



Commercial Combined Insurance Policy

POLICY WORDING

Please read this document carefully
and keep for future reference

MG Insurance Consultants Ltd
Staley House
Hassall Street
Stalybridge
SK15 2LF

Tel: 0161 304 9933
Fax: 0161 304 9966
www.mginsurance.co.uk

LLOYD'S

INTRODUCTION

Certification and extent of policy coverage

This is to certify that in accordance with the authorisation granted under Contract Number BW0078314 to MG Insurance Consultants Ltd, Insurers agree to the extent and in the manner detailed, to indemnify the Insured against loss or Damage sustained which occurs during the Period of Insurance and arising from the Business, as detailed in the Policy Schedule, after such loss or damage has been proved.

Provided always that:

- 1) Insurers liability shall not exceed the limits of liability expressed in the attaching Schedule or such other limits of liability as may be substituted by endorsement and agreed by or on their behalf;
- 2) this Policy insures only in respect the sections specified in the Policy Schedule.
- 3) this Policy is subject to all the provisions, conditions, warranties and exclusions which are contained within the body of the wording or that may be endorsed or added thereto, all of which are to be considered as incorporated and shall be read together

Basis of this contract

The Insured has applied for this Insurance by completing a proposal form or a statement of fact or made a declaration which is the basis of this contract You must take all reasonable care to provide complete and accurate answers to the questions we ask when You take out, make changes to, and renew Your Policy.

Please tell Your broker within 14 days of becoming aware of any changes to the information You provided when applying for this insurance. Please contact Your broker if You require a copy of Your application form / Statement of Fact or Your schedule.

When we are notified of a change, we will tell You whether this affects Your Policy. For example whether we are able to accept the change and if so, whether the change will result in revised terms and/or a revised premium being applied to Your Policy. If we are not able to accept the change and it becomes necessary to cancel this insurance, we will do so as described within the cancellation conditions contained within the Policy.

Please read the whole document carefully. It is arranged in different sections. It is important that

- You are clear which sections You have requested and want to be included;
- You understand what each section covers and does not cover;
- You understand Your own duties under each section and under the insurance as a whole.

Please contact Your broker immediately if this document is not correct or if You would like to ask any questions.

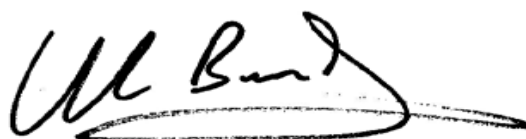
Important Notice

Please note that if the information provided by You is not complete and accurate, we may:

- cancel Your Policy and refuse to pay any claim, or
- not pay any claim in full, or
- revise the premium and/or change any excess, or revise the extent of cover or terms of this insurance

This Policy has been issued and signed on behalf of Insurers by

MG Insurance Consultants LTD
Staley House
Hassall Street
Stalybridge
Cheshire
SK15 2LF



Authorised signatory Dated 1st January 2014

CUSTOMER INFORMATION

WHO IS THE INSURER?

This policy is underwritten by Certain Underwriters at Lloyds.

WHO IS THE REGULATOR?

Lloyd's of London is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority (FCA) is the independent watchdog that regulates financial services, including insurance.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

Lloyd's of London are members of the Financial Services Compensation Scheme (FSCS). This provides compensation in case any member goes out of business or into liquidation and is unable to meet any valid claims against its policies. You may be entitled to compensation if we cannot meet our obligations, depending on the circumstances of the claim. Further information about the compensation scheme can be obtained from the FSCS.

WHAT TO DO IF YOU HAVE A COMPLAINT:

If You have a complaint which relates to either Your Policy or to a claim which You have submitted under Your Policy then please raise this in the first instance with Your broker who will aim to resolve Your concerns by close of the next business day.

If Your broker is unable to deal with your concerns or is unable to resolve the matter within 2 working days, the matter will be forwarded onto Your Insurer via Your Insurance provider, who is MG Insurance Consultants Limited, Staley House, Hassall Street, Stalybridge, SK15 2LF.

Whilst reviewing Your complaint Your Insurer will:

- Acknowledge Your complaint promptly
- Investigate Your complaint quickly and thoroughly
- Keep You informed of the progress of Your complaint
- Do everything possible to resolve Your complaint

In the event that You remain dissatisfied with Your Insurer's response You can refer the matter to the Policyholder and Market Assistance team at Lloyd's.

Their address is:

Policyholder & Market Assistance
Market Services
Lloyd's
One Lime Street
London EC3M 7HA

Tel No: 020 7327 5693

Fax No: 020 7327 5225

E-mail: complaints@lloyds.com

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

If you remain dissatisfied after Lloyd's has considered Your complaint, You may have the right to refer Your complaint to the Financial Ombudsman Service.

The complaints handling arrangements above are without prejudice to Your rights in law.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

YOUR RIGHT TO CANCEL

You have the right to cancel the insurance Policy within 14 days of receiving the Policy documentation and receive a full refund of any premium paid, provided that there have been no claims either paid, reported or outstanding. For the purposes of this cancellation clause, it will be deemed that You will have received the Policy document upon the day following the date it was posted to the Insured by first class post.

If You do cancel this insurance within the initial 14 day period, then no cover will have been in place from the date of inception, as specified in the Schedule, and no liability whatsoever shall attach to the Insurers in respect of the Policy.

If You do not exercise Your right of cancellation within the initial 14 day period, this insurance Policy will automatically come into force from the inception date specified in the Schedule. You will remain liable to pay the full annual premium. Following the expiry of the initial 14 day period, this insurance Policy may be cancelled at any time at Your written request and providing there has not been a claim Insurers will refund a proportionate part of Your premium.

To exercise Your right to cancel, contact the broker who arranged this cover for You.

THE LAW THAT GOVERNS THIS POLICY AND JURISDICTION

The parties to this contract are free to choose the law applicable to the contract. Unless specifically agreed to the contrary this insurance Policy shall be subject to English Law.

The indemnity provided by this Policy shall apply only to judgements against the Insured in the Courts of Law of England and Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and not to judgements obtained elsewhere nor to Judgements or orders obtained in the said courts for enforcement of foreign judgements whether by way of reciprocal agreements or otherwise.

The premium for this Policy has been calculated accordingly and no consideration has been paid in respect of sums payable under any other law or the jurisdiction of any other courts.

THE LAW THAT GOVERNS THE INTERPRETATION OF THIS POLICY

All disputes concerning the interpretation of this Policy are understood and agreed by both the Insured and the Insurers to be subject to English Law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.

This Policy should be read carefully and if it is incorrect return it immediately to Your insurance advisor for alteration.

