covered equipment* that is the subject of an *accident* For this purpose “reinstatement” means

- (a) the replacement of *covered equipment* that is the subject of an *accident* which provided *the Company's* liability is not increased may be carried out
  - (i) in any manner suitable to the *Insured's* requirements
  - (ii) upon another site
- (b) the repair or restoration of *covered equipment* that is the subject of an *accident*

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

##### ***Special conditions***

1. The *Company's* liability for the repair or restoration of *covered equipment* that is the subject of an *accident* shall not exceed the amount payable for replacement of the *covered equipment*
2. No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
  - (a) unless reinstatement commences and proceeds without unreasonable delay
  - (b) until the cost of reinstatement shall have been actually incurred
3. All the terms and conditions of the policy shall apply
  - (a) in respect of any claim payable under this memorandum except in so far as they are varied hereby
  - (b) where claims are payable as if this memorandum had not been incorporated

### ***Additional Conditions***

1. *Precautions*

The Insured shall exercise due diligence in

- (a) complying with any statute or order;
- (b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage.

2. *Back Up Records*

The Insured shall maintain a minimum of 2 generations of verified back-up computer records taken at intervals no less frequently than 48 hours one copy as a minimum being held off site and take all reasonable precautions to store and maintain records in accordance with the makers recommendations

### **Exclusions**

**The following exclusions are in addition to those in the policy to which this endorsement is attached.**

1. The *Company* will not be liable for loss or damage caused by or resulting from:

- (a) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment;
- (b) any defect, virus, loss of data (other than as specifically provided for under additional coverage 3) or other situation within *media*; or
- (c) depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an *Accident* results, the *Company* shall be liable for that resulting loss or damage.
- (d) loss due to solidification or biological activity or spontaneous chemical reaction in the contents of tanks or materials being processed therein.

2. The *Company* will not be liable for loss or damage recoverable under the maintenance agreement or any Warranty or Guarantee, or which would be recoverable but for breach of the Insured's obligations under the agreement.

3. With respect to Business Interruption, the *Company* will not be liable for delay in resuming operations due to the need to reconstruct or re-input data or programs on *media*. Where the insured has not fully complied with Additional Condition 2 – Back up Records.

## B. INFRASTRUCTURE EQUIPMENT BREAKDOWN

### Insuring Agreement

Subject to all of the provisions stated herein and in the policy of which this endorsement is part, not in conflict herewith, the *Company* agrees to provide insurance for loss, as defined in the Property Damage and Business Interruption sections of the policy, caused by or resulting from an *Accident to Covered Equipment* owned by the Insured or for which the Insured is responsible.

### Definitions

1. *Accident* means direct physical loss as follows:
  - (a) electrical or mechanical *Breakdown*, including rupture or bursting caused by centrifugal force;
  - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - (c) *Explosion* or *Collapse* of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Insured, or operated under the Insured's control;
  - (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event (not otherwise excluded) occurring inside such boilers or equipment;
  - (e) loss or damage to hot water boilers or other water heating equipment and their associated oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment.
  - (f) operator error

If an initial *Accident* causes other *Accidents*, all will be considered one *Accident*. All *Accidents* that are the result of the same event will be considered one *Accident*.

2. *Breakdown* means:

The actual breaking failure distortion or burning out of any part of the *Covered Equipment* whilst in ordinary use arising from defects in the *Covered Equipment* causing its sudden stoppage and necessitating repair or replacement before it can resume work.

Fracturing of any part of the *Covered Equipment* by frost when such fracture renders the *Covered Equipment* inoperative.

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

3. *Collapse* means:

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the *Covered*

Equipment caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

4. *Company*:

For the purposes of this General Endorsement *Company* shall mean HSB Engineering Insurance Limited, registered in England and Wales: 02396114 New London House, 6 London Street, London EC3R 7LP. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
5. *Computer Equipment* means:
  - A) Electronic, Computer and other data processing equipment.
  - B) Peripherals used in conjunction with (A)
  - C) Software and programs licensed to the insured and installed on (A)
6. *Covered Equipment* means:

Property Insured built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy. None of the following is *Covered Equipment*:

  - (a) supporting structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
  - (b) insulating or refractory material;
  - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
  - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (e) vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment), aircraft or floating vessel;
  - (f) mobile plant and equipment (other than fork lift trucks used by the Insured at their premises) dragline, excavation or construction equipment;
  - (g) equipment manufactured by the Insured for sale;
  - (h) tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands or any part requiring periodic renewal.
  - (i) any electronic equipment, (other than *Computer Equipment*), that is used for research, diagnostic, treatment, experimental or other medical or scientific purposes
  - (j) any Manufacturing *Production or Process Equipment*
  - (k) domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters.
  - (l) equipment owned by tenants of the Insured

7. *Explosion* means:  
The sudden and violent rending of the *Covered Equipment* by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the *Covered Equipment* together with forcible ejection of the contents
8. *Media* means:  
All forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
9. *Verified* means:  
Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration
10. *Manufacturing Production or Process Equipment* means:  
Any machine or apparatus which takes in processes, forms, cuts, shapes, grinds or conveys raw materials, materials undergoing the process or the finished product, including any equipment forming a part of the dedicated power supply, driving or controlling mechanism for such machine or apparatus.

## Additional Coverage

The following coverages also apply to loss caused by or resulting from an *Accident to Covered Equipment*. These coverages do not provide additional amounts of insurance.

### 1. *Hazardous Substances*

The *Company* shall be liable for the additional cost to repair or replace *Covered Equipment* because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond what would have been required had no hazardous substance been involved. The *Company* shall not be liable for more than £10,000 In any one *Period of Insurance* for loss or damage under this coverage, including, if shown as covered, actual Business Interruption sustained.

### 2. *Computer Equipment, Reinstatement of Data and Increased Costs of Working*

- A) The *Company* shall be liable for loss or damage caused by or resulting from an *Accident to Computer Equipment*. The liability of the *Company* in respect of any one *Period of Insurance* shall not exceed £250,000 for One Accident in respect of damage to Computer Equipment
- B) In addition the *Company* shall be liable for costs incurred in reinstating data lost or damaged in consequence of an *Accident to Computer Equipment*.

Provided that

- (a) liability is limited solely to the cost of reinstating data onto *Media*
- (b) the *Company* shall not be liable for any losses discovered later than six months after the loss was initiated
- (c) the liability of the *Company* shall not exceed £25,000 in respect of such costs
- (f) The *Company* shall not be liable for loss of or damage to software
- (g) The *Company* shall not be liable under this Additional Coverage for costs more specifically described under The Increased Costs Of Working coverage
- C) In addition the *Company* will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the Insured. The total liability of The *Company* in

any one *Period of Insurance* shall not exceed £25,000 in respect of such additional costs.

### 3. *Business Interruption*

Liability of the *Company* for loss as described under the Business Interruption section of the policy that is caused by an *Accident to Covered Equipment* shall not exceed £30,000. In any One *Period of Insurance*

### 4. *Public Authorities/Law or Ordinance*

If an *Accident to Covered Equipment* damages a building that is covered under this policy; and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the *Accident* that regulates the construction or repair of buildings, or establishes zoning or land use requirements, the *Company* shall be liable for the following additional costs to comply with such ordinance or law:

- (b) the Insured's actual expenditures for the cost to demolish and clear the site of undamaged parts.
- (b) the Insured's actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (c) loss as described under the Business Interruption section of the policy caused by loss covered in (a) or (b) above

The *Company* shall not be liable for:

- (d) any fine;
- (e) any liability to a third party;
- (f) any increase in loss due to a hazardous substance (other than as specifically insured under Additional Coverage 1 ;
- (g) increased construction costs until the building is actually repaired or replaced.

### 5. *Expediting Expenses*

With respect to damaged *Covered Equipment*, the *Company* shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement. The *Company* shall not be liable for more than £20,000 In respect of any one Accident for loss or damage under this coverage.

### 6. *Hire of Substitute Item*

If Covered Equipment is damaged as a result of an accident the *Company* will also indemnify The Insured against the cost of hire charges actually incurred by The Insured during the *Period of Insurance* for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The *Company* shall not be liable for

more than £5,000 In any one *Period of Insurance* under this coverage

7. *Storage Tanks and Loss Of Contents*

The insurance under this Policy extends to include loss of the contents of oil storage tanks belonging to the Insured or for which the Insured is responsible at the premises by

- a) Escape of Contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an Accident
- b) Contamination - contamination of the contents of the oil storage tanks caused by or resulting from an Accident

including cleaning costs incurred as a result of such loss

This Additional Coverage excludes

- 1) loss caused by fire howsoever the fire may have been caused
- 2) loss resulting from corrosion erosion or wasting
- 3) contamination of the contents resulting from
  - a) the natural settling separation or accumulation of fluids or materials constituting the normal contents
  - b) the deliberate use of fluids or materials in the oil storage for cleaning flushing or similar purposes
- 4) loss sustained whilst oil storage tanks are in transit between premises
- 5) costs or expenses arising from pollution or contamination of property not covered by this Additional Cover

The *Company* shall not be liable for more than £5,000 under this coverage in respect of any one Accident.

8. *Loss Avoidance Measures*

Reasonable costs necessarily incurred by you to take exceptional measures to prevent or mitigate impending damage to covered equipment as a result of an accident.

Provided that:

- a) damage would be reasonably be expected if such measures were not implemented
- b) the *Company* is are satisfied that damage has been avoided or mitigated by means of the exceptional measures
- c) the amount payable will be limited to the cost of damage which would have otherwise occurred
- d) the terms conditions and exclusions of this section and the policy apply as if damage has occurred
- e) if damage had occurred it would have resulted in a claim that would have been accepted by the *Company* under this section of the policy

Limit £5,000 any one *Period of Insurance*

## Equipment Breakdown – Memorandum

### *Reinstatement basis of settlement in the event of a claim*

Applicable unless stated otherwise in the schedule

Subject to the following special conditions the basis upon which the amount payable in respect of *covered equipment* is to be calculated shall be the reinstatement of the *covered equipment* that is the subject of an *accident* For this purpose “reinstatement” means

- (a) the replacement of *covered equipment* that is the subject of an *accident* which provided the liability of the *Company* liability is not increased may be carried out
  - (i) in any manner suitable to the Insured’s requirements
  - (ii) upon another site
- (b) the repair or restoration of *covered equipment* that is the subject of an *accident*

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

### *Special conditions*

1. The *Company*’s liability for the repair or restoration of *covered equipment* that is the subject of an *accident* shall not exceed the amount payable for replacement of the *covered equipment*
2. No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
  - (a) unless reinstatement commences and proceeds without unreasonable delay
  - (b) until the cost of reinstatement shall have been actually incurred
3. All the terms and conditions of the policy shall apply
  - (a) in respect of any claim payable under this memorandum except in so far as they are varied hereby
  - (b) where claims are payable as if this memorandum had not been incorporated



## ***Additional Conditions***

### 1. *Precautions*

The Insured shall exercise due diligence in

- (a) complying with any statute or order;
- (b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage.

### 2. *Back Up Records*

The Insured shall maintain a minimum of 2 generations of verified back-up computer records taken at intervals no less frequently than 48 hours one copy as a minimum being held off site and take all reasonable precautions to store and maintain records in accordance with the makers recommendations

## ***Exclusions***

**The following exclusions are in addition to those in the policy to which this endorsement is attached.**

1. The *Company* will not be liable for loss or damage caused by or resulting from:
  - (a) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment;
  - (b) any defect, virus, loss of data (other than as specifically provided for under additional coverage 3) or other situation within *media*; or
  - (c) depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an *Accident* results, the *Company* shall be liable for that resulting loss or damage.
  - (d) loss due to solidification, biological activity or spontaneous chemical reaction in the contents of tanks or materials being processed therein.
2. The *Company* will not be liable for loss or damage recoverable under the maintenance agreement or any Warranty or Guarantee, or which would be recoverable but for breach of the Insured's obligations under the agreement.
3. With respect to Business Interruption, the *Company* will not be liable for delay in resuming operations due to the need to reconstruct or re-input data or programs on *media* where the insured has not fully complied with Additional Condition 2 – Back Up Records

## SECTION A PROPERTY DAMAGE

### 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) car parks yards and pavements
- e) telephone gas water and electric installations oil tanks piping ducting cable 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
- f) foundations
- g) drains and sewers within the perimeter of the Business Premises but only to the extent of the Named Insured's responsibility
- h) all Glass including framework alarm strips or fittings and lettering thereon

#### 2. Damage or Damaged

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

#### 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 and Sanitary Ware

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

The words 'Sanitary Ware' shall mean wash basins lavatory pans or other sanitary 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 thirty calendar 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 consignee

#### 7. 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
- (b) tenants improvements alterations and decorations
- (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
- (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

within the Buildings 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 thereinand

(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 and Event

within the Buildings but not Stock or other Property Insured specified in the Schedule

**8. Media**

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

**9. 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

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

**10. 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

**11. Property and Property Insured**

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

**12. Reinstatement of Data**

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

**13. Reinstatement of Programs**

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

**14. Rent**

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

**15. 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

**16. 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

**17. 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 (other than by an excluded cause) 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 of 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 explosives 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 Goods in Transit Section

### 3. Mortgage/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-invalidating

Notwithstanding General Conditions 1 and 2 the insurance by this Section shall not be invalidated by any act or omission or by any alterations in respect of any portion of the Premises hereby insured not occupied by the Named Insured whether constituting an increase in risk or not unknown to the Named Insured provided that immediately the Named Insured becomes 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 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 Damage thereto 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 claim or claims arising from an Event

### 7. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within thirty calendar 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 £500,000 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

Sums insured and/or Declared Values for Buildings, Contents and Stock include an amount in respect of removal of debris costs, other than where an item covering such costs is specifically described in the Schedule

Cover applies only to those costs necessarily and reasonably incurred in consequence of Damage in

- (a) removing debris
- (b) dismantling and demolishing
- (c) shoring up or propping
- (d) clearing cleaning and/or repairing drains gutters sewers and the like for which the Insured are responsible

The Company will not pay for any costs or expenses

- (a) incurred in removing debris other than from the site of such Property Damage and the area immediately adjacent to such site
- (b) arising from pollution or contaminations of Property not insured by this Section

#### 10. European Community 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 Community Legislation or
- (b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority or the Company's Requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to 28<sup>th</sup> Edition rules or conformed to the 29<sup>th</sup> 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

- (a) the cost incurred in complying with the Stipulations
  - (i) in respect of Damage occurring prior to the granting of this extension
  - (ii) in respect of loss destruction or damage not insured by the Section

- (iii) under which notice has been served upon the Named Insured prior to the happening of the Damage
- (iv) for which there is an existing requirement which has to be implemented within a given period
- (v) in respect of Property entirely undamaged by any peril hereby insured against

- (b) the additional cost that would have been required to make good the Property Damage to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by the owner thereof by reason of compliance with the Stipulations

##### 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. Fixed Glass**

Following Damage to fixed glass the Insurer will pay the cost of

- (a) any necessary temporary boarding-up of broken glass pending full replacement
- (b) replacing alarm foil lettering painting embossing silvering or other ornamental work on fixed glass
- (c) Damage to Contents or Stock caused by broken fixed glass
- (d) Damage to framework caused by broken fixed glass
- (e) removing and re-fixing window fittings and other obstacles to replacing broken fixed glass

The Company will not pay for Damage existing prior to inception of this Section

#### **12. Loss of Metered Water**

The insurance by this Section extends to include loss of metered water from water tanks apparatus and pipes for which the Named Insured is charged by the Water Authority following Damage at the Business Premises not otherwise excluded

Provided that

- (i) the Company shall not be liable for loss of metered water due to leaking from or bursting of an underground pipe
- (ii) the Named Insured records the reading of the water meter(s) at the Business Premises at intervals of not more than 7 calendar days
- (iii) the extent of such loss is determined by measurement from the Water Authority meter
- (iv) the amount payable is in respect of the excess water charges levied by the Water Authority but shall not exceed £10,000 in respect of any one Event and £50,000 in any one Period of Insurance

#### **13. 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 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

#### **14. Key Clause**

The insurance by this Section extends to include the cost of replacing locks at the Business Premises following the theft of keys from the Business Premises during working hours or at the home of any

director partner or Employee authorised to hold said keys

The Company's liability is limited to £1,000 any one claim or claims arising from an Event

#### **15. Theft Damage to Buildings**

When Buildings 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. Outdoor Property**

The insurance by this Section extends to cover Damage to the following at the Business Premises

- (a) outdoor trees shrubs and plants
  - (b) signs other than those attached to Buildings
- In respect of Damage to property described in (a) the Company will pay up to £250 for any one tree shrub or plant including the cost of removing from Business Premises following Damage subject to the Company's liability being limited to £1,000 any one claim or claims arising from an Event and in respect of Damage to property described in (b) the Company's liability is limited to £1,500 any one claim or claims arising from an Event

#### **17. Inadvertent Omission**

The Named Insured having intended to insure all Property (other than Stock) within the Territorial Limits in which the Named Insured is interested and the Named Insured's belief is that all such Property is insured if hereafter any such Property shall be found to have been inadvertently omitted the Company will deem it to be insured within the terms of this Section subject to payment of the premium on all such Property as from the inception of this Section or from the date of the Named Insured's interest in such Property 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 £500,000 any one claim or claims arising from and Event
- (b) 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 to which the Property relates or in the case of Reinstatement Day One Basis to the Declared Value
- (c) the insurance under this cover clause shall not apply in respect of Property situate outside of the Territorial Limits

## 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 claim or claims arising from an 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. Services

Cover includes telephone gas water and electric instruments meters piping cabling and the like and their accessories including similar property in adjoining yards or roadways or underground all pertaining to Buildings or Contents insured by this Section being the property of the Insured or for which the Insured are responsible

## 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
- (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 deflectorsand 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 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 the 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. Theft Precautions – Third Party Premises

Regardless of if the Named Insured has full control of the security or not at any third party Premises (and accordingly not Business Premises which for the avoidance of doubt Section Conditions 1 and 2 above apply to) the insurance provided under this Section in respect of Damage caused by theft or attempted theft shall be subject to:

- (a) all security devices (other than Intruder Alarm) including locks fastenings shutters and other



methods of securing access to such Premises being put in full and effective operation and keys removed from the Premises whenever they are closed for business and