This Policy should be kept in a safe place – You may need to refer to it if You have to make a claim.

GENERAL DEFINITIONS AND INTERPRETATIONS

Any word or phrase specified hereunder to which a meaning is given has the same meaning wherever it appears in this Policy or any Schedule Endorsement or notice attached or issued by the Insurers unless specifically amended by any documentation issued by the Insurers

Accidental Damage

Physical damage caused suddenly and unexpectedly by an outside force

Act of Terrorism

means an act, including but not limited to the use of force or violence and/or the threat of thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(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.

Bodily Injury

includes death or disease.

Business

means business described in the Policy Schedule including

- (1) the ownership (including maintenance) of buildings specifically insured by this Policy
- (2) the provision and management of canteen social sports and welfare facilities for Your Employee
- (3) first aid fire and ambulance services
- (4) private work carried out with Your consent for You or any of Your directors partners or other senior officials of Your Business by any of Your Employees within the Geographical Limits

Costs and Expenses

means

- (1) all costs and expenses recoverable by any claimant from You
- (2) the costs and expenses incurred with the written consent of the Insurers for
 - (a) representation at any Coroner's Inquest or Inquiry in respect of any death
 - (b) the defence of proceedings in any court brought against You in respect of breach or alleged breach of statutory duty resulting in Injury
- (3) all other costs and expenses of litigation incurred with the written consent of the Insurers relating to an occurrence which may give rise to indemnity

Damage

means loss destruction or damage

Deductible

means amount shown in the Schedule to any Section of this Policy being the amount of each and every claim which is not covered and for which You are considered to be Your own insurer

Employee

means

- (1) any person under a contract of service or apprenticeship with You
- (2) a person under a contract of service or apprenticeship with some other employer and who is hired to or borrowed to You
- (3) a labour master or person supplied by him
- (4) a person engaged by a labour only sub contractor
- (5) a self-employed person working on a labour only basis under Your control or supervision
- (6) a driver or operator of hired-in plant
- (7) a trainee or person undergoing work experience
- (8) a voluntary helper
- (9) persons working under the Community Offenders Act 1978 Community Offenders (Scotland) Act 1978 or similar legislation

at Your request outworkers or home workers employed under contracts to execute personally any work in connection with the Business whilst engaged in working for the Insured in connection with the Business.

Endorsement

means any additional terms relating to the insurance provided by this Policy which are

- (1) not within the Policy but attached to any Schedule issued by the Insurers or
- (2) within the Policy and stated in the Policy Schedule as applying to this Policy

Excess

The amount payable by You in the event of a claim as stated in the Certificate of Insurance.

Geographical Limits

means United Kingdom the Channel Islands and the Isle of Man

Injury, applicable to all sections other than Section 13 – Personal Accident which has a separate definition

means death bodily injury illness disease or shock.

Insured/You/Your

means person (s) and/or company (ies) named in the Policy Schedule

Insurers

means in respect of each Section insured by this Policy the insurer(s) stated in the Schedule applicable to said Section

Money

means

- (1) current currency
- (2) crossed and uncrossed (where applicable)
 - (a) bankers drafts
 - (b) national giro drafts and payment orders
 - (c) postal and money orders
 - (d) dividend warrants
 - (e) cheques (other than pre-signed blank cheques)
- (3) travellers cheques
- (4) national savings stamps and certificates
- (5) bus and rail travel cards and passes
- (6) telephone cards
- (7) current postage stamps and unused postal franking machine units
- (8) luncheon vouchers
- (9) gift tokens
- (10) trading stamps
- (11) national insurance stamps and stamped or impressed national insurance cards
- (12) holiday with pay stamps
- (13) premium bonds
- (14) VAT purchase invoices
- (15) credit card cheque card and debit card sales vouchers
- (16) savings stamps
- (17) consumer redemption vouchers

Period of Insurance

means period of insurance stated in the Policy Schedule and any subsequent period for which premium payment is made by You and is accepted by the Insurers

Policy

means Policy wording together with all Schedules Endorsements and notices attached or issued by the Insurers

Pollution

means

- (1) pollution or contamination by naturally occurring or man-made substances forces or organisms or any combination of them whether permanent or transitory and however occurring and
- (2) all loss destruction damage or Injury directly or indirectly caused by such pollution or contamination

Premises

means address of premises stated in the Schedule to each Section insured by this Policy but where no premises are so stated the address of premises shall be as stated in the Policy Schedule

Schedule

means most current Schedule issued to You by the Insurers

Standard Construction

Built of brick, stone or concrete and roofed with slates, tiles, asphalt, metal or concrete

Valuables

means deeds bonds bills of exchange promissory notes stamp collections jewellery watches furs and fur skins precious stones and articles comprising of them

GENERAL EXCLUSIONS TO THIS POLICY

(1) GENERAL

This Policy does not cover any loss destruction damage business interruption loss or liability directly or indirectly caused by or contributed to by or arising from

(a) Radioactive Contamination

- (i) ionising radiations from 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 or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- (iii) the use of any explosive nuclear weapon or device or the emission discharge dispersal or escape of fissile material emitting a level of radioactivity
- (iv) the emission discharge dispersal release or escape of any solid liquid or gaseous chemical compound which when suitably distributed is capable of causing incapacitating disablement or death amongst people or animals
- (v) the emission discharge dispersal release or escape of any pathogenic (disease producing) micro-organism(s) and chemically synthesised toxin(s) (including genetically modified organisms and chemically synthesised toxins).

(b) Pressure Waves

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

(c) Pollution

as defined in the General Definitions and Interpretations other than Pollution resulting in Damage to property insured by this Policy or interruption of or interference with the Business not otherwise excluded caused by any of the following perils

Fire Explosion Aircraft Earthquake Riot Malicious Damage Storm or Flood Escape of Water Impact Sprinkler Leakage Theft or Subsidence all as defined in Section 1- Buildings and Contents of this Policy

(2) WAR AND ACT OF TERRORISM

This Policy does not cover any claim hereunder of whatsoever nature directly or indirectly occasioned by or happening through or in consequence of

- (a) war invasion acts of foreign enemies hostilities or warlike operations (whether war be declared or not) civil war mutiny civil commotion assuming the proportions of or amounting to popular rising military rising insurrection rebellion revolution military or usurped power martial law 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 Act of Terrorism or any action taken in controlling preventing suppressing or in any way relating to any of the above
- (b) riot civil commotion and (except in respect of Damage by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons in Northern Ireland