- (b) where an Intruder Alarm is installed on such Premises
  - (i) the Intruder Alarm being maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company
  - (ii) the Intruder Alarm being put in to full and effective operation including any central station connection whenever the Premises are left unattended

If the above is not fully complied with or if Police response to the Intruder Alarm is withdrawn no cover shall apply in respect of theft attempted theft from the Premises (other than by robbery or attempted robbery) unless written agreement has been obtained from the Company that such insurance remains in force

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

#### **4. 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

#### **5. 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

#### **6. 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 he is 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

#### **7. 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

- (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 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

#### **8. 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 book

#### **9. Other Insurances**

If any other insurance effected by or on behalf of the Named Insured is expressed to cover any of the Property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part from contributing rateably to the loss destruction or damage the liability of the Company hereunder shall be limited to such proportion of the loss destruction or damage as the Sum Insured hereby bears to the value of such Property

If any other insurance shall be subject to any condition of average this Section if not already subject to an Underinsurance Condition shall be subject to average in like manner

#### **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 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 Premises where the Media on which the Data is recorded is situate

### **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 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**

Subject to the following Special Provisions 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**

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 Damage

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 the 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**

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 declare 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 show 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

**4. Rent**

In respect of Rent of Building 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

**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

## Exclusions

The insurance provided under this Section does not cover

1. Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
  - (b) 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
  - (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
  - (d) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees
  - (e) growing vegetation

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

2. (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 contamination 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 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 a Defined Peril or from any other Damage
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
3. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the specification to the Schedule forming part of this Section 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

4. Damage to property Insured
  - (a) away from the Premises (where the insurance on any Property Insured item as stated in the Specification to the Schedule so provides or as provided for under cover clause 2 Temporary Removal) 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 Insured 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. Loss or damage due to contamination sooting deposition impairment with dust chemical precipitation poisoning epidemic and disease including but not limited to foot and mouth disease

pollution adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health

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

- (a) Fire lightning explosion impact of aircraft
- (b) Vehicle impact sonic boom
- (c) Accidental escape of water from any tank apparatus or pipe
- (d) Riot civil commotion malicious damage
- (e) Storm hail
- (f) Flood inundation
- (g) Earthquake
- (h) Landslide subsidence
- (i) Pressure of snow avalanche
- (j) Volcanic eruption

- 6. Damage caused by or consisting of
  - (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
  - (b) normal settlement or bedding down of new structures
  - (c) 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
  - (d) disappearance unexplained or inventory shortage misfiling or misplacing of information
- 7. Damage to Building or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded
- 8. Damage by wind rain hail sleet snow flood or dust to moveable Property in the open or fences or gates
- 9. Damage to that part of the Property
  - (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
  - (b) resulting from its undergoing any process of production packing treatment commissioning servicing or repair
- 10. Damage in respect of any Building which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire explosion lightning aircraft or other aerial devices or articles there from subject to the following Special Condition

**Special Condition**

It is a condition precedent to liability under the Policy that

- (a) the Business Premises are secured against illegal entry All windows and doors shall be fitted with good quality locks
  - (b) all unnecessary services to be disconnected other than limited service required for security guards fire and burglar alarms
  - (c) all letter boxes shall be sealed to prevent insertion of material
  - (d) perimeter fences walls and gates to be kept complete and maintained
  - (e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage
  - (f) vegetation surrounding the building shall be kept down
  - (g) the Business Premises shall be guarded 24 hours a day and patrolled internally and externally at not more than six hour intervals and work required to maintain security shall be carried out immediately A record of these patrols shall be kept which shall be produced to the Company on request
- 11. 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 roads piers jetties bridges culverts or excavations
    - (d) livestock growing crops or treesunless specifically mentioned as insured by this Section
  - 12. 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
  - 13. Damage in respect of
    - (a) Money
    - (b) Stock In Transit unless specifically mentioned as insured by this Section
  - 14. Any property more specifically insured by or on behalf of the Named Insured
  - 15. Consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section

16. 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 a Defined Peril 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

17. 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

18.

- (a) Loss damage destruction distortion erasure corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use reduction in functionality cost expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss  
Electronic Data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment  
Computer Virus means a set of corrupting harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature  
Computer Virus includes but is not

limited to "Trojan Horses" "worms" and "time or logic bombs"

- (b) However in the event that a peril listed below results from any matters described in paragraph (a) above this insurance subject to all its terms conditions and exclusions will cover physical damage occurring during the original policy period to the property insured by the original policy directly caused by such listed peril

Listed Perils  
Fire  
Explosion

- (c) Electronic Data Processing Media Valuation

Should electronic data processing media insured by this policy suffer physical loss or damage insured by this policy then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation These costs will not include research and engineering nor any costs of recreating gathering or assembling such Electronic Data If the media is not repaired replaced or restored the basis of valuation shall be the cost of the blank media However this insurance does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party even if such Electronic Data cannot be recreated gathered or assembled

19. 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

20. Damage in respect of jewellery precious stones precious metals bullions furs curiosities works of art or rare books

21. 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

22. Loss damage claim cost expenses or other sum directly or indirectly arising out of or relating to

Mould mildew fungus spores or other micro-organism of any type nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health

This exclusion applies regardless of whether there is

- (i) any physical loss or damage to insured property
- (ii) any insured peril or cause whether or not contributing concurrently or in sequence
- (iii) any one loss occupancy or functionality or
- (iv) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns



## 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*

### Subsidence

Notwithstanding Section Exclusion 6(a) the insurance is extended to include Damage caused by or consisting of subsidence or ground heave of any part of the site on which the Property stands or landslip excluding

- (a) Damage to yards car-parks pavements walls gates and fences unless also affecting a building insured hereby
- (b) Damage 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) costal 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) Damage which originated prior to the inception of this cover
- (d) Damage resulting from
  - (i) demolition construction structural alteration or repair of any Property or
  - (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

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

Section Exclusion 3 is deleted and replaced by the following

- 3. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the specification to the Schedule forming part of this Section 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
- (d) from or on an unattended soft topped open topped or open sided vehicle or trailer within the grounds unless also involving theft of the vehicle or trailer

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

### 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 Decemberthe declared values to reach the Company within thirty calendar 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

### **Medical Facilities**

The undernoted cover clauses are hereby added

#### **21. Emergency Evacuation Expense**

If an emergency arises that threatens the safety of the Named Insured's patients the Company will pay up to £2,500 for the extra expense actually incurred to evacuate patients from an insured building at the Business Premises However this benefit does not apply to medical emergencies strikes bomb threats false alarms originating on the Business Premises or where material damage actually occurs

#### **22. Fine Arts**

If fixtures and fittings or stock are insured the Company will pay for Damage as insured in respect of Fine Arts up to £2,500 any one item and in total £25,000 any one claim or claims arising from an Event

#### **23. Replacement of Sanitary and Other Equipment or Property**

Damage includes reinstatement repair or replacement of the Property Insured necessarily incurred by the Named Insured with the consent of the Company as a result of such Property Insured being affected by the outbreak of any infectious or contagious disease including but not restricted to Legionnella and for which the Company will pay up to £50,000 any one claim or claims arising from an Event

#### **24. Patients Valuables**

Notwithstanding Section Exclusion 20 this Section is extended to include Damage to articles of jewellery gold and silver belonging to patients whilst deposited in a proprietary safe and provided that the Named Insured obtains an inventory of such articles from and signed by the patient

The maximum amount payable by the Company under this clause shall not exceed £2,500 any one claim or claims arising from and Event

## **Optional Extension Clause – Deterioration of Stock**

### **Definitions**

For the purpose of this Optional Extension Clause 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 Number shown against the item of the Property Insured and detailed in the List Of Insured Premises And Other Locations Schedule

#### **2. Property and Property Insured**

The words 'Property' and 'Property Insured' 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

### **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**

## **SECTION B GOODS IN TRANSIT**

### **Definitions**

For the purpose of this Section 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 claim or claims arising out of an Event

**2. Property**

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

### **Cover**

Notwithstanding Property Damage Section Exclusions 12 and 13(b) 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 Propertyfollowing 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 Section subject to a limit of £500 any one claim or claims arising from an Event

## Exclusions

- A. The insurance provided under this Section 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 bullions 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 Insured 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 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 State of America

**THE TERMS OF THIS SECTION ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS**

## **SECTION C MONEY & PERSONAL ACCIDENT (ASSAULT)**

### **Part A – Money**

#### **Definitions**

For the purpose of this Section

The term 'Employee' shall mean a person employed under a contract of service or apprenticeship with the Named Insured

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

#### **Cover**

Notwithstanding Property Damage Section Exclusion 13(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 the limit of £500 any one claim or claims arising from an 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 claim or claims arising from an 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
  - (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 transit 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	£5,000	2
£5,001	to	£7,500	3
£7,501	and over	<b>Specialist Security Company</b>	

## 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

## **Part B – Personal Accident (Assault)**

### **Definition**

For the purpose of this Section 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

### **Cover**

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 the insured persons detailed below as a result of theft or attempt thereat arising in the course of the Business

- (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



## Contingencies

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

1. Death
  2. Permanent loss of all sight one or both eyes
  3. loss of one or more limbs
- Occurring within twenty four months of bodily injury as aforesaid
4. Temporary total disablement from engaging in or giving attention to his profession or occupation commencing within 12 calendar months of bodily injury as aforesaid
  5. Permanent and total disablement (other than loss of limbs or sight) which on the expiration of 104 week 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
  - (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 SECTION (PART A / PART B) ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS**

## **SECTION D BUSINESS INTERRUPTION**

### **Definitions**

#### **1. Business Premises**

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

#### **2. Damage**

The word 'Damage' shall mean for the purposes of this Section accidental 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 fitments 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. Media**

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

#### **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. 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 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 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) against such Damage and that
  - (a) payment shall have been made or liability admitted therefore
  - (b) payment would have been made or liability admitted therefore 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) 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 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 the 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 Stock**

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

**Basis of Settlement – Gross Profit:**

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 exceed twelve months) the amount payable shall be proportionately 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

**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 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:**

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 **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 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 therefore 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 exceed 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

**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 adjustments shall be made as may be necessary to provide 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

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 the 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 Period

**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

**Basis of Settlement – Gross Profit: Flexible Limit of Loss:**

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 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

**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)

**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 the sum of the Gross Profit and the uninsured standing charges

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 result which but for the Damage would have been obtained during the relative period after Damage.

### **Basis of Settlement – Additional Increase in Cost of Working: Gross Profit:**

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**

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 the 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:**

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 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 therefore 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 exceed twelve months)

**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

**Annual Revenue**

The Revenue during the twelve months immediately before 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

**Basis of Settlement – Gross Revenue Flexible Limit of Loss:**

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 the Gross Revenue as may cease to 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

**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

**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

**Annual Revenue**

The 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

**Basis of Settlement – Additional Increase in Cost of Working: Gross Revenue**

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:**

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 to 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 be shall be made as may 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:

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 therefore 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)

#### 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 adjustment 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 the 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:**

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 cost of raw materials consumed

**Insured Amount Per Week** shall One fiftieth part of the Research and Development Expenditure incurred during or the financial year the immediately before the date of Damage

**Annual Research and Development Expenditure** The aggregate amount of the may Research and Development Expenditure incurred during the twelve months immediately before the date of 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 per cent 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.

to which such adjustments be made as may be necessary to provide for the trend of the Business and for variations in other circumstances affecting 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 be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**Basis of Settlement – Increase in Cost of Working:**

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 each extension in respect of any one claim or claims arising from an Event shall not exceed

(a) the percentage of the total of the Sums Insured by each applicable insured item (or 133 1/3% 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 customer 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 of the drains or other sanitary arrangements at the Business Premises
  - (b) the Business Premises becoming infested with vermin or pests
  - (c) or attributable to food or drink supplied from the Business Premises
7. or attributable to food or drink supplied from the Business Premises

### Clause Definitions

#### Infectious Disease

The term 'Infectious Disease' shall mean

- (i) Food or Drink poisoning
- (ii) Legionnaires Disease and Legionella Virus
- (iii) Cholera
  - Plague
  - Relapsing fever
  - Smallpox
  - Typhus
- (iv) Acute encephalitis                      Mumps
- Acute Poliomyelitis                      Ophthalmia neonatorum
- Anthrax                                      Paratyphoid fever
- Diphtheria                                  Rabies
- Dysentery (amoebic or bacillary)      Rubella
- Leprosy                                      Scarlet fever
- Leptospirosis                              Tetanus
- Malaria                                      Tuberculosis
- Measles                                      Typhoid fever
- Meningitis                                  Viral haemorrhagic fever
- Meningococcal Septicaemia              Viral hepatitis
- (without meningitis)                      Whooping Cough
- Yellow fever

#### Indemnity Period

For the purpose of the 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 indemnity 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
- (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

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 stationary charges for space and services hire of stand transport charges and the cost of installing stands and exhibits

#### **17. Fines and Damages**

It is agreed that this Section extends to indemnity 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

## **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 Debt 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 Debt 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 Debt 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 Debt 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 conditions 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. total of the sum 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 providing that any Outstanding Debt 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 to vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
3. 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
4. in consequence of Damage caused by or consisting of breakdown or derangement of Computer and Telecommunications 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
5. 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
6. 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
7. 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 fire explosion escape of water from any tank apparatus or pipe
8. in consequence of Damage in respect of
  - (a) Money
  - (b) property in Transit unless specifically mentioned as insured by this Section
9. in consequence of Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
  - (b) the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Business Premises or a boiler used for domestic purposes only) in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
  - (c) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees
  - (d) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
10. (a) in consequence of Damage caused by or consisting of
  - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness

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 but the Named Insured and the Named Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequence of any such failure

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

- marring scratching vermin insects humidity contamination or action of light
- (ii) change in temperature colour flavour texture or finish
- (iii) erasure or distortion of information on computer systems or other records due to the presence of a magnetic flux
- (iv) the freezing solidification or inadvertent escape of molten material
- (b) in consequence of 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 a Defined Peril or from any other Damage
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
11. in consequence of Damage caused by theft or attempted theft of property from the Business Premises as stated in the Schedule unless caused by theft or attempted theft of the property from the buildings (but not grounds) at the Business 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 Business Premises have not been unoccupied for a period of more than thirty consecutive days
12. in consequence of Damage to property of the Named Insured
- (a) away from the Business Premises (where loss as insured by this Section so provides) 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 and
    - (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 Insured 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

13. 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 a Defined Peril
  - (b) a Defined Peril which itself results from pollution or contamination
14. in consequence of Damage caused by or consisting of
- (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank or apparatus or pipe
  - (b) normal settlement or bedding down of new structures
  - (c) 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
  - (d) disappearance unexplained or inventory shortage misfiling or misplacing of information
15. in consequence of Damage to buildings or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded
16. in consequence of Damage by wind rain hail sleet snow flood or dust to movable property in the open or fences or gates

17. in consequence of Damage to that part of the property

- (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
- (b) resulting from its undergoing any process of production packing treatment commissioning servicing or repair

18. in consequence of Damage in respect of any Business Premises which are 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**

It is a condition precedent to liability under the Policy that

- (a) the Business Premises are secured against illegal entry All windows and doors shall be fitted with good quality locks
- (b) all unnecessary services to be disconnected other than limited services required for security guards fire and burglar alarms
- (c) all letter boxes shall be sealed to prevent insertion of material
- (d) perimeter fences walls and gates to be kept complete and maintained
- (e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage
- (f) vegetation surrounding the building shall be kept down
- (g) the Business Premises shall be guarded 24 hours a day and patrolled internally and externally at not more than six hour intervals and work required to maintain security shall be carried out immediately A record of these patrols shall be kept which shall be produced to The Company on request

19. 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 roads piers jetties bridges culverts or excavations
- (c) livestock growing crops or trees

unless specifically mentioned as insured by this Section

20. 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

21. in consequence of Damage in respect of jewellery precious stones precious metals bullions furs curiosities works of art or rare books

## 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*

### 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

### Subsidence

Notwithstanding Section Exclusion 13(a) the insurance is extended to include loss resulting from interruption to or interference with the Business in consequence of Damage caused by or consisting of subsidence or ground heave of any part of the site on which the property stands or landslip excluding

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

## Theft (full theft from building and forcible and violent theft from grounds and outbuildings)

Section Exclusion 11 is deleted and replaced by the following

- 11. in consequence of Damage caused by theft or attempted theft of property from the Business Premises as stated in the Schedule unless caused by theft or attempted theft of property
  - (a) from the buildings (but not outbuildings or grounds) at the Business Premises
  - (b) from outbuildings at the Business 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 Business Premises where accompanied by forcible and violent entry to or exit from grounds at the Business Premises or by violence to persons or threat of violence to persons
  - (d) from or on an unattended soft topped open topped or open sided vehicle or trailer within the grounds unless also involving theft of the vehicle or trailer

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

## SECTION E COMPUTER ALL RISKS

### 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 to the Property

#### 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 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 address 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 by 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 is 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 claim or claims arising from an 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**

### **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 professional accountants for producing

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

### **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 sprinkle 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

A **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 conditions 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) the 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

## B 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
- (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 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

### **C Theft Precautions – Third Party Premises**

Regardless of if the Named Insured has full control of the security or not at any third party Premises (and accordingly not Business Premises which for the avoidance of doubt Section Conditions 1 and 2 above apply to) the insurance provided under this Section in respect of Damage caused by theft or attempted theft shall be subject to:

- (a) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to such Premises being put in full and effective operation and keys removed from the Premises whenever they are closed for business and
- (b) where an Intruder Alarm is installed on such Premises
- (i) the Intruder Alarm being maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company

- (ii) the Intruder Alarm being put in to full and effective operation including any central station connection whenever the Premises are left unattended

If the above is not fully complied with or if Police response to the Intruder Alarm is withdrawn no cover shall apply in respect of theft attempted theft from the Premises (other than by robbery or attempted robbery) unless written agreement has been obtained from the Company that such insurance remains in force

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

### **D Underinsurance**

The Sum Insured by each item of Computer and Telecommunications 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

### **E 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

### **F Claims Conditions**

#### **(i) 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 disclose to the Company by the Named Insured in the event of a claim against this Section

#### **(ii) 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

(a) any Company standing in the relation of parent to subsidiary to the Named Insured