In any action suit or other proceedings where the Insurers allege that by reason of Policy Definition Act of Terrorism any claim hereunder is not covered by this Policy the burden of proving that such claim hereunder is covered shall be upon You

(3) DATE RECOGNITION FAILURE

This Policy does not cover

- (1) Damage
- (2) interruption of or interference with the Business
- (3) legal liability
- (4) Costs and Expenses
- (5) Legal Expenses

directly or indirectly caused by or consisting of or arising from the failure of any computer data processing equipment or media micro chip integrated circuit or similar device or any computer software whether the property of the Insured or not

- (a) correctly to recognise any date as its true calendar date
- (b) correctly 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) correctly to capture save retain or process any data as a result of the operation of any command which causes the loss of data or the inability correctly to capture save retain or process such data

Provided that (1) and (2) shall not apply to

- (i) subsequent Damage or
 - (ii) subsequent interruption of or interference with the Business
- not otherwise excluded which results from any of the following perils

Fire Explosion Aircraft Earthquake Riot Malicious Damage Storm or Flood Escape of Water Impact Sprinkler Leakage Theft or Subsidence all as defined in Section 1- Buildings and Contents of this Policy

(4) ELECTRONIC DATA

This Policy does not cover loss destruction damage or business interruption loss directly or indirectly occasioned by or happening through or in consequence of Computer Virus(es) or from erasure or corruption or alteration of Electronic Data

Computer Virus means a corrupting instruction that propagates itself via a computer system or network

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

Provided that this Exclusion shall not apply to Damage or interruption of or interference with the Business not otherwise excluded which results from any of the following perils

Fire Explosion Aircraft Earthquake Riot Storm or Flood Escape of Water Impact or Sprinkler Leakage all as defined in Section 1 – Buildings and Contents and stated as insured in the Schedule applicable to that Section

GENERAL CONDITIONS TO THIS POLICY

The following Conditions apply to all Sections of Your Policy and You must comply with them or Your Policy may not be in force

If You need to notify Insurers of a claim or of any circumstances or incident which may cause a claim You should contact Your professional intermediary or alternatively Your appropriate Insurer through

**MG INSURANCE CONSULTANTS LTD
STALEY HOUSE HASSALL STREET STALYBRIDGE SK15 2LF
TELEPHONE NUMBER 0161 304 9933**

(1) PROCEDURE FOR NOTIFYING CLAIMS

If any event happens which may give rise to a claim being made under this Policy You must

- (a) notify the Insurers as soon as possible and give full details of the occurrence
- (b) inform the police immediately of any malicious damage or of the theft or loss of any property or Money
- (c) forward to the Insurers immediately on receipt and without answering it any letter claim writ summons or process
- (d) send to the Insurers at Your own expense a written claim together with such detailed particulars and proofs certificates or other documents as may reasonably be required by the Insurers and send also details of any other insurance covering the loss destruction damage Injury or liability for which You are claiming indemnity under this Policy within
 - (i) seven days of Damage caused by riot civil commotion strikes labour disturbances or malicious persons
 - (ii) 30 days of the expiry of the Indemnity Period in the event of a claim under the Business Interruption Section of this Policy
 - (iii) 30 days of Damage by any other cause insured by this Policy
- (e) take all reasonable steps to diminish or avoid the Damage and to minimise any interruption of or interference with the Business or Bodily Injury
- (f) not negotiate with nor make any admission of liability nor offer payment or promise to any party without the Insurers' written consent
- (g) all medical records, notes and correspondence referring to a claim or related pre-existing condition relating to any Accident shall be made available on request to any medical advisor appointed by or on behalf of the Insurers and such medical advisor shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make an examination of the Insured.
- (h) seek the attention of a duly qualified medical practitioner in the event of any Accident resulting in Bodily Injury or death

(2) FRAUD

All benefit under this Policy will be forfeited if any claim made is in any respect fraudulent or if any fraudulent means are used by You or anyone else acting on Your behalf to obtain any benefit under this Policy

(3) SUBROGATION

In the event of any claim under this Policy You shall at the Insurers' request and expense take and permit to be taken all necessary steps for enforcing rights against any other party in Your name before or after any payment is made by the Insurers

(4) THE INSURERS' RIGHTS

If any event happens which may give rise to a claim under this Policy the Insurers will be entitled to

- (a) enter the building where Damage has occurred and to take and keep possession of damaged property insured herein and to deal with the salvage in a reasonable manner and this Condition shall be proof of Your consent for such purpose - no property may be abandoned to the Insurers
- (b) exercise sole conduct and control over the defence or settlement of any claim made upon You or any other person covered by this Policy by any other party

- (c) prosecute in Your name or the name of any other person covered by this Policy but for the Insurers' benefit any claim for damages or indemnity

(5) OTHER INSURANCE

If at the time of any Injury or Damage there be any other insurance

- (a) covering the whole or part of such Injury or Damage whether effected by the Insured or not then the Insurers shall not be liable to pay or contribute more than their rateable proportion of the total payment made for such Injury or Damage
- (b) on any of the property insured herein either alone or together with any other property which shall be subject to any condition of average or is limited in respect of the value of any article or the total amount is divided in respect of said property then this Policy may at the option of the Insurers be held to contain the same condition of average limit of value and division of amount pro rata
- (c) which more specifically insures property insured herein this Policy will not apply except in respect of any amount over and above that recoverable under such more specific insurance

This Condition does not apply to any personal accident benefit provided under this Policy in respect of death or injury to any insured person

(6) EFFECT OF CLAIMS ON SUMS INSURED

Except where otherwise provided for under any Section of this Policy

- (a) the Sums Insured in this Policy will be reduced until expiry of the Period of Insurance by the amount of any loss destruction damage interruption or interference with Your Business
- (b) if any Sum Insured is subject to an Underinsurance Condition and further claims arise before expiry of the Period of Insurance the application of such Underinsurance Condition may have the effect of increasing the proportion of the loss which You will have to bear
- (c) on request and if not otherwise provided for under any Section of this Policy following a claim the Insurers will consider reinstating the original Sums Insured subject to any additional premium revised terms and further precautions that may be necessary

(7) RECOVERY OF LOST OR STOLEN PROPERTY

If any lost or stolen property which is the subject of a claim under this Policy is recovered You must inform the Insurers as soon as reasonably possible by recorded delivery letter

If the property is recovered before the payment of the claim for loss of that property You must reclaim such property and the Insurers will then indemnify You under the terms of this Policy for any damage sustained to such property

If the property is recovered after payment of the claim for loss of that property the property will then belong to the Insurers but You will have the option of retaining the property and refunding to the Insurers any claim payment the Insurers have made for the property subject to any appropriate adjustment for damage to the property