(b) any Company standing in the relation of subsidiary to parent to the Named Insured

(c) 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

**(iii) 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

**(iv) 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

of any portion of the Premises hereby insured not occupied by the Named Insured whether constituting an increase in risk or not unknown to or beyond the control of the Named Insured provided that immediately the Named Insured becomes aware thereof shall give notice to the Company and pay an additional premium if required

**G Reasonable Precautions**

The Named Insured shall

- (i) maintain the property in an efficient condition
- (ii) take all reasonable precautions to prevent Damage to the Property or accidental loss distortion corruption or erasure of Programs and/or Data
- (iii) 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
- (iv) 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

**H 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

**I Non-invalidating**

Notwithstanding General Conditions 1. and 2. the insurance by this Section shall not be invalidated by any act or omission or by any alterations in respect

## **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 as its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

### **1. Indemnity**

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

#### **(a) Special Provision**

##### **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**

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 Conditions**

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**

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

- (i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
- (ii) 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 climate 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 on any Property Insured item as stated in the Schedule 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 Insured 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 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 consequence of any such failure

**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 of his Employees

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. Escape of Water**

Damage caused by the escape of water from any tank apparatus or pipe in respect of any Building which is empty or not in use for a period of more than thirty consecutive days

**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

**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 3 and Cover 4 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 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 exclusion of the Section and the Policy*

### **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
  - (d) from or on an unattended soft topped open topped or open sided vehicle or trailer within the grounds unless also involving theft of the vehicle or trailer

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

## SECTION F TERRORISM INSURANCE

Cover provided under the following Effective Section(s) of this policy is extended to include Terrorism:-

Effective Section – Material Damage  
Effective Section – Goods In Transit  
Effective Section – Money and Assault  
Effective Section – Business Interruption  
Effective Section – Computer All Risks

### **Terrorism is defined as:-**

**An act of any person or groups of persons acting on behalf of, or in the name of, or in support of, or in connection with any organisation, association or affiliation of persons which carries out activities directed towards the overthrowing or influencing by force, destruction or violence or by the threat of force, destruction or violence, any government or political institution**

Provided always that the insurance provided by this Terrorism Insurance Section is

- A** limited to DAMAGE or CONSEQUENTIAL LOSS occasioned by or happening through or in consequence of Terrorism

In any action suit or other proceedings where The Company alleges that any DAMAGE or CONSEQUENTIAL LOSS is not covered by this Section the burden of providing that such DAMAGE or CONSEQUENTIAL LOSS is covered shall be upon the Insured

- B** not subject to the Effective Section exclusions other than

- i) War and Allied Risks - General Exclusion 1. a)  
ii) Northern Ireland – General Exclusion 2

- C** additionally subject to the following exclusions –

- a) Electronic Risks Exclusion

The insurance effected by this Section does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:-

- (i) DAMAGE to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Insured or not where such DAMAGE is caused by

Virus or Similar Mechanism or Hacking or Denial or Service Attack

- (ii) CONSEQUENTIAL LOSS directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Virus or Similar Mechanism

Virus or Similar Mechanism means program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with it 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

Hacking

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

Denial of Service Attack

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

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

- b) Excluded Property

DAMAGE or CONSEQUENTIAL LOSS in respect of:

- i) at any location outside England Wales and Scotland  
ii) at any nuclear installation or nuclear reactor  
iii) which is specifically excluded elsewhere in this policy  
iv) which is insured by or would but for the existence of this policy be insured by any form of transit aviation or marine policy

Provided also that The Company's liability in respect of all losses arising out of any one occurrence and in the aggregate in any one period of insurance shall not exceed the limits as otherwise specified separately under the Effective Section stated above

Subject otherwise to all the terms and conditions of this policy

## **SECTION G EMPLOYERS' LIABILITY INSURANCE**

### **Definition**

In this Section the following term shall have the following meaning

#### **1. Offshore Work**

The words 'Offshore Work' shall mean visits or work undertaken by an Employee from the time the Employee embarks into a conveyance whether airborne or waterborne for transport to an offshore installation or associated structure until such time as the Employee disembarks from the conveyance onto land upon his return from such installation or associated structure

The words 'Offshore Installation' and 'Associated Structure' shall have the same meanings as they are interpreted in the Mineral Workings (Offshore Installations) Act 1971 and the Offshore Installations (Application of the Employers' Liability (Compulsory Insurance) Act 1969) Regulations 1975

### **Cover**

#### **1. Bodily Injury**

The Company will indemnify the Insured subject to the Limit of Indemnity stated in the Schedule against legal liability to pay Compensation for Bodily Injury sustained by any Employee arising out of and in the course of employment by the Insured in connection with the Business and caused during the Period of Insurance within

- (a) Great Britain Northern Ireland the Isle of Man or the Channel Islands and offshore installations in territorial waters around Great Britain and its continental shelf
- (b) elsewhere in the world where any Employee normally resident in the territories stated in (a) above is temporarily working in connection with the Business

#### **2. Claimants' Costs and Expenses**

The Company will indemnify the Insured subject to the Limit of Indemnity stated in the Schedule against legal liability for claimants' costs and expenses in connection with the indemnity provided under clause 1 of the Cover

#### **3. Defence Costs and Expenses**

The Company will indemnify the Insured subject to the Limit of Indemnity stated in respect of all

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
  - (i) coroner's inquest or other inquiry in respect of any death
  - (ii) proceedings in any court (other than in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings) in respect of any act or omission causing or relating to any occurrence
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter

which may be in the subject of indemnity under clause 1 of the Cover

#### **4. Health and Safety at Work Act Prosecution**

##### **Defence Costs**

The Company will indemnify the Insured subject to the Limit of Indemnity as stated in the Schedule in respect of legal costs and other expenses reasonably incurred with the Company's written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar

UK health and safety legislation and regulations committed or alleged to have been committed during the Period of Insurance in the course of the Business

Provided that

- (a) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings relate to the health safety or welfare of any Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon any deliberate act or omission
  - (ii) fines or penalties of any kind
  - (iii) any circumstances where indemnity is provided by any other insurance or where but for the existence of this clause 4 of the Cover indemnity would have been provided by such other insurance

#### **5. Unsatisfied Court Judgements**

Where a judgement for damages has been obtained by any Employee or the legal personal representatives of any Employee in respect of Bodily Injury sustained by the Employee and caused during the Period of Insurance arising out of and in the course of employment by the Insured in connection with the Business against any Company or person operating from or resident in premises within Great Britain Northern Ireland the Isle of Man or the Channel Islands in any court situate in the said territories and such judgement

remains unsatisfied in whole or in part 6 months after the date of judgement then at the request of the Insured the Company will pay to the Employee or the said legal personal representatives subject to the Limit of Indemnity stated in the Schedule the amount of any such damages and awarded costs that remain unsatisfied

Provided that

- (a) there is no appeal outstanding
- (b) if any payment is made by the Company the Employee or the said legal representatives shall assign the judgement to the Company
- (c) all reasonable steps necessary to protect the ability to recover from the party against whom the judgement was obtained have been taken

#### **6. Court Attendance Compensation**

If during the Period of Insurance any partner director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required

- (a) any director or partner      £250
- (b) any Employee                      £150

#### **7. Indemnity to Principal**

If the Insured so requests the Company will indemnify any principal for whom the Insured is carrying out work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

- (i) Said principal shall observe fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- (ii) The Company's aggregate liability to all parties comprising the Insured and the said principal shall not exceed the Limit of Indemnity

#### **8. Private Duties**

The definition of 'Business' extends to include the execution of private duties undertaken with the consent of the Insured by any Employee for any director partner or senior official of the Insured

**Limit of Indemnity**

The Limit of Indemnity is stated in the Section Schedule and applies to the Compensation payable in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause and is inclusive of all claimants' and defence cost and expenses payable under Cover Clauses 2 3 and 4

**Condition****Claims (Right of Recovery)**

The indemnity provided by this Section is Deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Isle of Man and the Channel Islands but the Insured shall repay to the Company all sums paid by the Company which they would not have been liable to pay but for the provision of such law



**Exclusions**

The Company shall not be liable to indemnify the Insured in respect of

1. any amount payable under workmen's compensation social security or health insurance legislation save for any compensation recovery unit payments that may be required by Social Security Acts 1989 and 1990
2. any claim arising directly out of Offshore Work
3. any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other compulsory Road Traffic Act legislation

**Endorsement**

*The following endorsement is only operative if shown on the Employers' Liability Section Schedule and is subject otherwise to the terms and conditions and exclusions of the Sections and the Policy*

**Offshore Extension**

It is hereby agreed that Section Exclusion 2 is deemed to be deleted and in respect of liability arising directly or indirectly out of Offshore Work it is agreed that the Limit of Indemnity is restricted to £5,000,000 any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause and is inclusive of all claimants' and defence costs and expenses

## **SECTION H PUBLIC AND PRODUCTS LIABILITY INSURANCE**

### **Definitions**

In this Section the following terms shall have the following meanings

#### **1. Damage**

The word 'Damage' shall mean

- (a) physical loss of or damage to tangible property including attendant loss of use of such property
- (b) nuisance trespass or interference with any easement right of air light water or way

#### **2. Financial Loss**

The words 'Financial Loss' shall mean financial loss unaccompanied by either

- (a) Injury

or

- (b) Damage

#### **3. Products**

The word 'Products' shall mean anything tangible (including containers packaging or labels) manufactured sold supplied hired out repaired serviced altered upgraded installed erected processed tested treated stored or transported by or on behalf of the Insured in connection with the Business after they have ceased to be in the custody or control of the Insured

### **Cover**

#### **1. Legal Liability**

The Company will indemnify the Insured subject to the Limits of Indemnity in respect of all sums which the Insured shall become legally liable to pay as Compensation for and arising out of accidental Injury or Damage occurring during the Period of Insurance and arising in connection with the Business

#### **2. Claimants' Costs and Expenses**

The Company will in addition indemnify the Insured against legal liability for claimants' costs and expenses in connection with the indemnity provided under clause 1 of the Cover

#### **3. Defence Costs and Expenses**

The Company will in addition indemnify the Insured in respect of all

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
  - (i) coroner's inquest or other inquiry in respect of any death
  - (ii) proceedings in any court (other than in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings) in respect of any act or omission causing or relating to any occurrence
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter

which may be the subject of indemnity under clause 1 of the Cover

#### **4. Consumer Protection Act or Health and Safety at Work Act or Food Safety Act Prosecution Defence Costs**

The Company will indemnify the Insured in respect of legal costs and other expenses reasonably incurred with the Company's written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of

- (a) the Consumer Protection Act 1987 or any amending legislation or
- (b) the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar United Kingdom health and safety legislation and regulations or
- (c) the Food Safety Act 1990 or any amending legislation

committed or alleged to have been committed during the Period of Insurance in the course of the Business

Provided that

- (a) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings do not relate to the health safety or welfare of any Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon any deliberate act or omission
  - (ii) fines or penalties of any kind
  - (iii) any circumstances where indemnity is provided by any other insurance or where but for the existence of this clause 4 of the Cover indemnity would have been provided by such other insurance

#### 5. Defective Premises Act

The Company will indemnify the Insured against legal liability incurred by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any premises previously owned for purposes pertaining to the Business which were disposed of by the Insured prior to the occurrence of the Injury or Damage giving rise to liability

Provided that

- (a) the injury or Damage giving rise to such legal liability occurs during the Period of Insurance
- (b) the Company will not provide indemnity
  - (i) where indemnity is provided by any other insurance or where but for the existence of this Policy indemnity would have been provided by such other insurance
  - (ii) in respect of the costs incurred in removing rebuilding repairing rectifying or replacing any such premises or part of such premises

#### 6. Vendor's Liability

At the request of the Named Insured the Company will indemnify any legal personality (hereinafter referred to as 'Vendor') solely in respect of the legal liability arising out of the distribution or sale of the Named Insured's Products in the course of the Vendor's business but excluding liability arising out of

- (a) any act or omission by the Vendor not expressly authorised by the Named Insured
- (b) any act or omission of the Vendor which changes or permits changes in the Products or the condition of the Products or instructions or warnings accompanying the Products

Provided that

- (i) the vendor shall observe fulfil and be subject to the terms and conditions of the Policy insofar as they can apply
- (ii) the Company's aggregate liability to all parties comprising the Named Insured and any other party or parties shall not exceed the Limit of Indemnity
- (iii) the Vendor is not a person Company or organisation operating within the United States of America its territories and possessions Puerto Rico or Canada

#### 7. Data Protection Act 1998

The Company will indemnify the Named Insured and if the Named Insured so requests any Employee or director or partner of the Named Insured in respect of their liability to pay Compensation for damage or distress under section 13 of the Data Protection Act 1998 including reasonable defence costs and expenses incurred with the written consent of the Company and in addition the reasonable defence costs incurred with the written consent of the Company relating to a prosecution brought under the Data Protection Act 1998 in relation to a claim made by any person

Provided that

- (a) any claim for Compensation is first made or prosecution first brought against the Named Insured during the Period of Insurance
- (b) the Named Insured is registered in accordance with the terms of the Act or has applied for such registration which has not been refused or withdrawn and has taken all reasonable care to comply with the requirements of the Data Protection Act 1998
- (c) no indemnity is granted in respect of
  - (i) the payment of fines or penalties
  - (ii) the cost of replacing reinstating rectifying erasing blocking or destroying any data
  - (iii) liability caused by or arising from a deliberate or intentional act by or omission of the Named Insured or any person eligible for indemnity by this extension the effect of which will knowingly result in liability under the Data Protection Act 1998
  - (iv) claims which arise out of circumstances notified to previous insurers or are known to the Insured and Likely to give rise to indemnity under this extension at the start of the Period of Insurance
  - (v) liability for which indemnity is provided under any other insurance
- (d) in respect of each and every claim under this extension the Named Insured shall be liable for

10% of the cost of the claim or £500 whichever is the greater

- (e) the Company's liability under this extension is limited to £500,000 in respect of any one claim and in the aggregate during any one Period of Insurance

#### 8. Motor Contingent Liability

Notwithstanding Section Exclusion 5 the Company will indemnify the Named Insured and no other for the purpose of this clause against legal liability arising from or caused by any motor vehicle not the property of nor provided by the Named Insured and being used in connection with the Business

Provided that the Company will not provide indemnity in respect of liability

- (a) for loss of or damage to such vehicle or property carried
- (b) more specifically insured under any other insurance or which would be so insured but for the existence of this clause
- (c) arising or caused whilst such vehicle is being
  - (i) driven by the Named Insured
  - (ii) driven with the general consent of the Named Insured or his representative by any person who to the knowledge of the Named Insured or such representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
  - (iii) used elsewhere than in Great Britain Northern Ireland the Isle of Man or the Channel Islands

#### 9. Compensation for Court Attendance

Where at the request of the Company or their representatives any of the undermentioned persons attend a court or tribunal or other forum as a witness in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the following rates per day for each day of part thereof on which attendance is required

- (a) any principal partner or director of the Insured £500.00
- (b) any other Employee £200.00

#### 10. Indemnity to Principal

If the Named Insured so requests the Company will indemnify any principal for whom the Insured is carrying out work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made

against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

- (a) said principal shall observe fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- (b) the Company's aggregate liability to all parties comprising the Insured and the said principal shall not exceed the Limit of Indemnity

#### 11. Private Duties

The definition of 'Business' extends to include the execution of private duties undertaken with the consent of the Insured by any Employee for any director partner or senior official of the Insured

#### 12. Overseas Personal Liability

The Company will indemnify the Named Insured and if the Named Insured so requests any director or partner of the Named Insured or Employee (including their families whilst accompanying them) against legal liability incurred in a personal capacity whilst engaged in non manual visits in connection with the Business outside the Territorial Limits

Provided that the Company will not provide indemnity

- (i) in respect of legal liability caused by or arising out of the ownership or occupation of land or buildings
- (ii) where indemnity is provided by any other insurance or where but for the existence of this Policy indemnity would have been provided by such other insurance

#### 13. Property in the Insured's Custody or Control

Section Exclusion 1(d) will not apply to

- (a) the personal effects (including vehicles and their contents) of any visitor or director partner or Employee of the Named Insured
- (b) premises (including their fixtures fittings and contents) not owned by or leased rented or hired to the Named Insured which are temporarily occupied by the Insured for the purposes of carrying out work therein or thereon
- (c) premises (including their fixtures and fittings) leased rented or hired to the Named Insured provided that the Company will not provide indemnity in respect of
  - (i) liability assumed by the Named Insured under a tenancy or other agreement unless liability would have attached in the absence of such agreement
  - (ii) the first £500 of each and every occurrence of loss or damage caused to any such

premises fixtures or fittings other than by  
fire or explosion

## Limit of Indemnity

The limit of Indemnity is stated in the Schedule and applies to Compensation payable in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause In respect of liability arising from Products the Limit of Indemnity shall be the total amount payable during any one Period of Insurance in respect of all claims

Provided that

- (a) where the Limit of Indemnity is less than the total amount of the Insured's liability (the total liability excluding any costs and expenses) then the costs and expenses payable under Cover Clauses 2 and 3 shall be limited to the proportion that the Limit of Indemnity bears to the total amount of such liability
- (b) the Deductible in respect of damage and claimants' costs and expenses will be payable before the Company shall be liable to make a payment

## Exclusions

The Company shall not be liable to indemnify the Insured in respect of

1. the cost of making good Damage to property
  - (a) belonging to the Insured or
  - (b) being that part of any property worked upon by the Insured and arising out of such work or
  - (c) being that part of any Product giving rise to claim or
  - (d) in the Insured's care custody or control
2. liability assumed by the Insured under contract or agreement to any person firm or Company who is third party within the meaning of the Contracts (Rights of Third Parties) act 1999 unless the Company has signified its approval to the form of such contract or agreement or such liability would have attached notwithstanding such contract agreement
3. liability arising from Products attaching by virtue of an agreement but which would not have attached in the absence of such agreement unless the Company shall have signified its general approval to the form of such contract or agreement by endorsement hereon
4. liability arising from the ownership possession or use by or on behalf of the Insured of any vessel or craft (other than non powered water craft) made or intended to float on or in or travel through water or air or space but this Exclusion shall not apply to any waterborne vessel or craft not exceeding 30 feet in length other than power boats used for racing
5. liability arising from or caused by the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or plant except
  - (a) any vehicle or plant
    - (i) not requiring a licence for road use or a certificate of motor insurance or other security
    - (ii) being used as a tool of trade at any premises of the Insured or on the site of any contract where the Insured is working
  - (b) the loading or unloading or the bringing to or taking away of a load from any mechanically propelled vehicle or plant Provided that the Company will not grant indemnity
    - (i) in respect of liability which is compulsorily insurable under any road traffic legislation
    - (ii) if indemnity is provided by any other insurance

6. liability arising out of or for the cost of removing nullifying or clearing up any actual or alleged Pollution or Contamination unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance anywhere in the world except the United States of America its territories and possessions Puerto Rico and Canada

Provided that

- (a) notwithstanding General Condition 17 or any amendment thereto the Company shall not grant indemnity in respect of any claim brought in the courts of the United States of America its territories and possessions Puerto Rico and Canada or in respect of the enforcement of a judgement obtained in any such courts
- (b) all Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place
- (c) the liability of the Company for all Compensation payable in respect of all Pollution or Contamination which has occurred or is deemed to have occurred during the Period of Insurance shall not exceed the Limit of Indemnity in the aggregate

For the Purpose of this Exclusion 'Pollution or Contamination' shall mean

- (a) all pollution or contamination of buildings or other structures or water or land or the atmosphere

and

- (b) all Damage or Injury directly or indirectly caused by such pollution or contamination

7. liability for costs and expenses for
- (a) the repair inspection alteration correction or replacement of defective materials service or workmanship or
  - (b) the withdrawal recall repair replacement alteration or making of any refund in respect of Products
- 8.
- (a) liability arising out of Products comprising or incorporated in or on any aircraft spacecraft or military or naval missile
  - (b) liability arising out of Products comprising or incorporated in ground support or control equipment used for the purpose of guidance navigation or direction of any aircraft spacecraft or military or naval missile
9. liability in respect of loss of information or the provision of wrong information in or from computer

programmes tapes or data recording equipment unless as a direct consequence of physical loss or damage to tangible property

10. liability in respect of Bodily Injury sustained by an Employee and arising out of and in the course of his employment by the Insured
11. liability for Financial Loss
12. legal liability of any nature directly or indirectly caused by or contributed to by or arising 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 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
13. liability for Bodily Injury arising from an act or omission in the provision of or failure to provide Professional Healthcare Services
14. liability arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged

## Endorsements

*The following endorsements are only operative if shown on the Public and Products Liability Section Schedule and are subject otherwise to the terms conditions and exclusions of the Section and the Policy*

### Heat Work Away

The indemnity provided by this Section shall not apply to any work away from premises owned or leased or rented by the Named Insured involving the use of 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 heated tar bitumen or asphalt or any other process involving the application of heat

### Heat Work Away Conditions

Definitions applicable to this endorsement:

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 fuel containers and hose connections

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

The Company shall not be liable to indemnify the Insured in respect of liability arising from or caused by the use of Equipment or Bitumen Heaters away from premises owned by or leased or rented to the Insured 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 multipurpose 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 cannot 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 cannot 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 instruction 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

### Failure to Perform

The indemnity provided by this Section does not apply to Injury or Damage caused by or arising from the actual or alleged failure or unsuitability of any Product (or any part thereof) to fulfil the purpose for which it was designed or to perform as specified warranted guaranteed or intended

### Critical Aviation / Military / Naval Products

Section Exclusions 8 (a) and 8 (b) are deemed to be deleted and the following substituted therefore

### Exclusion 8

The indemnity provided by this Section does not apply to liability arising out of Products comprising Critical Aviation/Military/Naval Products

'Critical Aviation/Military/Naval Product' means

- (a) any complete aircraft spacecraft or military or naval missile



- (b) any part or equipment (including but not limited to ground support or control equipment) critical to the flight or take off or landing or navigation of any aircraft spacecraft or military or naval missile

**Libel And Slander**

Injury is hereby extended under this Section to include

- (a) libels appearing in any publication normal to the conduct of the Insured's Business by Employees of the Insured
- (b) slanders in oral utterances made by any Employee in the course of and in pursuance of the Business

but only in respect of claims made against the Insured during the Period of Insurance or within ninety days after the Policy is cancelled or lapsed and provided that the date of the publication or utterance on which the claim is based occurred during the Period of Insurance In addition the Company will indemnify the Insured in respect of costs and expenses incurred with the written consent of the Company in the defence or compromise of any proceedings for libel or slander as aforesaid begun or threatened against the Insured in any such proceedings

Provided that

- (i) the liability of the Company (including costs and expenses) shall not exceed in the aggregate £1,000,000 (and which shall form part of and not in addition to the Limit of Indemnity) in respect of all claims during any one Period of Insurance and in respect of all damages costs and legal expenses incurred or awarded in connection with any one publication or utterance whether or not all claims in respect thereof shall be made during the same Period of Insurance
- (ii) this extension shall not apply to libels or slanders made by one Employee of the Insured against another

**SECTION I**  
**DIRECTORS & OFFICERS**

Claims made policy notice: This is a 'claims made' policy which means that it will only respond to **Claims** first made during the **Policy Period** and notified in accordance with the Policy Terms and Conditions

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## 1. Business Decisions

The Insurer will:

- (a) pay **Loss** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions**; or
- (b) reimburse the **Company** if it pays **Loss** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions**.

---

## 2. Company Securities Claims

### 2.1 Company Securities Claims

The Insurer will pay **Loss** incurred by the **Company** due to a **Securities Claim** provided that this Insuring Clause is specifically elected in the Declarations.

### 2.2 Shareholder Derivative Costs

The Insurer will pay **Derivative Costs** incurred by the **Company**.

### 2.3 Shareholder Derivative Demand Evaluation Costs

The Insurer will pay **Derivative Demand Evaluation Costs** incurred by the **Company**.

---

## 3. Investigations & Hearing Attendance

### 3.1 Investigation Costs

The Insurer will:

- (a) pay **Investigation Costs** incurred by an **Insured Person** in an **Investigation** into **Business Decisions**; or
- (b) reimburse the **Company** if it pays **Investigation Costs** incurred by an **Insured Person**.

### 3.2 Derivative Investigation Costs

The Insurer will pay **Investigation Costs** incurred by an **Insured Person** in a **Derivative Demand** based on **Business Decisions**.

### 3.3 Subpoena Costs

The Insurer will pay **Subpoena Costs** incurred by an **Insured Person** in responding to a **Subpoena** in an **Investigation** or **Claim**.

### 3.4 Witness Costs

The Insurer will pay **Witness Costs** incurred by an **Insured Person** in an **Investigation** or **Claim** subject to a sub-limit of GBP 10,000 per **Insured Person** and GBP 250,000 in the aggregate.

### 3.5 Insolvency Hearing Costs

The Insurer will pay **Insolvency Hearing Costs** incurred by an **Insured Person** in an insolvency hearing that seeks to examine **Business Decisions**.

---

## 4. Regulatory Fines, Penalties and Costs

### 4.1 Regulatory Civil Fines & Penalties

The Insurer will pay **Regulatory Penalties** assessed against an **Insured Person**, and **Legal & Professional Costs**, due to a **Claim** based on **Business Decisions**.

### 4.2 United States Regulatory Costs

The Insurer will pay **Dodd-Frank 954 Costs** and **Sarbanes Oxley 304 Costs** imposed upon an **Insured Person** due to a **Claim** based on **Business Decisions**.

### 4.3 Data and Privacy

The Insurer will pay **Data Penalties** assessed against an **Insured Person**, and **Legal & Professional Costs**, due to a **Claim** based on **Business Decisions** relating to the collection, protection, preservation, dissemination and/or destruction of sensitive, personal, privileged or confidential data.

### 4.4 Disqualification

The Insurer will pay **Legal & Professional Costs** incurred by an **Insured Person** due to a **Claim** seeking his or her **Disqualification** based on **Business Decisions**.

### 4.5 Reports to Regulators

The Insurer will pay **Self-Reporting Costs** incurred by an **Insured Person** due to a **Self-Reporting Procedure**.

If the **Company** or any **Insured Person**, as part of any **Self-Reporting Procedure**, makes an admission of wrongdoing or dishonest conduct, the Insurer will not rely on any such admission for the purpose of excluding **Self-Reporting Costs**.

The Insurer's total aggregate liability for **Self-Reporting Costs** will not exceed GBP 250,000.

---

## 5. Injury, Manslaughter & Violent Incident Liability

### 5.1 Corporate Manslaughter & Personal Injury Liability

- (a) The Insurer will pay **unindemnifiable Loss** incurred by an **Insured Person** due to a **Claim** alleging **Corporate Manslaughter**, or personal or bodily injury, caused by **Business Decisions**.
- (b) The Insurer will pay **Manslaughter and Personal Injury Costs** incurred by an **Insured Person** due to any **Investigation** into, or prosecution of, a **Company** for **Corporate Manslaughter** or breach of the Health and Safety at Work Act etc. 1974, or equivalent legislation in any applicable jurisdiction.

### 5.2 Terrorism & Violent Incident Protection

The Insurer will pay **Loss** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions** for failure of supervisory, procedural or managerial oversight in safeguarding against a terrorist or hostage-taking incident or in safeguarding against an **Employee's** violent actions or suicide that results in death or injury of others.

---

## 6. Personal Liberty & Property, Family Support

### 6.1 Liberty Defence Costs

The Insurer will pay **Legal & Professional Costs** incurred by an **Insured Person** in defending or in contesting his or her **Extradition, Deportation, Asset Seizure, Disqualification, House Arrest or Detention without Charge**.

## 6.2 Bail Bond Costs

The Insurer will pay **Bail Bond Costs** incurred by an **Insured Person** in securing his or her personal liberty pending a hearing or sentencing in a **Claim** or defending or in contesting any **Extradition, Deportation, House Arrest or Detention without Charge**.

## 6.3 Spousal, Heir & Assigns Liability

The Insurer will pay **Loss** incurred by the lawful spouse or domestic partner, heirs or assigns or estate of an **Insured Person** due to a **Claim** based on that **Insured Person's Business Decisions** in the event of that **Insured Person's** death, incapacity, insolvency or bankruptcy and, in the case of a lawful spouse or domestic partner, where recovery is sought solely because joint property is held or owned by or on behalf of the spouse or domestic partner. However, spouses, domestic partners, heirs and assigns are not insured under this Policy in their own right.

## 6.4 Claim-Related Family Support

### (a) Family Companion Costs

The Insurer will pay **Family Companion Costs** in the event of a **Claim** brought against an **Insured Person** in a country in which he or she is not habitually resident.

### (b) Family Living Costs

The Insurer will pay **Family Living Costs** in the event that an **Asset Seizure or Disqualification** of an **Insured Person** causes **Financial Disruption**.

### (c) Family Stress Support Costs

The Insurer will pay **Family Stress Support Costs** in the event of an **Insured Person's Extradition, Deportation, Asset Seizure, Disqualification, House Arrest, Detention without Charge or Prison Sentence**.

### (d) Family Tax Advice

The Insurer will pay **Family Extradition or Deportation Tax Costs** incurred by an **Insured Person** in the event that an **Insured Person's Extradition or Deportation** renders ineffectual the **Insured Person's** legitimate and lawful personal tax planning.

### (e) Family Dispute Mediation

The Insurer will pay **Family Mediation Costs** on behalf of an **Insured Person** if a shareholder who is related to the **Insured Person** by blood or by a current or former marriage or civil partnership brings, or threatens to bring, a **Claim** against that **Insured Person** on account of his or her **Business Decisions**.

Each of the covers afforded pursuant to sub-clauses (a) to (e) of this Clause 6.4 is subject to a sub-limit of GBP 10,000 per **Insured Person** per **Single Claim** (or if applicable, threatened **Claim** under (e)) and to an aggregate sub-limit for all covers under this Clause 6.4 of GBP 250,000 for all **Single Claims** (or threatened **Claims**) against all **Insured Persons per Policy Period**.

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## 7. Pre-Claim & Mitigation Costs

### 7.1 Mitigation Costs

The Insurer will pay **Mitigation Costs** incurred by an **Insured Person** to obtain legal advice for the sole and exclusive purpose of mitigating the risk or severity of a potential **Claim** arising from **Circumstances** notified and accepted under this Policy.

### 7.2 Shareholder Activism

If an **Insured Person** notifies the Insurer of **Circumstances** evidencing a credible risk of either an imminent **Claim** or a proxy fight to remove that **Insured Person** from their position as a director or officer of the **Company** based on their **Business Decisions**, the Insurer will pay **Pre-Claim Advisory Costs** incurred by that **Insured Person**.

### 7.3 Litigation Funding

The Insurer will pay **Settlement Evaluation Costs** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions** that is financed by a **Litigation Funding** arrangement.

### 7.4 Public Relations Expenses

The Insurer will pay **Public Relations Expenses** incurred by a **Senior Leader** or by the **Company** for the sole and exclusive purpose of:

- (a) mitigating the impact of a **Claim** covered by this Policy, including preventing or mitigating business disruption, reputational injury and adverse publicity;
- (b) managing and responding to an adverse social media campaign that is launched against **Insureds** in connection with a **Claim** covered by this Policy;
- (c) mitigating stakeholder concerns if a **Senior Leader** is subject to **Quarantine** during the **Policy Period**;
- (d) mitigating reputational injury sustained by an **Insured's Extradition, Deportation, Asset Seizure, Disqualification, House Arrest or Detention without Charge**; or
- (e) mitigating reputational injury sustained by an **Insured** due to a **Claim** by publishing the outcome of that **Claim** if it concluded in a final non-appealable finding of no guilt or liability.

The Insurer's total aggregate liability for **Public Relation Expenses** shall not exceed the amount specified in Item 12 of the Declarations.

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## 8. Foreign Jurisdiction Costs

### 8.1 Interpretive Counsel

The Insurer will pay **Interpretive Counsel Costs** incurred by an **Insured Person** due to a **Claim** brought under the laws of a foreign jurisdiction against an **Insured Person** based on **Business Decisions**.

### 8.2 Conflict of Laws

The Insurer will pay **Legal & Professional Costs** incurred by an **Insured Person** in proceedings brought under the laws of a foreign jurisdiction due to a **Claim** based on **Business Decisions** that unavoidably resulted in violation of the laws or regulation of such foreign jurisdiction solely and exclusively caused by compliance with irreconcilable provisions of any law of England and Wales, Northern Ireland, Scotland or the

Republic of Ireland.

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## 9. Management Protection Liability

### 9.1 Corporate Tax Liability

#### (a) Personal Corporate Tax Liability

The Insurer will pay the **Unpaid Taxes** of the **Company** for which an **Insured Person** is held personally legally liable due to a **Claim** by H.M. Revenue & Customs, or equivalent authority in any jurisdiction, based on **Business Decisions**, except for any liability arising from or relating to that **Insured Person's** intentional wrongdoing or dishonesty.

#### (b) Corporate Tax Planning Liability

The Insurer will pay **Loss** incurred by an **Insured Person** due to a **Claim** by H.M. Revenue & Customs, or equivalent authority in any jurisdiction, based on **Business Decisions** relating to **Corporate Tax Planning**.

### 9.2 Employment Related Claims

The Insurer will pay **Loss** incurred by an **Insured Person** due to an **Employment Claim** based on **Business Decisions**.

### 9.3 Outside Directorship

The Insurer will pay **Loss** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions** in his or her capacity as an **Outside Director** provided that such **Loss** is in excess of:

- (a) any amount **indemnifiable** by the **Outside Entity**; or
- (b) the applicable Deductible stated in Item 7 of the Declarations; and
- (c) all other valid and collectible insurance.

If an **Insured Person** serves as a director in an entity that does not meet the definition of **Outside Entity** in this Policy, the **Policyholder** may request that such **Outside Directorship** be covered under this Policy by specific endorsement on such terms and conditions and for such additional premium as the Insurer may require.

### 9.4 Strict Liability for Suppliers

The Insurer will pay **Loss** incurred by an **Insured Person** due to a **Claim** based on **Business Decisions** and arising from illegal, unethical or socially irresponsible conduct, including human trafficking, slavery or use of bonded labour, by supply-chain, outsourced or off-shored vendor/service providers, for whose conduct the **Insured Person** is held to be **Strictly Liable** provided that the **Insured Person** was not aware of the wrongful vendor/service provider conduct giving rise to their strict liability.

### 9.5 Social Media/Cyber Hosting

The Insurer will pay **Loss** incurred by an **Insured Person** due to a **Claim** arising from the presence of illegal, defamatory, seditious, discriminatory, indecent, pornographic, harassing or threatening content (in text, audio or visual format) posted by a third party on any digital media platform or site hosted by the **Company** and the failure to prevent or delete such third party posting is alleged to be due to an **Insured Person's Business Decisions**.

### 9.6 Personal Data Theft

The Insurer will pay **Legal & Professional Costs** incurred by an **Insured Person** due to a **Claim** for **Identity-related Theft** based on **Business Decisions**.

### 9.7 Environmental and Planning

The Insurer will pay **Loss** incurred by an **Insured Person** due to:

- (a) an **Environmental Claim** brought by a shareholder directly or indirectly; or
- (b) a **Planning Claim**, based on **Business Decisions**; or
- (c) **Legal & Professional Costs** in any **Environmental Claim**.

---

## 10. Additional Costs Provisions

### 10.1 Bribery Costs

The Insurer will pay **Legal & Professional Costs** incurred by an **Insured Person** in proceedings brought under the Bribery Act 2010 or any similar statutory provision in any other jurisdiction including, without limitation, the Foreign Corrupt Practices Act of the **United States** and the OECD Anti-Bribery Convention.

### 10.2 Emergency Costs

If the Insurer's consent cannot reasonably be obtained before **Legal & Professional Costs, Investigation Costs** or any other professional advice or services covered under this Policy need to be incurred urgently by an **Insured Person** or the **Company**, then the Insurer will give retrospective consent to such costs being incurred up to a limit of GBP 250,000 in the aggregate, provided consent is obtained as soon as reasonably practicable.

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## 11. General Conditions & Changes in Exposure

### 11.1 Acquisition or Creation of a Subsidiary

If, during the **Policy Period**, a **Company**:

- (a) acquires or creates a **Subsidiary**; or
- (b) acquires any entity by merger into, or consolidation with, that **Company**,

then, that entity and its **Insured Persons** will automatically be covered under this Policy with effect from the date of such acquisition or creation but only for **Business Decisions** after such acquisition or creation.