(8) ARBITRATION

If the Insurers accept liability for a claim under this Policy but there is a dispute in respect of the amount to be paid the dispute will be referred to an arbitrator appointed in accordance with the relevant law in force at the time

In these circumstances the arbitrator's award must be made before there is any right of action against the Insurers

(9) COMPLIANCE WITH TERMS

The Insurers' liability to make any payment under this Policy is conditional on

- (a) the compliance with this Policy's terms and conditions by You or any person claiming indemnity or benefit under this Policy
- (b) the truth accuracy and completeness of all information supplied to the Insurers in connection with this insurance

(10) PRECAUTIONS

You must

- (a) take all reasonable precautions to safeguard any property insured by this Policy against Damage and to prevent Injury or loss or destruction of or damage to other property

- (b) exercise reasonable care in the selection and supervision of Your Employees
- (c) take all reasonable steps to comply with all statutory and other obligations and regulations imposed by any authority
- (d) maintain the Premises and all other property insured in a sound condition
- (e) take all reasonable steps to minimise Bodily Injury

(11) WORKMEN AND ALTERATION TO THE PREMISES OR BUSINESS

Workmen and tradesmen are allowed in or about the Premises for maintenance purposes and for undertaking minor repairs and alterations without affecting this insurance but the Insurers have insured You on the basis of information supplied and cover under this Policy will cease if

- (a) there are changes to the Premises or the building in which it is located or to Your Business which may increase the risk of loss destruction damage liability accident or Injury
- (b) there are changes in the occupancy or use of the Premises
- (c) Your interest in the Premises or Your Business ceases
- (d) Your Business is wound up or carried on by a liquidator or receiver or permanently discontinued

unless You have notified the Insurers within a reasonable time and the Insurers have agreed to such changes in writing

(12) PREMIUM ADJUSTMENT

If any part of the premium is calculated on estimates You shall keep an accurate record containing all relevant particulars and shall at any time allow the Insurers to inspect such record

You shall within one month after the expiry of each Period of Insurance supply particulars and information as the Insurers may require and the premium for such period shall be adjusted subject to any minimum premium

(13) INSTALMENTS

If the premium for this Policy is payable by instalments it is a condition precedent to the Insurers' liability that each instalment shall be paid when due otherwise all benefit under this Policy shall be forfeited from the date when such instalment was due

(14) CANCELLATION

Where there is a valid reason for doing so, the Insurers may cancel this Policy by giving seven days' notice in writing to You at Your last known address and making a proportionate return of premium for any unexpired Period of Insurance for which You have paid. Where a claim has been made during the current Period of Insurance the full annual premium will still be payable despite cancellation of cover and Insurers reserve the right to deduct this from any claim payment

(15) TAX

In addition to the premium You will pay to the Insurers any tax due on the premium which the Insurers are required to collect will be incorporated in accordance with current legislation

(16) DATA PROTECTION ACT 1998

It is agreed by the Insured that any information provided to the Insurer regarding the Insured for the purpose of accepting insurance and handling any claims may if necessary be divulged to third parties provided that it will be processed by the Insurer in compliance with the provisions of the Data Protection Act 1998

(17) CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person or company who was not party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this Condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act
Act 1998

SECTION 1 - BUILDINGS AND CONTENTS

This Section applies only if stated as INSURED in the Policy Schedule

INSURING CLAUSE

If any Property suffers Damage

- (1) by any Peril shown in the Schedule applicable to this Section
- (2) during the Period of Insurance

the Insurers will pay to You an amount calculated in accordance with the Basis of Payment or at their option will reinstate or replace Your Property or any part of it which is lost destroyed or damaged

DEFINITIONS TO THE BUILDINGS AND CONTENTS SECTION

NB For the purpose of determining where necessary the definition within which any property is insured the Insurers agree to accept the designation under which such property has been entered in Your books

Property

means Item(s) of property described in the Schedule applicable to this Section including those defined below

Perils

means perils shown in the Schedule applicable to this Section

Specific Perils

means Perils defined below and stated in the Schedule applicable to this Section except Accidental Loss

PROPERTY DEFINITIONS

Buildings

means buildings which You use for Your Business at the Premises stated in the Schedule applicable to this Section and includes at the same address

- (1) landlords' fixtures and fittings
- (2) outbuildings extensions annexes and gangways
- (3) walls gates and fences
- (4) yards and car parks
- (5) telephone gas water and electric installations piping ducting cables wires and associated control gear and accessories extending to the public mains which You are responsible to repair or reinstate

Rent

means rent of the buildings but excluding any element of charge for utilities

Contents

means machinery plant fixtures fittings utensils and all other contents relating to Your Business at the Premises stated in the Schedule applicable to this Section whether belonging to You or held in Your care and for which You are responsible and includes at the same address

- (1) tenants' improvements alterations and decorations
- (2) contents in outbuildings extensions annexes and gangways
- (3) contents in open yards to the extent that cover by this Section provides
- (4) Money for an amount not exceeding 5% of the Sum Insured for Contents stated in the Schedule applicable to this Section or £500 whichever is the lesser
- (5) documents manuscripts and business books but only for the value of the materials as stationery and the cost of clerical labour expended in writing up excluding
 - (a) any expense in connection with producing information to be recorded in them
 - (b) the value to You of the information contained in them

- (6) computer systems records
 - (a) only for the value of the materials and the cost of clerical labour and computer time expended in reproducing such records
 - (b) limited to £5,000 during any one Period of Insurance
 - excluding
 - (i) any expense in connection with producing information to be recorded in them
 - (ii) the value to You of the information contained in them
- (7) patterns models moulds plans and designs
- (8) in so far as they are not insured elsewhere Your Employees' directors' visitors' and guests' pedal cycles and personal effects (except motor vehicles) for an amount not exceeding £250 for any one pedal cycle and £500 for all other personal effects of any one Employee director visitor or guest

Contents excludes

- (1) landlords' fixtures and fittings
- (2) Stock
- (3) any property excluded by Exclusion (15) or under the definition of Theft to this Section
- (4) Computers
- (5) Electronic Office Equipment

Stock

means stock and materials in trade whether belonging to You or held in Your care and for which You are responsible in connection with Your Business at the Premises
excluding property otherwise insured by this Section

Computers

means all computer equipment used for the storage and communication of electronically processed data

Electronic Office Equipment

means all photocopiers fax machines portable telephones video recorders and video cameras and associated equipment all belonging to the Insured or held by the Insured in trust for which the Insured is responsible

PERILS DEFINITIONS

Fire

means

- (1) fire
 - excluding loss or destruction of or damage to property caused by
 - (a) explosion resulting from fire
 - (b) earthquake
 - (c) any property's
 - (i) own spontaneous fermentation or heating or
 - (ii) undergoing any heating process or any process involving the application of heat
- (2) lightning
- (3) explosion
 - (a) of boilers
 - (b) of gas
 - used for domestic purposes only
 - excluding Damage caused by earthquake

Explosion

means for the purposes of this Section explosion
excluding Damage by

- (1) fire resulting from explosion
- (2) explosion
 - (a) of boilers
 - (b) of gas
 - used for domestic purposes only

Aircraft

means aircraft or other aerial devices or articles dropped from them
excluding Damage by fire

Earthquake

means earthquake

Riot

means riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation
excluding Damage

- (1) arising from cessation of work
- (2) by fire caused by strikers locked out workers persons taking part in labour disturbances or malicious persons
- (3) occasioned by or happening through confiscation or destruction or requisition by order of the government or any public authority

Malicious Damage

means Damage caused by malicious persons
excluding Damage

- (1) arising from cessation of work
- (2) by fire
- (3) by theft
- (4) caused by persons acting on behalf of or in connection with any political organisation

Storm or Flood

means storm or flood
excluding Damage by lightning frost subsidence ground heave or landslip

Escape of Water

means escape of water from any tank apparatus or pipe
excluding Damage by water from any automatic sprinkler installation

Impact

means impact by any road vehicle or animal

Sprinkler Leakage

means accidental escape of water from any automatic sprinkler installation at the Premises
excluding Damage caused by

- (1) freezing while the Premises are (in so far as they are in Your ownership or tenancy) empty or not in use
- (2) explosion earthquake or heat caused by fire

Subsidence

means subsidence or ground heave of any part of the site on which the Premises stands or landslip
excluding Damage

- (1) to yards car-parks roads pavements walls gates or fences unless also affecting buildings insured by this Section
- (2) caused by or consisting of
 - (a) settlement or movement of made-up ground
 - (b) coastal or river erosion
 - (c) defective design or workmanship or the use of defective materials
 - (d) fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (3) which originated prior to the inception of this cover
- (4) resulting from
 - (a) demolition construction structural alterations or repair of any property at the Premises
 - (b) groundworks or excavation at the Premises

Theft

means theft of Property (including loss or destruction of or damage to Buildings or Contents caused in the course of theft or attempted theft) while the Property is within any building (or part thereof) occupied by You at the Premises

excluding

- (1) theft which does not involve
 - (a) entry to or exit from the building or attempt thereof by forcible and violent means
 - (b) hold-up accompanied by violence or threat of violence at the Premises
- (2) Damage caused by any person lawfully on the Premises
- (3) loss or destruction of or damage to
 - (a) property in any open space or in any outbuilding not communicating with the main building at the Premises
 - (b) Money manuscripts plans patterns models moulds designs coin or token-operated gaming amusement or vending machines or the contents of any of them or documents of title unless specifically stated as insured in the Schedule applicable to this Section
 - (c) any cash register when the Premises are closed for business unless the drawer has been left open

Accidental Loss

means accidental loss destruction or damage

excluding Damage

- (1) by any Peril Defined herein other than Accidental Loss
- (2) which would not be insured as a consequence of any of the exclusions to the Defined Perils herein

BASIS OF PAYMENT

Insurers' liability under this Section will not exceed

- (1) the Sum Insured for each Item
 - (2) in total the Total Sum Insured
- in the Schedule applicable to this Section

UNDERINSURANCE CONDITION

If at the time of Damage the value of the Property or the total value of all Property for which one Sum Insured is stated in the Schedule applicable to this Section exceeds that Sum Insured You will be Your own insurer for the difference and will bear a rateable share of the loss accordingly

EXCLUSIONS TO THE BUILDINGS AND CONTENTS SECTION

This Section does not cover

- (1) **Deductible**
the amount stated as the Deductible for each Peril shown in the Schedule applicable to this Section
- (2) **Inbuilt defect wear tear and defective workmanship**
Damage to property caused by or consisting of
 - (a) inbuilt or latent defect gradual deterioration wear and tear its own faulty or defective design or materials
 - (b) faulty or defective workmanship operational error or omission on Your part or that of any of Your Employeesbut subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section
- (3) **Frost**
Damage caused by or consisting of frost
but subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section

(4) Corrosion or change in temperature

Damage caused by or consisting of

- (a) corrosion rust wet or dry rot shrinkage evaporation contamination loss of weight dampness dryness marring scratching denting vermin or insects
- (b) change in temperature colour flavour texture or finish

but the following is covered under this Section

- (i) such Damage not excluded elsewhere in this Section or Policy which itself results from any Specific Peril or from any other accidental cause
- (ii) subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy

(5) Joint leakage or breakdown

Damage consisting of

- (a) joint leakage or failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam or feed piping connected to them
- (b) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which breakdown or derangement originates

but the following is covered under this Section

- (i) such Damage not excluded elsewhere in this Section or Policy which itself results from any Specific Peril
- (ii) subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy

(6) Subsidence ground heave or landslip

Damage caused by or consisting of subsidence ground heave or landslip unless resulting from Fire Explosion Earthquake or Escape of Water except in so far as Subsidence may be insured by this Section

(7) Change in the water table level

Damage attributable to change in the water table level

(8) Settlement of new structures

Damage caused by or consisting of normal settlement or bedding down of new structures

(9) Theft fraud or dishonesty

Damage caused by or consisting of theft or attempted theft where any person in Your employment or service or any member of Your family are concerned as principal or accessory

(10) Collapse of buildings

Damage to a building or structure caused by its own collapse or cracking unless resulting from a Specific Peril

(11) Property in the open

Damage to moveable property in the open fences or gates caused by theft wind rain hail sleet snow flood or dust

(12) Processing

Damage to any property (other than by Fire or Explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing cleaning dyeing or repair

(13) Empty Buildings

Damage in respect of any Buildings which are empty or not in use caused

- (a) by freezing
- (b) by escape of water from any tank apparatus or pipe
- (c) by malicious persons (other than by Fire or Explosion)
- (d) in the course of Theft or attempted Theft

(14) Riot or civil commotion

caused by riot or civil commotion except in so far as Riot is insured by this Section