The Insurer may agree to provide cover for prior **Business Decisions** and prior conduct, following the receipt of any information or additional premium it

may require.

However, if an entity acquired according to (a) or (b) immediately above:

- (i) has total assets that exceed the acquisition threshold in item 13 of the Declarations; or
- (ii) is incorporated in, is domiciled in, or has an office or subsidiary in the **United States** or Canada; or
- (iii) has any of its securities listed on any exchange in the **United States**,

then, no cover will apply to that entity under this Policy. However, if the **Company** provides the Insurer with full information in respect of the new subsidiary for their assessment of the increased exposure, the Insurer may agree in its absolute discretion to extend cover in return for the payment of additional premium and/or amendments to the terms of this Policy.

#### 11.2 Changes in Risk

If a **Transaction** occurs during the **Policy Period**, then cover for the **Company** and **Insured Persons** will continue until the end of the **Policy Period** but only for **Business Decisions** prior to such **Transaction**.

#### 11.3 Pre-Agreed Run-Off in the case of a Transaction

If a **Transaction** occurs during the **Policy Period**, neither the **Policyholder** nor any **Insured** is entitled to purchase an **Extended Reporting Period**. However, the **Policyholder** will be entitled to purchase an additional run-off policy for **Insured Persons** and the Insurer agrees to offer such additional run-off policy as follows:

- (a) for a period of 12 months for a premium of no more than 100% of the annual premium stated at Item 8 of the Declarations;
- (b) for a period of 24 months for a premium of no more than 125% of the annual premium stated at Item 8 of the Declarations;
- (c) for a period of 36 months for a premium of no more than 150% of the annual premium stated at Item 8 of the Declarations;
- (d) for a period of 72 months for a premium of no more than 175% of the annual the premium stated at Item 8 of the Declarations; or
- (e) for any other period or premium as may be mutually agreed by the **Policyholder** and the Insurer.

However, if the **Policyholder** obtains a quotation for Warranty and Indemnity coverage from a DUAL Group company in relation to such **Transaction** then the pre-agreed run-off period premiums cited immediately above will be each reduced by 25% whether or not such Warranty and Indemnity coverage quotation is subsequently bound.

#### 11.4 Difference in Conditions

If an **Insured** would be contractually entitled to broader cover (in respect of any matter covered under this Policy) under the terms and conditions of the **Insured's** prior Directors and Officers Liability Policy ("Prior Policy") in place with a different Insurer (for the period immediately preceding the inception of this Policy), then, the terms and conditions of this Policy shall be automatically amended to provide cover on the more favourable terms and conditions of the Prior

Policy.

In applying this clause, provisions in the Prior Policy specifying when an insured event must occur or be reported will be interpreted as relating to the **Policy Period** of this Policy.

However, this clause shall not operate to:

- (a) increase the scope of cover where this Policy renews an earlier policy on specifically renegotiated, different terms and conditions;
- (b) increase the **Limit of Liability** applicable to this Policy;
- (c) reduce any applicable Deductible under this Policy; or
- (d) amend or delete any specific endorsements to this Policy.

This clause will only be operable if it is specifically elected in Item 14 of the Declarations, and the Prior Policy submitted to the Insurer for its records.

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## 12. Exclusions

The Insurer shall have no liability under this Policy to the extent that any **Claim** or matter giving rise to an **Insured Loss** arises from, relates to, or involves any of the following:

### 12.1 Prior and Pending

- (a) any proceeding which existed or was pending against any **Insured** or **Outside Entity** on or prior to the Prior or Pending Date stated in Item 11 of the Declarations or a fact, circumstance or situation that is the same, or substantially the same, as any of those underlying or alleged in such proceeding(s); or
- (b) any facts alleged or the same or related act, error or omission alleged or contained in any claim or circumstance notified under any policy which this Policy renews, replaces or succeeds (except **Circumstances** notified under a preceding policy that were not accepted as valid notification, provided that cover has been maintained continuously with the Insurer since the inception date of that preceding policy to the expiration date of this Policy).

### 12.2 Trustee and Pension Fund Claims

any actual or alleged breach of any law, duty or trust by an **Insured Person** in his or her capacity as trustee, fiduciary or administrator of any superannuation, pension, profit sharing, health and welfare or other employee benefit scheme, programme, plan or trust established or maintained to provide benefits to Employees or directors.

### 12.3 Offering Exclusion

any public offering of equity securities by the **Company** except for any secondary public offering of equity securities wholly outside the **United States** and provided the total value of the secondary placement or offering is less than the amount stated in Item 6 of the Declarations.

### 12.4 Sanctions

any payment of any **Insured Loss** that would expose the Insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or the **United**



## States.

### 12.5 Fraud, Dishonesty and Personal Profit

- (a) any **Insured's** criminal act or omission;
- (b) any **Insured's** act or omission committed with the knowledge that it was in breach of any statute, contract, duty or other legal obligation (except in circumstances where an **Insured's** intentional compliance with laws and regulations in or under one jurisdiction cause unavoidable non-compliance with the laws and regulation of another jurisdiction, in which case this exclusion shall not apply to **Legal & Professional Costs**); or
- (c) any **Insured's** deliberately dishonest or fraudulent act; or
- (d) any **Insured's** gain of personal profit, remuneration, benefit or advantage to which the **Insured** is not legally entitled.

Provided that this exclusion 12.5 shall only apply:

- (i) if the act, omission or gain is admitted or is established by a Court, tribunal or any other final adjudication;
- (ii) to an indemnity sought by the **Company** if the **Insured Person** concerned was a **Senior Leader**.

If the **Company** or any **Insured Person**, as part of any plea bargain agreement, makes an admission of wrongdoing or dishonest conduct, the Insurer will not rely on any such admission for the purposes of **Bail Bond Costs**.

## 13. Notification and handling of Claims Conditions

### 13.1 Claims Reporting

The **Insured** shall give the Insurer written notice of any **Claim** as soon as practicable and in any event no more than 60 days after the earliest of the following dates:

- (a) the date on which any **Senior Leader** first became aware that a **Claim** had been made;
- (b) if this Policy is not renewed, the termination date of the **Policy Period**; or
- (c) if an **Extended Reporting Period** has been obtained, the termination date of that **Extended Reporting Period**.

The notification shall include full particulars where possible including, but not limited to, details of when the **Insured** first became aware of the **Claim**, the identity of the claimants, the nature of the **Claim** and the relevant **Business Decisions** it concerns, the nature of the alleged damage, when it occurred and the potential amount of loss if known

The **Insured** shall promptly provide the Insurer with a copy of any proceedings served.

For the avoidance of doubt the **Insured** must notify each and every **Claim** in accordance with the Policy regardless of whether they might be treated for the purposes of the Policy as a **Single Claim**; if several **Claims** are being aggregated as a **Single Claim**, the **Insured** must notify each and every one, even if the first of any such **Claim** or matter giving rise to any other **Insured Loss** has already been notified.

However, no **Insured** shall be in breach of their notification obligation above if regulation or statute prohibits them from disclosing information in relation to an **Investigation**.

### 13.2 Circumstance Reporting

If during the **Policy Period** or any obtained **Extended Reporting Period**, an **Insured** becomes aware of **Circumstances** and notifies those **Circumstances** to the Insurer in writing in accordance with the Policy provisions, during the **Policy Period** or any obtained **Extended Reporting Period** and explains the reasons why they believe a **Claim** may arise, then, provided the Insurer accepts those **Circumstances** as valid notification, any subsequent **Claim** arising out of those notified **Circumstances** shall be deemed to be a **Claim** first made during the **Policy Period**.

### 13.3 Extended Reporting Period

If the Insurer or the **Policyholder** refuses to renew this Policy for any reason other than non-payment of premium, then the **Insured** will be entitled to purchase one of the following **Extended Reporting Periods**:

- (a) 12 months upon payment of 75% of the annual premium stated at Item 8 of the Declarations; or
- (b) 24 months upon payment of 100% of the annual premium stated at Item 8 of the Declarations; or
- (c) 36 months upon payment of 125% of the annual premium stated at item 8 of the Declarations; or
- (d) 72 months upon payment of 150% of the annual premium stated at item 8 of the Declarations.

If this Policy is not renewed or replaced with any other insurance and no **Extended Reporting Period** has been purchased, then **Insured Persons** will be entitled to a 60 day **Extended Reporting Period** for no additional premium.

A **Claim** first made during an obtained **Extended Reporting Period** will be deemed to have been first made during the **Policy Period**.

An obtained **Extended Reporting Period** is not cancellable other than for non-payment of premium.

### 13.4 Retired Insured Person Extended Reporting Period for Life

If this Policy:

- (a) is not renewed or replaced with any other insurance providing directors and officers liability coverage; and
- (b) no **Extended Reporting Period** has been obtained; and

- (c) no **Transaction** has occurred, then a **Retired Insured Person** will be automatically entitled to a lifetime **Extended Reporting Period** at no additional premium after the expiry of the **Policy Period for Claims** based on **Business Decisions** prior to the date of his or her retirement.

#### 13.5 Notice of Claims and Circumstances

Written notifications of **Claims** and **Circumstances** should be sent by email or post to the Claims Department at the Insurer's postal address and are deemed made, when received by the Claims Department. The Insurer's postal address is:

DUAL Corporate Risks  
Broomhay House  
Blackbrook Park Avenue  
Blackbrook Business Park  
Taunton TA1 2PX

The Insurer's email address is:  
claims@dualgroup.com

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### 14. Defence, Settlement & Subrogation

#### 14.1 Duty to Defend and Cooperate

- (a) It shall be the duty of each **Insured** and not the duty of the Insurer to defend **Claims**.
- (b) Each **Insured** shall use due diligence and shall ensure that all reasonable and practicable steps are taken to avoid or diminish any liability that may give rise to a **Claim** or **Insured Loss** and/or to minimise any resultant **Insured Loss** under this Policy.
- (c) The Insurer will have the right, and will be given the opportunity to, associate with each **Insured** in their choice of suitably experienced legal or professional advisors and in the investigation, mitigation, defence, negotiation and settlement of any **Claim** or **Insured Loss** that appears reasonably likely to be covered in whole or in part by this Policy.
- (d) Each **Insured** shall provide the Insurer with all reasonably requested information and documentation together with any assistance the Insurer or their legal representatives may reasonably require.

#### 14.2 No Admission of Liability

Each **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Legal & Professional Costs**, **Investigation Costs** or **Other Insured Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Insurer's prior written consent, which will not be unreasonably withheld.

#### 14.3 Subrogation

- (a) The Insurer will be subrogated to the extent of any payment of **Insured Loss** under the Policy to each **Insured's** rights of recovery, contribution and indemnity and each **Insured** will execute all papers required and will do everything necessary both to secure and preserve such rights and to enable the Insurer to bring proceedings in the name of that **Insured**. (For the avoidance of doubt, the Insurer will be subrogated to the extent of any payment of **Insured Loss** to any **Insured Person's** spouse, domestic partner, heirs or assigns).
- (b) The Insurer will not subrogate against any **Insured**

**Person** under this Policy unless that **Insured Person** admits to or is found by final determination or adjudication to have committed or condoned a fraudulent or dishonest act or omission.

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### 15. Scope of Cover & Payment of Insured Loss

#### 15.1 Limits of Liability

- (a) The Insurer's maximum liability for **Insured Loss** under this Policy in connection with all **Single Claims** first made during the **Policy Period** shall not exceed the aggregate **Limit of Liability**.
- (b) Any sublimit of indemnity specified in the Policy or in the Declarations shall form part of, and not be in addition to, the **Limit of Liability**.

#### 15.2 Deductible

The Insurer's liability for each and every **Claim** will apply only to **Loss** which is in excess of the applicable Deductible stated in Item 7 of the Declarations, which will be borne by the **Insureds**, uninsured and at their own risk.

#### 15.3 Non-Executive Directorship Additional Protection

If the **Limit of Liability** under this Policy becomes exhausted then the Insurer will automatically provide an **Additional Non-Executive Limit** to each **Non-executive Director** provided that:

- (a) the **Non-Executive Director** was not named in any **Claim** under the Policy prior to the depletion of the **Limit of Liability**;
- (b) the **Non-Executive Director** was not directly or indirectly involved in any **Business Decisions** or **Claim** or incident giving rise to the **Insured Loss** under this Policy that eroded the original **Limit of Liability**;
- (c) the **Loss** that would be covered by an **Additional Non-Executive Limit** is otherwise **unindemnifiable**;
- (d) all other valid and collectible insurance has been exhausted by payment under such insurance; and
- (e) the Insurer's maximum liability under this clause on account of all **Single Claims** will not exceed the **Additional Non-Executive Total Limit**.

#### 15.4 Company Failure to Indemnify

If an **Insured Person** is **indemnifiable** by his or her **Company** for **Insured Loss** but the **Company** neither pays nor reimburses him or her for that **Insured Loss**, then the Insurer will pay such **Insured Loss** on the **Insured Person's** behalf without applying the Deductible specified in Item 7 of the Declarations and the **Policyholder** shall reimburse the Insurer for that Deductible no later than 60 days immediately following its payment. This Clause does not apply to **Insured Loss** arising out of an **Outside Directorship**.

#### 15.5 No Presumption of Indemnification

If a **Company** lends money to an **Insured Person** to pay **Legal & Professional Costs**, **Investigation Costs** or **Other Insured Costs**, this will not create a presumption that the **Insured Person** is **indemnifiable** for those costs and if they are later determined not to be **indemnifiable**, they will be treated under this Policy accordingly.

#### 15.6 Allocation of Insured Loss

If a **Claim** involves matters which give rise to an **Insured Loss** covered by this Policy and matters which do not, or where a **Claim** is made against **Insured Persons** and uninsured persons or entities, then both the Insurer and the **Policyholder** shall use best efforts to agree upon a fair and proper allocation of the proportion of the **Insured Loss** covered under this Policy.

Any allocation or payment of **Legal & Professional Costs, Investigation Costs** or **Other Insured Costs** will not create any presumption as to the allocation of **Insured Loss**.

If an allocation cannot be agreed then, at the **Insurer's** expense, allocation shall be determined by a mutually agreed and jointly appointed single arbitrator or a lawyer with at least 15 years of post-qualification experience.

When an appropriate allocation is either agreed or determined under this Clause the Insurer and the **Insured** shall promptly pay or reimburse the other party accordingly.

#### 15.7 Order of Payments

For all **Single Claims** during the **Policy Period**, the Insurer may make payments in the following order:

- (a) the **Insured Loss** of an **Insured Person**;
- (b) reimbursement of **Insured Loss** the **Company** has paid on behalf of an **Insured Person**;
- (c) the **Insured Loss** of the **Company**.

A **Company's** insolvency shall not affect the priority of payments set out in this Clause.

#### 15.8 Advancement of Costs

The Insurer will pay **Legal & Professional Costs, Investigation Costs** and **Other Insured Costs** on an 'incurred' basis promptly after sufficiently detailed suppliers' invoices are received and accepted by the Insurer.

#### 15.9 Reimbursement of Insured Loss

- (a) If any **Insured Loss** paid or advanced to an **Insured** by the Insurer is subsequently determined to be excluded under this Policy, then that **Insured Loss** shall be reimbursed upon demand to the Insurer.
- (b) The **Policyholder**, any **Company** or any **Insured** to whom, or on whose behalf of whom, such **Insured Loss** was paid shall be jointly and severally liable for making the reimbursement.

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### 16. General Conditions

#### 16.1 Other Insurance

This Policy shall apply only in excess of any other valid and collectible insurance with the sole exception of any insurance written as specific excess insurance of the **Limit of Liability** provided by this Policy.

#### 16.2 Territory

Unless the law or regulation of any jurisdiction prevents the Insurer from extending cover or making payment, cover under this Policy extends, subject to all its other terms and conditions, to **Insured Loss** on account of **Claims** brought or maintained in any jurisdiction and to the **Other Insured Costs** incurred

in any jurisdiction.

#### 16.3 Valuation & Foreign Currency

**Insured Loss** which is not in the currency in which the **Limits of Liability** of this Policy or its endorsements are expressed shall be converted to and paid in the currency of this Policy or its endorsements based upon the rate of exchange published in the Financial Times on the date the final judgment is reached, the amount of the settlement is agreed upon, or **Legal & Professional Costs, Investigation Costs** and **Other Insured Costs** are paid or any other **Insured Loss** is due, respectively.

#### 16.4 Authorisation

The **Policyholder** hereby agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of **Claims** or termination, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements and the giving or receiving of any notice provided for in this Policy (except for the **Insured Persons'** ability to elect to obtain an **Extended Reporting Period**) and the **Insureds** agree that the **Policyholder** will so act on their behalf.

#### 16.5 Rights of Action, Alteration & Assignment

- (a) No change in or modification of this Policy shall be effective except when made by written endorsement to this Policy duly executed on behalf of the Insurer.
- (b) No person other than the **Insured Persons** shall have any rights under or in connection with this Policy by virtue of the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof.
- (c) Neither the **Policyholder** nor any **Insured** may assign to any other person any right or cause of action against the Insurer under or in connection with this Policy.

#### 16.6 Termination

Cover under this Policy will terminate at the earliest of the following times:

- (a) 7 days after the receipt by the **Policyholder** of a written notice of termination from the Insurer for non-payment of premium;
- (b) expiration of the **Policy Period** (but expiration of the **Policy Period** will not terminate cover under an obtained **Extended Reporting Period**);
- (c) expiration of an obtained **Extended Reporting Period**;
- (d) receipt by the Insurer of written notice of termination from the **Policyholder**;
- (e) such other time as may be agreed upon by the Insurer and the **Policyholder** in writing.

If, at the time of termination of cover under this Policy, no **Insured** has given notice of a **Claim** or **Circumstance**, the Insurer will refund the unearned premium computed at the customary short rates if cover under this Policy is terminated by the **Policyholder** or computed pro-rata, if cover under this Policy is otherwise terminated.

#### 16.7 Choice of Law and Forum and Disputes

The construction of the terms and the validity and effect of this Policy are governed by English law. Unless otherwise stipulated in the Declarations or otherwise provided by law, a dispute or difference arising under or in respect of this Policy will be subject to and determined within the exclusive jurisdiction of the Courts of England and Wales. Nothing in this Clause shall prevent an **Insured** or the Insurer from referring the dispute or difference to a recognised mediation service.