(15) Excluded Property

- (a) unless Damage is caused by a Specific Peril
 - (i) valuables precious stones precious metals bullion curiosities works of art or rare books
 - (ii) property in transit
 - (iii) glass china earthenware marble or other fragile or brittle objects
 - (iv) Money bonds credit cards or securities of any description
- (b) unless specifically stated as insured in the Schedule applicable to this Section
 - (i) vehicles licensed for road use (and accessories on them) caravans trailers railway stock watercraft or aircraft
 - (ii) 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
 - (iii) land roads pavements piers jetties bridges culverts or excavations
 - (iv) livestock growing crops or trees

(16) Machinery requiring statutory inspection

Damage caused by explosion of and originating in any vessel machinery or apparatus or its contents belonging to You or under Your control which is required to be inspected to comply with any regulations or statutory provisions unless such vessel machinery or apparatus is the subject of a Policy or other contract providing the required inspection service

(17) Steam pressure apparatus

Damage caused by or consisting of 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 You or under Your control

but subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section

(18) Self-ignition of electrical apparatus

to any electrical apparatus or wiring caused by its own self-ignition but this Exclusion shall only apply to that part of the electrical apparatus or wiring in which the self-ignition occurs

(19) Property insured by other insurance

any property which at the time of Damage is insured by a more specific insurance

SPECIAL CONDITIONS TO THE BUILDINGS AND CONTENTS SECTION

(1) Reinstatement Basis of Payment

Subject to the undernoted provisions the basis upon which the amount payable in respect of any Item Insured (other than motor vehicles and their accessories Employees' directors' visitors' and guests pedal cycles and personal effects) is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose reinstatement means

- (a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Insurers is not increased may be carried out
 - (i) in any manner suitable to Your requirements
 - (ii) upon another site
- (b) the repair or restoration of property damaged

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

Provided that

- (i) The liability of the Insurers for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed

- (ii) 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 by any Item subject to this Condition exceeds its Sum Insured at the commencement of any Damage the liability of the Insurers shall not exceed that proportion of the amount of the Damage which the said Sum Insured shall bear to the sum representing the whole of such property at that time
- (iii) No payment beyond the amount which would have been payable in the absence of this Condition shall be made
 - (A) unless reinstatement commences and proceeds without unreasonable delay
 - (B) until the cost of reinstatement shall have been actually incurred
 - (C) if the property insured by any Item at the time of its Damage shall be insured by any other insurance effected by or on Your behalf which is not upon the same basis of reinstatement

(2) Day One Value Basis

This Condition applies only when Day One Value Basis (DOVB) is stated against any Item in the Schedule applicable to this Section

- (a) The Insured having stated in writing the Declared Value incorporated in each Item to which this Condition applies the premium has been calculated accordingly Declared Value means Your assessment of the cost of reinstatement of the property insured by any Item arrived at in accordance with paragraph (a) of Special Condition (1) at the level of costs applying at the inception 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) the additional cost of reinstatement to comply with Public Authority requirements
 - (ii) professional fees
 - (iii) debris removal costs
- (b) At the inception of each Period of Insurance the Insured shall notify the Insurers of the Declared Value of the property insured by each of the said Item(s)
In the absence of such declaration the Declared Value for the previous Period of Insurance shall be increased by a percentage determined by the Insurers and the resultant figure shall be taken as the Declared Value for the ensuing Period of Insurance
- (c) Proviso (ii) of Special Condition (1) is amended to read
If at the time of Damage the Declared Value of the property insured by such Item be less than the cost of reinstatement (as defined above) at the inception of the Period of Insurance then the Insurers liability for any Damage shall not exceed that proportion thereof which the Declared Value bears to the cost of reinstatement

(3) Stock Declaration

This Condition applies only when Stock Declaration Condition (SDC) is stated against any Item in the Schedule applicable to this Section

The insurance on Stock is subject to the following

- (a) The premium is provisional being 75% of the estimated premium and shall on the expiry of each Period of Insurance be adjusted as hereinafter provided
- (b) The value of the Stock on the last day of each calendar month shall be declared by You within 30 days thereafter and if a declaration be not so given You shall be deemed to have declared the Sum Insured as the value
- (c) On the expiry of each Period of Insurance the actual premium shall be calculated at the rate applicable on the total of the amounts declared divided by the number of declarations
If the actual premium be greater than the provisional premium You shall pay the difference
If it be less the difference shall be paid to You but such payment shall not exceed 1/3rd of the first or annual premiums respectively
- (d) In consideration of the Sum Insured not being reduced by the amount of any loss You shall pay the appropriate additional premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

(4) Index Linking

This Condition only applies when Index Linking (IL) is stated against any Item in the Schedule applicable to this Section

The Sum Insured (and the Declared Value where appropriate) on any Item will be increased by a percentage determined by the Insurers and such revised Sum Insured (and Declared Value) in the absence of advice from You to the contrary will be deemed to apply for the ensuing Period of Insurance

(5) Rent

Any insurance of Rent applies only if the Buildings or any part thereof is unfit for occupation in consequence of its Damage and then the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent insured

(6) Subrogation Waiver

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

(a) in the relation of holding company or subsidiary to You

(b) which is a subsidiary of a parent company of which You are yourself a subsidiary

in each case within the meaning of the relevant companies' legislation current at the time of the Damage

(7) Non-Invalidation

The insurance by this Section will not be made invalid by any act omission or alteration which unknown to You or beyond Your control increases the risk of Damage provided that You

(a) notify the Insurers immediately You become aware of such act omission or alteration and

(b) pay any additional premium that the Insurers may require

(8) Automatic Reinstatement of Sum Insured

In the absence of written notice by the Insured or the Insurers to the contrary within 30 days of the occurrence of any Damage the Sums Insured by this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate premium for such automatic reinstatement of cover provided that

(a) the Insured shall carry out any reasonable recommendations put forward by the Insurers to prevent further loss

(b) in respect of Damage by Theft (if insured) the automatic reinstatement shall apply on the first occasion only in each Period of Insurance

IN ADDITION THE INSURERS WILL PROVIDE COVER UNDER THIS SECTION AS FOLLOWS

Professional Fees

The cover under this Section for Buildings and Contents includes necessary architects' surveyors' consulting engineers' legal and other fees You incur in reinstating Your Property following its Damage as insured by this Section but not for preparing any claim

Provided that the Insurers' liability for Damage and professional fees will not exceed in total the Sum Insured for each Item in the Schedule applicable to this Section

Debris Removal Costs

The insurance by each Item in the Schedule applicable to this Section includes necessary costs and expenses You incur with the Insurers' consent in