#### 16.8 Discharge of Liability

The Insurer may at any time and at their absolute discretion pay to the **Insured** or the **Policyholder** the **Limit of Liability** or any lesser amount for which a **Claim** or **Insured Loss** may be settled, having deducted any sums already paid. Upon payment the Insurer shall immediately relinquish their rights to associate with an **Insured** or exercise control in respect of the **Claim** or **Insured Loss** and shall be discharged of any further liability howsoever arising in connection with the **Claim** or **Insured Loss**.

#### 16.9 Several Liability of Subscribing Insurers

The obligations of insurers subscribing to this Policy are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

#### 16.10 Non-avoidance

If within the **Application** there is a non-disclosure or misrepresentation of information that in the absence of which the Insurer either would not have entered into the Policy or would have done so on different terms and conditions, then the Insurer shall be entitled as follows:

- (a) If the Insurer is reasonably satisfied that the non-disclosure or misrepresentation was deliberate or reckless, the Insurer shall be entitled to avoid the Policy ab initio and retain the premium.
- (b) If the Insurer is reasonably satisfied that the non-disclosure or misrepresentation was neither deliberate nor reckless and can show that, had the non-disclosure or misrepresentation not been made:
  - (i) they would not have entered into the Policy, then they shall be entitled to avoid the Policy and return the premium to the **Insured**; or
  - (ii) they would have offered different terms (other than premium), then they shall be entitled to treat the Policy as being subject to those amended terms; or
  - (iii) they would have offered the same policy terms and conditions but with an increased premium, then the Insurer shall be entitled to reduce the payment of any indemnity proportionate to the increased premium.

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### 17. Definitions

17.1 **Additional Non-Executive** Limit means the amount specified in Item 5 of the Declarations.

17.2 **Additional Non-Executive Total Limit** means the amount specified in Item 5 of the Declarations.

17.3 **Application** means:

- (a) all proposal forms and documents provided to the Insurer by or on behalf of the **Policyholder** or any other **Insured**, or to which the Insurer was referred by or on behalf of the **Policyholder** or any other **Insured**, in the process of applying for this Policy;
- (b) all representations to the Insurer made by or on behalf of the **Policyholder** or any other **Insured**, in the process of applying for this Policy;
- (c) the most recent annual consolidated report and accounts of the **Policyholder**; and
- (d) all publicly available documents filed by any **Company** with the **United States** Securities and Exchange Commission during the 12 months immediately preceding the start of the **Policy Period**.

17.4 **Approved Person** means a person whose performance of a **Controlled Function** as an **Employee** of a **Company** has been approved by the Financial Conduct Authority pursuant to Part V of the Financial Services and Markets Act 2000.

17.5 **Asset Seizure** means an interim or interlocutory judicial order for the confiscation of, assumption of ownership and control of, or freezing of any **Insured Person's** asset; or an interim or interlocutory judicial charging order over any **Insured Person's** asset first initiated during the **Policy Period**.

17.6 **Bail Bond Costs** means reasonable premium, but not collateral, whether in cash or other security, for any financial instrument required by a court of competent jurisdiction to guarantee an **Insured Person's** bail conditions in a **Claim** incurred with the Insurer's prior consent.

17.7 **Business Decision(s)** means any act, error or omission committed, attempted or proposed by an **Insured Person** in his or her **Insured Capacity** or alleged against him or her solely because of their **Insured Capacity**.

17.8 **Claim** means:

- (a) a written demand for monetary compensation or non-pecuniary relief;
- (b) criminal, civil, administrative, regulatory, adjudication or arbitration proceedings;
- (c) an **Employment Claim**; first made during the **Policy Period** against an **Insured Person** (and based on **Business Decisions**); or
- (d) a **Securities Claim** first made during the **Policy Period** against the **Company**.

17.9 **Circumstance(s)** means:

- (a) an intimation of intent to bring a **Claim** against an **Insured Person**;
- (b) an intimation of intent to bring a **Securities Claim** against the **Company**;
- (c) any known direct or indirect criticism or dispute whether expressed or implied which is likely to give rise to a **Claim**; or

- (d) an **Insured Person's** or **Senior Leader's** knowledge of any act, error or omission which may give rise to a **Claim**.
- 17.10 **Civil Fines & Penalties** means civil not criminal fines and penalties to the fullest extent legally insurable.
- 17.11 **Company** means an entity which is the **Policyholder** or a **Subsidiary**.
- 17.12 **Controlled Function** means a function specified by the Financial Conduct Authority in its Table of Controlled Functions.
- 17.13 **Corporate Manslaughter** means a gross breach of duty of care causing the death of another person.
- 17.15 **Corporate Tax Planning** means the lawful design and implementation of tax mitigation or deferment measures with respect to the **Company's** corporate tax obligations following professional advice of a qualified lawyer or accountant.
- 17.16 **Data Penalties** means **Civil Fines & Penalties** imposed pursuant to legislation or regulation governing data or privacy in any jurisdiction.
- 17.17 **Deportation** means an **Insured Person's** removal from a jurisdiction pursuant to a judicial order for any reason other than:
- (a) conviction on criminal charges; or
  - (b) actual breach of lawful immigration status as established by admission or final adjudication.
- 17.18 **Derivative Costs** means a security holder's costs of bringing a **Derivative Claim** which a court orders a **Company** to pay as a result of an **Indemnity Application** or which a **Company** agrees to settle with the prior written consent and at the reasonable discretion of the Insurer.
- 17.19 **Derivative Claim** means a derivative claim, derivative proceeding or derivative action on behalf of a **Company** by a security holder of that **Company** in their capacity as such, first made during the **Policy Period**.
- 17.20 **Derivative Demand** means a written demand, first made against the **Company** during the **Policy Period**, by any security holder of a **Company** in their capacity as such, alleging fault against an **Insured Person** in his or her **Business Decisions** which, if alleged in a **Claim**, would be covered under this Policy and requiring the **Company's** board of directors to determine whether or not to pursue that allegation in the **Company's** best interests.
- 17.21 **Derivative Demand Evaluation Costs** means reasonable costs, expenses, charges and fees, including lawyers' and experts' fees, incurred with the Insurer's prior consent by a **Company** solely and exclusively to make the determination required by a **Derivative Demand**.
- Internal corporate costs, overheads and expenses and the expenses, charges and fees of pursuing allegations contained in that **Derivative Demand** are not included.
- 17.22 **Detention without Charge** means detention of an **Insured Person** in the absence of a legal requirement to cite charges or in breach of a legal requirement to do so.
- 17.23 **Disqualification** means:
- (a) being temporarily suspended, without remuneration or compensation, pending an **Investigation** into or adjudication of (or pending an appeal from an adjudication) an **Insured Person's** fitness to hold the office of director or officer; or
  - (b) an **Insured Person** being temporarily or permanently disqualified, without remuneration or compensation, from holding the office of director or officer.
- 17.24 **Dodd-Frank 954 Costs** means reasonable fees, costs and expenses (including the premium or origination fee but not collateral, whether in cash or other security, for a loan or bond incurred by an **Insured Person**, with the Insurer's prior written consent, solely and exclusively to facilitate the return of amounts required to be repaid by such **Insured Person** pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Dodd-Frank 954 Costs** does not include:
- (a) legal fees;
  - (b) any amounts requested or required to be paid, returned, reimbursed, disgorged or restituted by such **Insured Person** pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act;
  - (c) the remuneration of any **Insured Person**; or
  - (d) internal corporate costs, overheads and expenses.
- 17.25 **Employee** means any natural person employed on a full or part time basis under a written contract of employment with the **Company**.
- 17.26 **Employment Claim** means a claim by another **Insured Person** or another past, present or prospective **Employee** of a **Company**, or brought by any government authority regulating employment practice against an **Insured Person** and alleging any employment-related breach of law, regulation or contract.
- 17.27 **Environmental Claim** means a claim based upon, arising from or in consequence of the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants** or a direction by a regulator to test for, monitor or clear up **Pollutants**.
- 17.28 **Extended Reporting Period** means a period of time immediately following the expiry of the **Policy Period** during which written notice may be given to the Insurer of a **Claim** or **Circumstances**.
- 17.29 **Extradition** means a formal request by a nation or state to another nation or state to surrender the **Insured Person** to their jurisdiction to face charges or imprisonment.
- 17.30 **Family Companion Costs** means reasonable travel and accommodation costs and expenses incurred by an **Insured Person**, with the prior written consent of the Insurer, solely and exclusively so that his or her **Relative** or close companion may attend the hearing of a **Claim** in a country in which that **Insured Person** is not habitually resident.
- 17.31 **Family Extradition or Deportation Tax Costs** means reasonable costs, expenses, disbursements, charges and fees, incurred with the prior written consent of the Insurer, of a lawyer or accountant



engaged to advise an **Insured Person** solely and exclusively in connection with the personal taxation consequences for that **Insured Person** arising from an **Extradition** or **Deportation**

- 17.32 **Family Living Costs** means that otherwise **unindemnifiable** portion of reasonable housing costs, school fees, personal insurances and utilities for which an **Insured Person** was solely responsible immediately prior to his or her **Asset Seizure** or **Disqualification** and that he or she is unable to pay due to **Financial Disruption** caused solely by **Asset Seizure** or **Disqualification** covered under this Policy.
- 17.33 **Family Mediation Costs** means the reasonable fees and expenses, incurred with the prior written consent of the Insurer, of an expert, professional mediator to mediate negotiations between the **Insured Person** and a shareholder to whom he or she is related by blood or is or was related by marriage, in order to reduce the risk of litigation.
- 17.34 **Family Stress Support Costs** means reasonable fees and expenses, incurred with the prior written consent of the Insurer, of an accredited counsellor or therapist, engaged to counsel or advise an **Insured Person's** family directly in connection with the psychological and emotional impact of the **Extradition, Deportation, Asset Seizure, Disqualification, House Arrest, Detention without Charge** or **Prison Sentence** aspect of a **Claim**.
- 17.35 **Financial Disruption** means such severe financial impairment that the **Insured Person** would otherwise be unable to meet these **Family Living Costs**.
- 17.36 **House Arrest** means a judicial order requiring an **Insured Person** to be confined to a specified domestic residence and/or be subject to electronic monitoring as the sentence passed in a **Claim** or pending trial of a **Claim**.
- 17.37 **Identity-related Theft** means any theft, corruption or destruction by a third party of confidential or privileged client information and data while in the custody and control of an **Insured** as a direct result of a failure of an **Insured's Business Decisions** to take reasonable steps to protect that information and data.
- 17.38 **indemnifiable** means not prevented by law, shareholder resolutions, or board or other governing body resolutions, from being indemnified or reimbursed by a **Company**.
- 17.39 **Indemnity Application** means an application for a court order compelling the **Company**, on whose behalf the **Derivative Claim** is brought, to indemnify the security holder for the costs of bringing it.
- 17.40 **Insolvency Hearing Costs** means reasonable costs, expenses, disbursements, charges and fees, including, but not limited to lawyers' and experts' fees, incurred by an **Insured Person** with the prior written consent of the Insurer for the sole and exclusive purpose of his or her representation at an insolvency hearing.  
Internal corporate costs, overheads and expenses are not included.
- 17.41 **Insured** means a **Company** or an **Insured Person**.
- 17.42 **Insured Capacity** means performance of the functions, duties and responsibilities for which an **Insured Person** has been retained, appointed or employed by a **Company** and, with respect to any shadow director, their capacity as such.
- 17.43 **Insured Loss** means either alone or in any combination, any **Loss, , Legal & Professional Costs, Investigation Costs, Derivative Costs, Derivative Demand Evaluation Costs, Regulatory Penalties, Civil Fines & Penalties, Data Penalties, Sarbanes Oxley 304 Costs, Dodd-Frank 954 Costs, Unpaid Taxes, unindemnifiable Loss, Manslaughter and Personal Injury Costs, Subpoena Costs, Witness Costs, Settlement Evaluation Costs, Pre-Claim Advisory Costs, Public Relations Expenses, Mitigation Costs, Insolvency Hearing Costs, Bail Bond Costs, Family Companion Costs, Family Living Costs, Family Stress Support Costs, Family Mediation Costs, Family Extradition or Deportation Tax Costs, Self-Reporting Costs** and **Interpretive Counsel Costs** that the Insurer is required to indemnify under the terms and conditions of this Policy.
- 17.44 **Insured Person** means a natural person who, during the **Policy Period**, has been, now is or will become:
- (a) director or officer, or the equivalent in any jurisdiction, of a **Company**;
  - (b) a shadow director of another company by virtue of being and acting in their capacity as a director, officer or employee of a **Company**; or
  - (c) an **Employee**;
- and who is acting in their **Insured Capacity**.
- Insured Person** does not include external auditors of a **Company** nor any liquidator, receiver, administrator, supervisor or other insolvency office-holder of a **Company** or of a **Company's** assets.
- 17.45 **Interpretive Counsel Costs** means reasonable costs, expenses, disbursements, charges and fees, including but not limited to lawyers' and experts' fees, and the reasonable costs of any translation, incurred with the Insurer's prior consent for the sole purpose of interpreting any advice received from counsel in a foreign jurisdiction.  
Internal corporate costs, overheads and expenses are not included.
- 17.46 **Investigation** means:
- (a) a formal inquiry, investigation or examination including any request to interview or meet with an **Insured Person**, that is neither routine nor part of any regularly scheduled oversight into the conduct of a **Company** or the **Business Decisions** of an **Insured Person** by a duly-empowered governmental, regulatory, law enforcement, professional or statutory body; and
  - (b) an interview of, or meeting with, an **Insured Person** that a **Company** requests in connection either with an **Investigation** defined in (a) above or a **Derivative Demand** first made during the **Policy Period**.  
**Investigation** does not include internal audit nor

internal assessments and controls that are or should normally be part of a **Company's** regular review and compliance process.

17.47 **Investigation Costs** means reasonable costs, expenses, disbursements charges and fees, including, but not limited to, lawyers' and experts' fees, incurred by an **Insured Person** with the prior written consent of the Insurer for the sole purpose of his or her own representation at an **Investigation** and which are only incurred after the **Insured Person** receives written notice of the **Investigation**.

Internal corporate costs, overheads and expenses, including an **Insured's** costs or expenses of producing, disclosing or giving discovery of documents, are not included.

17.48 **Legal & Professional Costs** means reasonable costs, expenses, disbursements, charges and fees including, but not limited to lawyers' and experts' fees, incurred with the prior written consent of the Insurer in investigating, settling or defending a **Claim** or in appealing against a judgment made in such a **Claim**, including the reasonable premium but not collateral, whether in cash or other security, for a bond or other financial instrument that is required by a court of competent jurisdiction to guarantee an **Insured Person's** contingent obligation (for a specified amount) as a condition of bringing an appeal.

Internal corporate costs, overheads and expenses are not included.

17.49 **Limit of Liability** means the amount specified in Item 3 of the Declarations.

17.50 **Litigation Funding** means the advancement of legal expenses to a claimant in order to fund litigation in exchange for the right to receive a portion of any damages or compensation awarded to the claimant in a subsequent settlement or determination of their case.

17.51 **Loss** means

(a) awards of damages, judgments, pre- and post-judgment interest, awards of claimant's costs and sums payable pursuant to any settlements, including punitive, exemplary or aggravated damages, and the multiple portion of any multiplied damages award to the extent that such damages or multiple portion are insurable under the jurisdiction where the **Claim** is made;

(b) **Legal & Professional Costs;**

**Loss** does not include:

(i) punitive, exemplary or aggravated damages and the multiple portion of any multiplied damages award uninsurable under English law (an amount attributable to a violation of Section 11, 12 or 15 of the Securities Act of 1933 will not be regarded as uninsurable under English law unless established by a final non-appealable judgment or adjudication or unless an **Insured** makes an admission that such amount constitutes disgorgement, restitution or the return of ill-gotten gain);

(ii) any amount incurred by a **Company** in order to comply with any order for, or agreement to provide, injunctive or non-pecuniary relief;

(iii) taxes or damages reflecting taxes;

(iv) any amount that represents, or is substantially equivalent to, an increase in the consideration paid or proposed to be paid by a **Company** in connection with its purchase of any securities or assets; or

(v) internal corporate costs, overheads or expenses.

17.52 **Manslaughter and Personal Injury Costs** means reasonable costs, expenses, disbursements, charges and fees including but not limited to, lawyers' and experts' fees, incurred by an **Insured Person**, with the Insurer's prior written consent, for the purpose of representing an **Insured Person** who is the subject of, or is requested or required to participate in, any **Investigation** or to obtain advice upon that **Insured Person's** position in relation to any prosecution of a **Company** for **Corporate Manslaughter** or breach of the Health and Safety at Work Act etc. 1974 or equivalent legislation in any applicable jurisdiction.

Internal corporate costs, overheads and expenses are not included.

17.53 **Mitigation Costs** means reasonable costs, expenses, disbursements, charges and fees including, but not limited to, lawyers' and experts' fees incurred by an **Insured Person** with the prior written consent of the Insurer.

Internal corporate costs, overheads and expenses are not included

17.54 **Non-executive Director** means a natural person serving as a non-executive director on the board of the **Policyholder** or the **Company**.

17.55 **Outside Director/Directorship** means the position of director, officer, trustee (excluding pension trustee) governor, or the equivalent in any jurisdiction, held by an **Insured Person** in an **Outside Entity** provided that such position is assumed and maintained or at the specific request of a **Company**.

17.56 **Outside Entity** means any entity that is not within the definition of **Company** except any entity that:

(a) has any of its debt securities or equity securities publicly-traded in the **United States**;

(b) carries on any financial services business, including, without limitation, banking, clearing, credit, brokerage, investment or insurance services unless specifically added to this Policy by endorsement.

17.57 **Other Insured Costs** means **Family Companion Costs; Family Mediation Costs, Family Living Costs, Family Stress Support Costs, Family Extradition or Deportation Tax Costs, Mitigation Costs, Public Relations Expenses, Derivative Demand Evaluation Costs, Subpoena Costs and Pre-Claim Advisory Costs, Manslaughter and Personal Injury Costs, Self- Reporting Costs and Interpretive Counsel Costs**.

17.58 **Person** means legal or natural person(s) unless otherwise specified.

17.59 **Planning Claim** means a **Claim** in relation to any alleged or actual breach of planning laws or regulations applicable to land or real property owned or controlled by a **Company** but only in respect of **Business Decisions** taken upon reasonable advice from a qualified lawyer, chartered surveyor or

- qualified planning consultant.
- 17.60 **Policyholder** means the company stated in Item 1 of the Declarations.
- 17.61 **Policy Period** means the period of time stated in Item 2 of the Declarations.
- 17.62 **Pollutants** means any substance exhibiting characteristics hazardous to the environment or having an adverse effect on the environment, including greenhouse gasses.
- 17.63 **Pre-Claim Advisory Costs** means reasonable costs, expenses, disbursements, charges and fees including, but not limited to, lawyers' and experts' fees incurred by an **Insured Person**, with the prior written consent of the Insurer, solely and exclusively for the purposes of obtaining advice on mitigating the risk of a **Claim** or proxy fight seeking the removal of an **Insured Person** from their position as a result of **Business Decisions**.  
Internal corporate costs, overheads and expenses are not included.
- 17.64 **Prison Sentence** means incarceration or a sentence passed ordering incarceration which has not taken effect because the **Insured Person** is on conditional release under bail conditions.
- 17.65 **Public Relations Expenses** means the reasonable costs, expenses, disbursements, charges and fees of an independent public relations consultant or crisis management consultant incurred with the prior written consent of the Insurer.  
Internal corporate costs, overheads and expenses are not included.
- 17.66 **Quarantine** means mandatory or advisory isolation based upon an actual or suspected infection by any contagious, life- threatening disease.
- 17.67 **Regulatory Penalties** means **Civil Fines & Penalties** including penal fines and penalties of a civil nature to the fullest extent insurable in the applicable jurisdiction. Criminal fines and penalties are not included.
- 17.68 **Relative** means a parent, spouse, civil partner (as defined in the Civil Partnership Act 2004 or similar provisions in any foreign jurisdiction), son, daughter or sibling of an **Insured Person**.
- 17.69 **Retired Insured Person** means **Insured Persons** who have ceased to act in their **Insured Capacity** prior to the expiry of the **Policy Period** for reasons other than:  
(a) disqualification from holding office or from managing a **Company**;  
(b) a change of ownership or control of the **Policyholder** described in Clause 11.2; or  
(c) the insolvency, liquidation, receivership or administrative receivership (whether voluntary or involuntary) of a **Company**.
- 17.70 **Sarbanes Oxley 304 Costs** means reasonable fees, costs and expenses (including the premium or origination fee for a loan or bond but not legal fees) incurred, with the prior written consent of the Insurer, by the **Company's** chief executive officer or chief financial officer, acting in such capacity, solely to facilitate the return of amounts required to be repaid by such chief executive officer or chief financial officer pursuant to Section 304 (a) of the Sarbanes-Oxley Act of 2002.
- Sarbanes Oxley 304 Costs** does not include:  
(a) any amounts requested or required to be paid, returned, reimbursed, disgorged or restituted by such chief executive officer or chief financial officer pursuant to Section 304 (a) of the Sarbanes-Oxley Act of 2002;  
(b) the remuneration of any **Insured Person**; or  
(c) internal corporate costs, overheads and expenses.
- 17.71 **Securities Claim** means a **Claim** against the **Company**:  
(a) by a holder of securities issued by a **Company** in their capacity as such and with respect to their interest in securities issued by a **Company** alleging breach of any securities law, rule or regulation; or  
(b) arising from **Business Decisions** concerning the purchase or sale of, or offer to purchase or sell, securities issued by a **Company**.  
**Securities Claim** shall not include any **Claim** made by or on behalf of a past, present or prospective **Employee** arising from the offer, grant or issuance or failure to make an offer, grant or issuance of securities to that **Employee** (including any warrants, options or securities- linked instruments) in a **Company**.
- 17.72 **Self-Reporting Costs** means reasonable costs, expenses, disbursements, charges and fees including, but not limited to lawyers' and experts' fees, incurred by an **Insured Person** with the Insurer's prior written consent, to retain legal advisors for the sole purpose of representing an **Insured Person** who is the subject of, or is requested or required to participate in or attend a **Self-Reporting Procedure**.  
Internal corporate costs, overheads and expenses are not included.
- 17.73 **Self-Reporting Procedure** means an internal inquiry by the **Company** into the affairs of the **Company** or an **Insured Person** following a formal written notification first made during the **Policy Period** to a governmental or regulatory, law enforcement, professional or statutory body informing them of suspected or actual material breach of a **Company's** or **Insured Person's** legal or regulatory duty or of conduct that might give rise to a **Claim** including without limitation conduct reports requested by any financial services regulatory authority, if and to the extent that such enquiry is requested by any such body.
- 17.74 **Senior Leader** means any person who has been, now is, or will become, during the **Policy Period**, a Chairman, Chief Executive, Finance Director, General Counsel, Chief Operations Officer, Risk Manager or holder of any position equivalent to these, of a **Company**.
- 17.75 **Settlement Evaluation Costs** means reasonable costs, expenses, disbursements, charges and fees of a lawyer or suitably qualified expert incurred with the prior written consent of the Insurer by an **Insured Person** solely and exclusively to evaluate the reputation and performance history of a **Litigation Funding** entity and its retained lawyers and to



evaluate the merits of settling a **Claim** brought against an **Insured** that is funded by such entity.

- 17.76 **Single Claim** means any one or more **Claims**, together with any one or more other claims for payment or indemnity under this Policy, arising out of, based upon or attributable to the same or related **Business Decisions**, originating cause, source or event, regardless of whether such **Claims** or claims for payment or indemnity involve the same or different claimants or legal causes of action or one or more **Insureds** under this Policy.

A **Single Claim** shall be deemed to be first made on the date the earliest of any such **Claim** or **Claim** for payment or indemnity is first notified in accordance with the Policy.

- 17.77 **Strictly Liable** means liability imposed by law without the need to prove, and in the absence of, any actual fault or culpability.

- 17.78 **Subpoena** means a subpoena served on an **Insured Person** in his or her **Insured Capacity**, seeking the production of information (in whatever medium) by that **Insured Person**.

- 17.79 **Subpoena Costs** means reasonable legal fees costs and expenses including any related professional charges incurred by an **Insured Person** with the Insurer's prior consent solely and exclusively for the purposes of responding to or complying with a **Subpoena**.

Internal corporate costs, overheads and expenses, including an **Insured's** costs or expenses of producing, disclosing or giving discovery of documents, are not included.

- 17.80 **Subsidiary** means a company in which, and for as long as, the **Policyholder** directly and/or indirectly:

- (a) holds at least 50% of the voting rights;
- (b) has the right to appoint or remove a majority of the board of directors; or
- (c) controls alone, pursuant to a written agreement with other shareholders, a majority of the voting rights.

- 17.81 **Transaction** means any of the following:

- (a) the **Policyholder** merges into or consolidates with another entity (other than in accordance with Section 11.1 Acquisition or Creation of a **Subsidiary**);
- (b) a person or persons acting in concert (other than a liquidator, receiver, administrative receiver, administrator, supervisor or other insolvency officeholder) acquires or secures ownership or voting control of more than 50% of the outstanding securities representing the present right to vote for the election of the members of the board of directors of the **Policyholder**;
- (c) more than two thirds of the members of the board of directors of the **Policyholder** resign or are removed; or
- (d) the **Policyholder** is placed into voluntary or involuntary liquidation, receivership or administrative receivership.

- 17.82 **unindemnifiable** means prevented by law, shareholder resolution(s), or board or other governing body resolution(s), from being indemnified or reimbursed by a **Company** and/or without access to

indemnity from insurance or any other source.

- 17.83 **United States** means the United States of America, its territories and possessions and any state or political subdivision thereof.

- 17.84 **Unpaid Taxes** means the unpaid corporate tax liabilities of a **Company** that it is unable to pay due to its insolvency or liquidation but not where the non-payment is due in whole or in part to tax evasion or fraud.

- 17.85 **Witness Costs** means reasonable travel costs and living expenses incurred by an **Insured Person** with the prior consent of the Insurer solely and exclusively for the purposes of giving evidence to defend a **Claim**.

- 17.86 **Witness Summons** means an order requiring an **Insured Person's** attendance to give evidence for the purposes of a **Claim**.

respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

## Several Liability Clause

### **PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY**

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

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract. In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their

## Our Regulatory Status

This insurance is underwritten by DUAL Corporate Risks Limited (Company No. 4160680) on behalf of one or more Insurers as identified on your Certificate of Insurance. DUAL Corporate Risks Limited is authorised and regulated by the Financial Conduct Authority. Our Firm Registration Number at the FCA is 312593. These details may be checked by visiting the Financial Conduct Authority website at [www.fca.gov.uk/register](http://www.fca.gov.uk/register). Alternatively the Financial Conduct Authority may be contacted on 0845 606 1234.

DUAL Corporate Risks Limited is currently exempt from the Financial Services Compensation Scheme (FSCS) as it has notified the FSCS in writing that it does not conduct business that could give rise to a protected claim by an eligible claimant and has no reasonable likelihood of doing so. Definitions of protected claim and eligible claimant can be found at [www.fca.gov.uk](http://www.fca.gov.uk). Should these conditions no longer apply, DUAL Corporate Risks Limited will notify the FSCS and the exemption will cease.

Your insurer may be a member of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if it is unable to meet its liabilities under this insurance certificate. This depends upon the type of business and the circumstances of the claim. Further Information about the compensation scheme arrangements is available from the FSCS or by visiting the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk).

## Insurer Details

Participation	100%
Insurer	
Liberty Mutual Insurance Europe Limited	65.00%
Arch Insurance Company (European) Limited	15.00%
Everest Syndicate 2786 at Lloyd's	10.00%
Hardy Syndicate 382 at Lloyd's	10.00%

Per DUAL Corporate Risks Limited:  
UMB:B110046005810006000

## SECTION J LEGAL EXPENSES

This is a "claims made" section. This insurance only covers Claims notified to the Company during the Period of Insurance.

### Important Information

The notes that follow are intended as a guide; the full terms and conditions are contained in the section. If you have any queries please contact the Company on 0870 600 1480.

### Legal Advice

1. The Insured can obtain telephone based legal advice on UK law by telephoning the DUAL Oliva Legal Line. Telephone the number shown on your Schedule and quote your policy number.
2. Advice can be sought on a wide range of areas of law, including employment, health and safety and tax. The advice is provided by barristers, solicitors and tax consultants and is confidential and impartial. In the interests of monitoring the quality of legal advice given, conversations may be recorded.

3. The DUAL Oliva Legal Line is not empowered to give advice on the admissibility of any Claim under the Policy. If you wish to make a Claim or have a query about policy cover, you must contact our Claims Department.
4. You can also seek Stress Counselling Advice by calling the number shown on your Schedule.

### Special Conditions

#### Employment Disputes

The Company will only agree to cover your Claim if you have sought and followed advice from the DUAL Oliva Legal Line and obtained their authorisation:

- (a) prior to carrying out any disciplinary procedure or action or suspension of an Employee;
- (b) prior to dismissal of an Employee;
- (c) prior to notifying an Employee of their intended retirement date or retiring an Employee;
- (d) prior to instituting a redundancy programme and prior to making an Employee redundant;
- (e) upon notification formally or informally of a grievance from an Employee or ex-Employee;
- (f) upon notification formally or informally of a complaint of a sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation;
- (g) prior to any adverse variation or proposed adverse variation of the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration);
- (h) immediately an Employee walks out with or without written notice;
- (i) upon receipt of an appeal from an Employee or ex-Employee against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss.

#### Undisputed Debts

1. An undisputed debt must be referred to the Debt Collection Service within 30 days after the date the invoice was due for payment. The Debt Collection Service is provided by a debt collection organisation which is not part of the Company but it can be accessed by telephoning the DUAL Oliva Legal Line and asking to be transferred to the Debt Collection Service.

2. The Insured must utilise the services of the Debt Collection Service at the Insured's own cost. The fee charged by the Debt Collection Service is a percentage of the amount of the debt recovered from the debtor. This Section does not cover this fee.
3. If the Debt Collection Service recommends legal proceedings against the debtor to recover the debt, the Insured must immediately submit a Claim under the Contract Disputes insuring clause. The Insured should contact the Claims Department for a Claim Form.
4. If at any time an undisputed debt referred to the Debt Collection Service becomes disputed, the Insured must contact the Claims Department.

## **Definitions**

In this section the following terms shall have the following meanings

### **1 Acts of Parliament**

All Acts of Parliament referred to in this Section shall include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the Territorial Limits.

### **2 Any One Claim**

All Claims consequent upon the same original cause, event or circumstance. In respect of a Claim under I Tax Protection, an HMRC investigation into a later year's Self Assessment Return, where a previous year's Self Assessment Return is still subject to an open enquiry, shall be deemed to be Any One Claim.

### **3 Appointed Representative**

A consultant, solicitor, barrister or other appropriately qualified person appointed to act for the Insured in accordance with the terms of this Section.

### **4 Awards of Compensation**

Basic and Compensatory Awards and compensation for unlawful discrimination made against the Insured by an Employment Tribunal or settlement thereof subject to the consent of the Coverholder but not including Additional Awards, Protective Awards, Interim Relief, Arrears of Pay or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement. The Company will not pay any fine, award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The Company will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment, service agreement or related document or from any related, implied or incorporated terms of a contract of service.

### **5 Claim**

A claim under this Section for Legal Expenses, Professional Expenses, Awards of Compensation or Jury Service Allowance.

### **6 Contracting Party**

A person, firm or Company domiciled within the Territorial Limits with whom the Insured has a direct contractual relationship.

### **7 Debt Collection Service**

The debt collection service nominated by the Coverholder.

### **8 Due Date**

The date monies owed to the Insured first become due and payable.

## **9 Employee**

Any person under a contract of service or apprenticeship with the Insured.

## **10 Increased Deductable**

The amount the Insured must pay in respect of Legal Expenses and/or Professional Expenses and/or Awards of Compensation in respect of Any One Claim before the Company shall be liable to make any payment if the Insured instructs an alternative Appointed Representative to the one chosen by the Company under this Section

## **11 Inland Revenue Investigations**

### **(i) Business Self Assessment Full Enquiry**

The investigation which takes place when an officer of HM Revenue & Customs ("HMRC") makes a request to examine all of the Insured's business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998.

### **(ii) Employer Compliance Dispute**

The enquiries which take place following an expression of dissatisfaction with the Insured's PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the Insured's P11Ds or P9Ds.

### **(iii) Business Self Assessment Aspect Enquiry**

The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an Aspect Enquiry into only certain boxes on the Insured's Self Assessment Return.

## **12 HMRC Investigation**

Inland Revenue Investigations and VAT Disputes.

## **13 Jury Service Allowance**

The amount of money per day the Company is liable to pay the Employee each day they attend on jury service less any recovery from the Court.

## **14 Legal Expenses**

### **a) Fees**

Any professional fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of the Company and

Any costs incurred by other parties insofar as the Insured is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the Coverholder but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction.

b) **Witness Attendance Allowance**

The amount of money per day the Insured is liable to pay the Employee each day they are required by the Appointed Representative to attend as a witness at a court or tribunal hearing. Indemnity limited to £100 per day and a maximum of £1,000 in Any One Claim.

**15 Minimum Sum in Dispute**

The sum in dispute between the Insured and the Contracting Party being £1,000 below which the Company shall not be liable to provide indemnity.

**16 Professional Expenses**

Any fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of the Company but excluding any tax or VAT, additional tax or VAT, interest or penalties demanded, assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction.

**17 Property**

Land and/or buildings owned or occupied by the Insured or otherwise for which the Insured is legally responsible.

**18 Statutory Licence**

A licence or certificate of registration issued under statute, statutory instrument or by a Government or local authority to the Insured provided that such licence or certificate is necessary to engage in the Business Description of the Insured and the licence or certificate has been declared to the Company in the proposal form or renewal declaration.

**19 VAT Disputes**

The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the Insured's Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties.

**Limits of Company's Liability**

The maximum liability of the Company under this Policy is limited to the amounts specified 2 below:

1. £100,000 Any One Claim
2. £1,000,000 All Claims notified during the Period of Insurance.

**Insuring Clause**

The Company will only indemnify the Insured for Claims where the dispute, legal proceedings and HMRC Investigation are or would be within the Territorial Limits and the Claim is notified during the Period of Insurance.

**1 - Contract Disputes**

The Company agrees to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the Insured in a contractual dispute with a Contracting Party over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979, and/or the Supply of Goods and Services Act 1982 provided that:

- a) Legal Expenses incurred in the pursuit of any dispute or legal proceedings shall be limited to 75% of the amount in dispute;
- b) the amount in dispute exceeds the Minimum Sum in Dispute;
- c) where the contract is a construction contract as defined by the Housing Grants, Construction and Regeneration Act 1996 the construction operations are carried out or are to be carried out by the Contracting Party on property owned by the Insured and the contract is incidental to the Insured's Business Description;
- d) where the dispute relates to monies owed to the Insured and such liability is not contested the Insured refers the debt to the Debt Collection Service within 30 days of the Due Date and agrees use of the service shall be paid for by the Insured and not indemnified by the Company. If the Debt Collection Service exhausts its normal recovery procedure and recommends to the Company that legal proceedings are necessary, the Insured shall immediately notify a Claim under this Section.

**Exclusions to 1**

The Company shall not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

- a) contracts that provide or arrange credit, insurance, securities or guarantees;
- b) contracts where the liability or right of recovery of the Insured is incurred through their Agent or by assignment;
- c) franchise contracts;

- d) contracts governed by or alleged to be governed by the Consumer Credit Act 1974;
- e) contracts of employment;
- f) contracts for the use of Property.

## 2 Criminal Prosecution

The Company agrees to indemnify the Insured against Legal Expenses incurred in:

- i. defending a prosecution against the Insured in a court of criminal jurisdiction;
- ii. an appeal by the Insured against the service of an Improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990.