(1) removing debris from

(2) dismantling and/or demolishing

(3) shoring up or propping

Provided that the Insurers' liability for Damage and debris removal costs will not exceed in total during any one Period of Insurance the Sum Insured stated for each Item in the Schedule applicable to this Section

Underground Services

(1) Accidental loss or destruction of or damage not otherwise excluded to underground water gas oil drain or sewer pipes and underground electricity or telephone cables which extend from the Premises to the public mains and which You are responsible to repair or reinstate

- (2) Costs and expenses incurred in clearing and cleaning drains gutters sewers drain inspection covers and similar underground service areas for which You are responsible in consequence of any peril insured by this Section

Provided that the liability of the Insurers hereunder shall not exceed £10,000 in any one Period of Insurance

Local Authorities

The cover under this Section for Buildings and Contents extends to include additional costs of rebuilding or reinstatement of lost destroyed or damaged Property which You incur solely to comply with Building Regulations or local authority or other statutory requirements

excluding

- (1) any such costs where the Item is not subject to the Reinstatement Basis of Payment (Special Condition (1))
- (2) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws
 - (a) in respect of Damage occurring before this cover was granted
 - (b) in respect of Damage not insured by this Section
 - (c) under which notice was served upon You before the date of Damage
 - (d) in respect of undamaged Property or undamaged portions of Property forming any part of the Property sustaining Damage except for undamaged foundations (unless foundations are specifically excluded from cover by Endorsement to this Policy)
- (3) the additional cost exceeding that which would have been required to make good property which sustained Damage to a condition equal to its condition when new had it not been necessary to comply with any one of the above Regulations or Bye-Laws
- (4) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by its owner in order to comply with any of the above Regulations or Bye-Laws

Provided that

- (a) the work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the date of the Damage or within such further time as the Insurers may allow (during the said 12 months) and may be carried out upon another site (if Regulations or Bye-Laws so require) subject to the Insurers' liability not being increased by this additional cover
- (b) if apart from this additional cover the Insurers' liability for Property is reduced by the application of any terms and conditions of this Policy then the Insurers' liability in respect of any such costs will be reduced in like proportion
- (c) the total amount payable for Property will not exceed the Sum Insured for it stated in the Schedule applicable to this Section

Temporary Removal

Property whilst temporarily removed for cleaning renovation repair or similar purposes to premises You do not occupy and whilst in transit to and from such premises

excluding

- (1) property lost destroyed or damaged by theft whilst in transit
- (2) losses occurring outside the Geographical Limits
- (3) motor vehicles licensed for road use and not at the Premises
- (4) any Property comprising Stock

The amount payable for Property will not exceed the lesser of

- (a) the amount which would have been payable had the loss occurred in that part of the Premises from which the Property is temporarily removed or
- (b) 10% of the Sum Insured for the relevant Property

Temporary Removal of Documents

The cover under this Section for Contents extends to include deeds and other documents (and stamps affixed to them) manuscripts plans designs and business books (written and printed) for an amount not exceeding 10% of the Sum Insured for Contents stated in the Schedule applicable to this Section whilst temporarily removed to any premises You do not occupy and whilst in transit to and from such premises

excluding

- (1) computer systems records
- (2) property lost destroyed or damaged by theft whilst in transit
- (3) losses occurring outside the Geographical Limits

Temporary Removal of Computer Systems Records

The cover under this Section for Contents extends to include computer systems records whilst temporarily removed to any premises You do not occupy and whilst in transit to and from such premises for an amount not exceeding £500 for any one claim excluding

- (1) property lost destroyed or damaged by theft whilst in transit
- (2) losses occurring outside the Geographical Limits

Capital Additions

The cover under this Section includes

- (1) any newly erected or acquired Buildings and Contents
- (2) alterations additions and improvements to Buildings and Contents (but not for any appreciation in value) anywhere within the Geographical Limits

Provided that

- (a) at any one location this cover does not exceed 10% of the total of the Sums Insured on Buildings and Contents shown in the Schedule applicable to this Section or £250,000 whichever is less
- (b) You undertake to give particulars when this cover is required as soon as practicable and in any event at intervals of not more than six months and undertake to pay such additional premium as the Insurers will require for insurance dating back to the date when the Insurers' liability began

Contracting Purchasers

If at the time of loss or destruction of or damage to Property You have contracted to sell Your interest in any Buildings covered by this Section and the purchase is not completed but will be completed at a later date the purchaser will on completion of the purchase (in so far as the Property is not insured elsewhere against such Damage by or on his behalf) be entitled to benefit under this Section until completion of the purchase without affecting Your rights and liabilities under this Section or those of the Insurers

Contract Price

If following loss or destruction of or damage to Stock which is

- (1) sold but not delivered and
- (2) subject to a sale contract

Your sale is cancelled

- (a) entirely or
- (b) only to the extent of the Damage

due to the sale contract conditions being applied the Insurers' liability will be based on the contract price

For the purpose of this cover the value of all Stock to which this cover applies in the event of Damage will also be calculated on this basis

Replacement of Locks

The cost of replacement of locks following theft of keys to the Premises

- (1) following a hold-up accompanied by violence or threat of violence whilst such keys are in Your personal custody or that of any of Your directors partners or authorised Employees
- (2) involving entry to or exit from the Premises by forcible and violent means
- (3) involving entry to or exit from Your residence or that of any of Your directors partners or authorised Employees by forcible and violent means

Provided that the Insurers liability for this cover will not exceed £2,500 during any one Period of Insurance

Emergency Services

Insurers will pay costs and expenses You incur to restore or repair grounds, landscaped gardens, pavements, road surfaces and any other property comprising the Premises damaged by the emergency services attending as a result of Damage to the Premises. Provided that the Insurers liability for this cover will not exceed £10,000 any one occurrence or series of events arising out of one occurrence.

Trace and Access

In the event of Damage resulting from escape of water or oil as insured by this insurance then Insurers will pay all costs necessarily and reasonably incurred in locating the source of such Damage and making good. Provided

that the Insurers liability for this cover will not exceed £10,000 any one occurrence or series of events arising out of one occurrence.

Additional Metered Water Charges

The insurance by this Section extends to include additional metered water charges incurred by You and for which You are responsible as a result of Damage to the water installation at the Premises.