## Exclusions to 2

The Company shall not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

- a) any prosecution relating to or arising from investigations by HMRC;
- b) any prosecution for offences against the person, including offences of a sexual nature; other than charges under the Corporate Manslaughter and Corporate Homicide Act 2007;
- c) any prosecution for criminal damage;
- d) any prosecution alleging dishonesty;
- e) any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions;
- f) an allegation of speeding or driving whilst under the influence of alcohol and/or drugs;
- g) failure to insure a motor vehicle as required by law.

## 3 - Employment Disputes

The Company agrees to indemnify the Insured against Legal Expenses and Awards of Compensation incurred by the Insured in defending legal proceedings brought against the Insured by an Employee, ex-Employee or prospective Employee in respect of their contract of employment with the Insured or a breach of employment related legislation.

It is a condition precedent to the Company's liability that the Insured has sought and followed all the advice from the DUAL

DUAL Oliva Legal Line as to the procedure to be adopted and has received specific authorisation from the Abbey Legal Line:

- a) prior to carrying out any disciplinary procedure or action or suspension of an Employee;
- b) prior to dismissal of an Employee;
- c) prior to notifying an Employee of their intended retirement date or retiring an Employee;
- d) prior to instituting a redundancy programme and prior to making an Employee redundant;
- e) upon notification formally or informally of a grievance from an Employee or ex-Employee;
- f) upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation;
- g) prior to any adverse variation or proposed adverse variation of the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration);
- h) immediately an Employee walks out with or without written notice;
- i) upon receipt of an appeal from an Employee or ex-Employee against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss.

## 4- Tax Protection

–(a) Inland Revenue Investigations

The Company agrees to indemnify the Insured against Professional Expenses incurred in respect of representation of the Insured in an Inland Revenue Investigation including representation at an HMRC tribunal or Commissioners' hearing and at an appeal against a decision following such a hearing or tribunal provided that in the case of an Employer Compliance Dispute there is a reasonable prospect of reducing the liabilities alleged by HMRC.

(b) VAT Disputes

The Company agrees to indemnify the Insured against Professional Expenses incurred in representation of the Insured in a VAT Dispute in respect of:

- i. the local review procedure in order to reach agreement with HMRC;

- ii. a VAT and Duties Tribunal or other HMRC hearing or tribunal, including an appeal;

provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC.

**Exclusions to 4**

The Company shall not be liable to indemnify the Insured in respect of:

- a) technical or routine treatment of matters not connected with or under an expression of dissatisfaction with the Insured's affairs;
- b) the defence of any criminal prosecution;
- c) taxation proceedings which arise out of negligent misstatements or omissions made by or on behalf of the Insured in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records;
- d) any HMRC Investigation which results solely from investigation of earlier accounts or records;
- e) any Claim where the Tax Return is submitted outside the statutory time limits and/or in a penalty position;
- f) the preparation and/or correction of Self Assessment Returns, accounts, Income Tax Returns, P11Ds, P35s, VAT returns or any other statutory returns;
- g) any investigation undertaken by the Special Civil Investigations or Criminal Investigations offices of HMRC or where a Notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC;
- h) an enquiry in to the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an Employer;
- i) any dispute in connection with the payment of the National Minimum Wage;
- j) a dispute or enquiry in respect of IR35 legislation;
- k) any claim made where a Return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items;
- l) an investigation under a voluntary disclosure made to the HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of the Insured's deliberate act;
- m) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence

Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return.

**5 - Property Disputes**

The Company agrees to indemnify the Insured against Legal Expenses incurred in any dispute or legal proceedings made by or brought against the Insured:

- i. over the physical possession of the Property provided that all statutory and contractual notices have been correctly served by the Insured;
- ii. over the terms of a tenancy agreement between the Insured and a Contracting Party relating to the use or maintenance of the Property including dilapidations;
- iii. other than with a tenant over the actual or alleged negligence, damage or nuisance to the Property,

provided that the Insured will suffer financial loss if the Insured fails to pursue or defend the dispute or legal proceedings.

**Exclusions to 5**

The Company shall not be liable to indemnify the Insured in respect of any Claim arising out of or in connection with:

- a) the payment or non payment or review of any tax, rent or service charge;
- b) a dispute relating to planning or building regulations or decisions or compulsory purchase orders or any actual, planned or proposed works by or under the order of any government or public or local authority;
- c) any dispute arising from the negotiation, review or renewal of a tenancy agreement or the subsequent purchase of the Property whether or not such purchase is completed;
- d) any dispute where the Insured has failed to maintain in full force and effect during the tenancy agreement buildings insurance covering the standard range of perils if the Insured was contractually obligated to have such insurance in force;
- e) a dispute over subsidence or heave howsoever caused;
- f) a contract dispute other than where the contract is a tenancy agreement with a Contracting Party.

**6 - Data Protection**

The Company agrees to indemnify the Insured against Legal Expenses incurred in defending any dispute or legal proceedings, brought against the insured arising out



of the Data Protection Act 1998 including an appeal by the Insured against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement, Deregistration or Transfer Prohibition Notice. The Company further agrees to indemnify the Insured against compensation awards which the Insured is ordered to pay under Section 13 of the Data Protection Act 1998 upon the holding, loss or unauthorised disclosure of data provided that any compensation follows the Insured's unsuccessful defence of an action under the Data Protection Act 1998 to which the Company's consent had been granted and has not been withdrawn.

#### **7 - Statutory Licence**

The Company agrees to indemnify the Insured against Legal Expenses incurred in an appeal by the Insured against the suspension, revocation, imposed alteration of or refusal to renew a Statutory Licence.

#### **Exclusions to 7**

The Company shall not be liable to indemnify the Insured in respect of any Claim arising out of or in connection with:

- a) any disciplinary or internal procedures conducted by authorities charged with the regulation of the Insured in the performance of their Business or for any appeal following such procedures;
- b) an alteration or refusal to renew a Statutory Licence which is imposed by an Act of Parliament;
- c) any costs incurred to comply with a notice or order;
- d) driving licences.

#### **8 - Personal Injury**

The Company agrees to indemnify the Insured against Legal Expenses incurred in the pursuit of any dispute or legal proceedings for damages for Injury to the Insured caused by the actual or alleged act or omission of a third party.

#### **9 - Wrongful Arrest Defence**

The Company agrees to indemnify the Insured against Legal Expenses incurred in the defence of civil legal proceedings against the Insured in respect of allegations of wrongful arrest or malicious prosecution.

#### **Exclusions to 9**

The Company shall not be liable to indemnify the Insured in respect of any Claim arising out of or in connection with:

- a) allegations made by or against or on behalf of an Employee or former Employee or any other person working for the Insured whether or not an Employee.

#### **10 - Jury Service Allowance**

The Company agrees to indemnify the Insured against Jury Service Allowance with such indemnity being limited to £100 per day and a maximum of £1,000 in Any One Claim.

#### **11 - Pension Trustee Defence**

The Company agrees to indemnify the Insured against Legal Expenses incurred in defending civil proceedings against the Insured in the Insured's capacity as a trustee of a pension fund set up for the benefit of the Insured's Employees.

## Conditions

### 1. Notification of Claims

It is a condition precedent to the liability of the Company that the Company be notified in writing during the Period of Insurance immediately the Insured is aware of any Event which has given or may give rise to a Claim, dispute, legal proceedings or HMRC Investigation involving the Insured. Where such notification has been given, the Company agrees to treat any subsequent Claim in respect of the Event notified as though the Claim had been notified during the Period of Insurance.

The Company will forward to the Insured an insurance claim form that must be completed and returned immediately.

### 2. Company's Consent

It is a condition precedent to the liability of the Company that their consent to incur Legal Expenses or Professional Expenses must firstly be obtained in writing. This consent will be given by the Company if the Insured can satisfy the Company that:

- a) it is reasonable to incur Legal Expenses or Professional Expenses having regard to the proportionality between the remedy claimed and the Legal Expenses or Professional Expenses to be incurred and;
- b)
  - i. where the Insured is pursuing there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought  
or
  - ii. where the Insured is defending the other party does not have reasonable prospects of proving the Insured's legal liability  
or
  - iii. in respect of a criminal prosecution and where the Insured pleads guilty there is a reasonable prospect of a significant mitigation of the Insured's sentence or fine.

If during the course of a Claim the Insured ceases to satisfy the Company in respect of a) or b) above, indemnity will be withdrawn in respect of Legal Expenses and Professional Expenses and Awards of Compensation. The decision to grant consent or to withhold it will be taken on receipt of:

- a fully completed insurance claim form;
- the information and documentation the Company reasonably requests;

- a legal opinion from the Appointed Representative as to a) and b) above;
- any advice the Company may deem it necessary to take.

With the agreement of the Insured, the Company may provide assistance in settling disputes, the costs of which will be covered under this Policy subject to the payment of the Deductable or Increased Deductable within the Limits of Company's Liability.

The Company at its discretion may require the Insured to obtain an opinion from Counsel at the Insured's expense as to the merits of the subject matter of the Claim such opinion to have regard to the same issues that the Company has in assessing the merits of any legal action. If based upon such opinion the Company is satisfied in respect of a) and b) above the Legal Expenses and Professional Expenses in obtaining that opinion will be paid by the Company within the Limits of the Company's Liability.

In granting its consent the Company undertakes to provide indemnity to the Insured subject to the terms and conditions of this Policy and its Schedule but such consent does not imply that all Legal Expenses or Professional Expenses or Awards of Compensation will be paid. In particular Legal Expenses or Professional Expenses for matters that go beyond the immediate scope of the Claim shall be deemed by the Company to fall outside the indemnity provided by this Policy.

The Company reserves the right to limit its consent by time and/or financial amount of Legal Expenses or Professional Expenses and or stage of proceedings to allow for a review of their continued consent.

If after consent has been granted it is shown that the Claim has not been brought within the terms and conditions of this Policy and its Schedule the Company's consent will be withdrawn and no indemnity shall be provided. The Company shall be entitled to recover any Legal Expenses, Professional Expenses, Awards of Compensation and Jury Service Allowance previously paid.

If the Insured elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the Company's consent has been refused through lack of reasonable prospects as required in b) i. and ii. above and if the Insured is successful in such pursuit or defence, the Company will pay Legal Expenses or Professional Expenses incurred after such consent had been refused subject to the terms of this Policy.

### 3. Instruction and choice of Appointed Representative and Counsel

The Company will choose an Appointed Representative to act on behalf of the Insured in any Claim under

Insuring Clause 3 Employment Disputes or 4 Tax Protection.

Where recourse is necessary to a lawyer and proceedings are issued, the Insured is free to choose an Appointed Representative to act in the name of and on behalf of the Insured in any legal proceedings to which the Company has consented subject to the Increased Deductible. Where a Claim is made by the Named Insured and an Employee (including a director or partner of the Insured) then the Employee must appoint the same Appointed Representative as the Insured. The name and address of the Appointed Representative the Insured proposes to instruct must be notified to the Company in writing. The Company will accept such nomination provided the Company is satisfied the proposed Appointed Representative will cooperate and enable the Insured to comply with the terms and conditions of this policy and provided the proposed Appointed Representative's charging rates are fair and reasonable in regard to the particular legal proceedings.

In all other claims the Company will choose the Appointed Representative subject to the Deductible

A dispute arising from the Insured's choice may be referred to Arbitration

The Insured must not, without the written consent of the Company, enter into any agreement with the Appointed Representative as to the basis of calculation of Legal Expenses. The Company may withdraw consent previously given at any time.

In selecting the Appointed Representative the Insured shall have regard to its duty to minimise the cost of any Claim.

In all cases the Appointed Representative shall be appointed in the name of and on behalf of the Insured. If in the course of any Claim the Appointed Representative wishes to instruct Counsel or an expert, Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the Company for consent to the proposed instruction which will not be unreasonably withheld.

#### **4. Disclosure**

It is a condition precedent to the Company's liability that:

- a) the Insured must give the Appointed Representative and the Company all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the Insured's possession. The Insured must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.

- b) the Company is entitled to receive from the Appointed Representative and Insured any information, document or advice in connection with any Claim and the subject matter of any Claim even if privileged. In addition the Insured must instruct the Appointed Representative to provide the Company with regular updates on the progress of the subject matter of any Claim and inform the Company immediately if and when any circumstance adversely impacts the factors taken into account in granting the Company's consent. On request the Insured will give to the Appointed Representative any instructions necessary to secure the required access.

Indemnity may be withdrawn if the Insured fails to cooperate at all or within a reasonable time with the Company's or the Appointed Representative's requests.

#### **5. Payment of Legal Expenses Professional Expenses and Awards of Compensation**

All bills for Legal Expenses or Professional Expenses which the Insured receives from the Appointed Representative should be forwarded to the Company without delay. If the Company so requires the Insured must ask the Appointed Representative to submit the bill of costs for assessment or certification by the appropriate Law Society, court or tribunal. The Insured is responsible for payment of all Legal Expenses or Professional Expenses or Awards of Compensation. The Company may settle these direct if requested by the Insured to do so. The payment of some Legal Expenses or Professional Expenses does not imply that all Legal Expenses or Professional Expenses or Awards of Compensation will be paid.

#### **6. Offer of Settlement**

It is a condition precedent to the liability of the Company that the Insured must inform the Company in writing as soon as an offer to settle the subject matter of the Claim is received and/or the Insured proposes to make an offer of settlement. In any settlement, the Insured must have regard to Legal Expenses, Professional Expenses or Awards of Compensation incurred or likely to be incurred and the recovery thereof.

No indemnity will be provided if the Insured enters into any agreement to settle without the prior written consent of the Company (such consent not to be unreasonably withheld) and the Company shall be entitled to recover any Legal Expenses or Professional Expenses or Awards of Compensation previously paid. If the Insured unreasonably rejects an offer of settlement which the Company recommends acceptance of or makes an offer which the Company does not agree with no further indemnity shall be provided.

The Company may at its absolute discretion decide to pay the Insured the amount of damages that the Insured is claiming or is being claimed against the Insured instead of indemnifying the Insured for Legal Expenses, Professional Expenses or Awards of Compensation. Where the Company exercises this discretion the Company will cease to be liable for any further Legal Expenses, Professional Expenses or Awards of Compensation.

#### **7. Recovery of Costs**

Whenever the Insured is awarded costs or under the terms of any settlement where costs are included, those costs are to be repaid to the Company. The Insured and their Appointed Representative must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered, the Insured agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the Company. Where such a settlement is paid in instalments all costs to the Company shall be paid first.

#### **8. Appeal Procedure**

If, following legal proceedings to which the Company has consented, the Insured wishes to appeal against the judgment or decision of a court or tribunal, the grounds for such appeal must be submitted to the Company through the Appointed Representative immediately or as soon as practicable so that the Company may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the Insured following legal proceedings to which the Company has consented, the Insured must notify the Company immediately in order that cover shall continue. The Company will inform the Appointed Representative of its decision. If the Company so requires it the Insured must co-operate in an appeal against the judgment or decision of a court or tribunal.

#### **9. Duty to Minimise**

The Insured must take all reasonable precautions to avoid and prevent Claims, HMRC Investigations, legal proceedings and disputes.

The Insured must use every endeavour and take all reasonable measures to minimise the cost and effect of any Claim.

#### **10. Fraudulent Claims**

If the Insured makes any request for payment under this Policy knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances to know it to be fraudulent or false or where there is collusion between any parties to the dispute, this Policy shall become void and any premiums paid shall be forfeited and the Company shall be entitled to recover any Legal Expenses, Professional Expenses, Awards of

Compensation and Jury Service Allowance previously paid.

#### **11. Insolvency or Liquidation of the Insured**

If the Insured becomes insolvent or is placed in liquidation, receivership, administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose the Company has the right to immediately cease to provide indemnity for Legal Expenses, Awards of Compensation and Professional Expenses notwithstanding any previous consent the Company may have granted.

#### **12. Value Added Tax**

If the Insured is registered for VAT, the Company will not pay the VAT element of any Legal Expenses or Professional Expenses.

## Exclusions

The Company shall not be liable to indemnify the Insured in respect of:

1. the defence of the Insured in civil legal proceedings arising from:
  - i. injury or disease including psychiatric injury and stress;
  - ii. loss, destruction or damage of or to property;
  - iii. alleged breach of any professional duty;
  - iv. any tortious liability (other than as specified in Insuring Clause 5 Property Disputes and 11 Pension Trustee Defence);
2. any dispute, legal proceedings or HMRC Investigation made, brought or commenced outside the Territorial Limits;
3. Legal Expenses or Professional Expenses incurred without the prior written consent of the Company or in Deductible of the Company's consent;
4. Awards of Compensation where the Company's consent to incur Legal Expenses has not been granted or has been withdrawn;
5. any Claim relating to or arising from any Event occurring prior to or existing at inception of this Policy and which has or which the Insured knew or ought reasonably to have known may give rise to a dispute, legal proceedings or HMRC Investigation by or against the Insured;
6. fines or other penalties imposed by a court or tribunal;
7. any dispute, legal proceedings or HMRC Investigation in respect of which the Insured is, or but for the existence of this Policy would be, entitled to indemnity under any insurance policy whether a legal expenses insurance or not or under a legal aid certificate or representation order;
8. any Claim arising out of the deliberate, conscious, intentional or negligent disregard by the Insured of the need to take all reasonable steps to avoid and prevent Claims, disputes, legal proceedings or HMRC Investigations;
9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges;
10. disputes or legal proceedings between Insureds as specified in the Schedule or any endorsement thereto, or with any parent Company or subsidiary Company or associated Company or partner;
11. any dispute between the Insured and the Company, the Appointed Representative or their insurance broker;
- 12a any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not;
- 12b any dispute or legal proceedings arising out of the ownership or existence of any intellectual property rights;
13. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood;
14. any Legal Expenses or Professional Expenses incurred in respect of or in connection with a judicial review;
15. appeals arising out of legal proceedings or HMRC Investigations to which no Company's consent has been granted;
16. any claim, consequential loss, legal liability or any loss or damage to property directly or indirectly caused by or contributed to by seepage, pollution or contamination of any kind;
17. any Legal Expenses or Professional Expenses which the Insured should or would have had to incur irrespective of any dispute;
18. any expense, consequential loss, legal liability or any loss or damage to property directly or indirectly caused by or contributed to by:
  - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
19. any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with (including any action taken in controlling, preventing, suppressing or in any way relating to) any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
  - a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
  - b) any act of terrorism.

For the purposes of this exclusion an act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, any person or

group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.