Provided that:

- (1) The amount payable shall be ascertained by comparing the charge made by the water authority on their account for the period during which the loss of metered water occurred with the charges for the previous period adjusted for any relevant factors affecting Your normal consumption of water during the periods concerned
- (2) Damage in respect of any Building which is unoccupied is excluded
- (3) Insurers maximum liability under this extension shall not exceed £10,000 in the aggregate during any one Period of Insurance
- (4) You shall take all practical steps to remedy the Damage to the installation as soon as it is discovered

Extinguishment Expenses

Insurers will pay the reasonable costs You incur for refilling fire extinguishment appliances and replacing used sprinkler heads but excluding

- (1) costs other than as a direct result of Damage caused by an insured Peril
- (2) any amount in excess of £10,000

Exhibitions

The insurance by this Section extends to include Damage to Contents or Stock whilst at exhibitions within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, including whilst in direct transit between Your premises and the Exhibition site. Provided that the Insurer's liability will not exceed £10,000 in respect of any one exhibition.

Other Interests

Insurers will automatically cover the interests of any third parties You are required to include in this insurance in consequence of any mortgage, hiring, leasing or similar agreement. Provided that You shall advise Insurers of the name of any interested party and the nature and extent of their interest in the event of Damage

SECTION 2 - BUSINESS INTERRUPTION

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

If any building or other property used by You at the Premises for the purpose of Your Business

- (1) suffers Damage caused by any Peril shown in the Schedule applicable to this Section during the Period of Insurance and
- (2) in consequence Your Business as carried on by You at the Premises suffers Business Interruption as defined below

the Insurers will indemnify You for

- (a) loss resulting in Business Interruption
- (b) reasonable charges payable by You to Your professional accountants for producing any particulars or details or any other proof information or evidence that may be required by the Insurers under the terms of General Condition (1) of this Policy but not for preparing any claim

Provided that at the time of Damage giving rise to Business Interruption Your interest in the property at the Premises is insured against such Damage and

- (i) payment has been made or liability admitted for it by the insurers of property or
- (ii) payment would have been made or liability admitted but for the operation of a deductible or other proviso excluding liability for losses below a specified amount

DEFINITIONS TO THE BUSINESS INTERRUPTION SECTION

NB For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded

Business Interruption

means interruption of or interference with Your Business as carried on by You at the Premises in consequence of Damage caused by any Peril shown in the Schedule applicable to this Section

Estimated Gross Profit

means amount declared by You to the Insurers as representing not less than the Gross Profit which it is anticipated will be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months)

Estimated Gross Rentals

means amount declared by You to the Insurers as representing not less than the Gross Rentals which it is anticipated will be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity period exceeds 12 months)

Estimated Gross Revenue

means amount declared by You to the Insurers representing not less than the Gross Revenue which it is anticipated will be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months)

Gross Profit

means amount by which

- (1) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed

(2) the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses

NB the amounts of the opening and closing stock and work in progress shall be arrived at in accordance with Your normal accountancy methods due provision being made for depreciation

Gross Rentals

means money paid or payable to You for tenancies and other charges and for services rendered in the course of Your Business at the Premises

Gross Revenue

means money paid or payable to You for work done and services rendered in the course of Your Business at the Premises

Indemnity Period

means period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period (stated in the Schedule applicable to this Section) thereafter during which the results of the Business shall be affected in consequence thereof

Peril(s)

means any of the perils shown in the Schedule applicable to this Section and defined in the Buildings and Contents Section of this Policy

Turnover

means money paid or payable to You for goods sold and delivered and for work done and services rendered in the course of Your Business at the Premises

Uninsured Working Expenses

means purchases less discounts received bad debts carriage packing and freight

NB the words and expressions used in this definition shall have the meaning usually attached to them in Your books and accounts

Annual Gross Rentals

means Gross Rentals during the 12 months immediately before the date of the Damage

Annual Gross Revenue

means Gross Revenue during the 12 months immediately before the date of the Damage

Annual Gross Turnover

means Turnover during the 12 months immediately before the date of the Damage

Rate of Gross Profit

means rate of Gross Profit earned on Your Turnover during the financial year immediately before the date of the Damage

Standard Gross Rentals

means Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period

Standard Gross Revenue

means Gross Revenue during that period in the 12 months immediately before the date the Damage which corresponds with the Indemnity Period

Standard Turnover

means Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period

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

BASIS OF PAYMENT

(1) **Applicable to each Item on Gross Profit stated in the Schedule applicable to this Section**

The insurance under each Item on Gross Profit 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

- (i) 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 fall short of the Standard Turnover in consequence of the Damage
- (ii) 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 such of the charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

(2) **Applicable to each Item on Gross Revenue stated in the Schedule applicable to this Section**

The insurance under each Item on Gross Revenue is limited to

- (a) loss of Gross Revenue and
- (b) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

- (i) in respect of loss of Gross Revenue the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Damage
- (ii) 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 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 reduction in Gross Revenue thereby avoided

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

(3) **Applicable to each Item on Gross Rentals stated in the Schedule applicable to this Section**

The Insurance under each Item on Gross Rentals is limited to

- (a) loss of Gross Rentals and
- (b) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

- (i) in respect of loss of Gross Rentals the amount by which the Gross Rentals during the Indemnity Period shall fall short of the Standard Gross Rentals in consequence of the Damage
- (ii) in respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals 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 Rentals thereby avoided

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

(4) **Applicable to each Item on Increased Cost of Working stated in the Schedule applicable to this Section**

The insurance under each Item on Increased Cost of Working is limited to Increase in Cost of Working and the amount payable as indemnity thereunder shall be the additional expenditure necessarily and reasonably incurred by the Insured in consequence of Damage in order to prevent or minimise interruption of or interference with Your Business during the Indemnity Period provided that the Insurers shall not be liable for more the Sum Insured

(5) **Applicable to each Item on Additional Increased Cost of Working stated in the Schedule applicable to this Section**

The insurance under each Item on Additional Increased Cost of Working is limited to the additional expenditure incurred with Insurers written consent beyond that recoverable as Increase in Cost of Working

provided for elsewhere in this Section. In so far as the Insurers give such consent, the amount payable as indemnity thereunder shall be for those additional costs necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage in order to prevent or minimise the reduction in Turnover or Gross Revenue (as applicable) provided that the Insurers shall not be liable for more the Sum Insured

PROVISIONAL PREMIUM BASIS CONDITION

This Condition applies only if Provisional Premium Basis (PPB) is stated in each Item for either Gross Profit Gross Revenue or Gross Rentals

- (1) The premium for this Item is provisional being 75% of the premium calculated for this Item at the commencement of the Period of Insurance
- (2) The balance of 25% of the premium calculated for this Item is payable within 6 months of the expiry of each Period of Insurance unless a declaration is received by the Insurers in accordance with (3) below
- (3) The premium will be adjusted on receipt by the Insurers of a declaration confirmed by Your professional accountants of Gross Profit Gross Revenue or Gross Rentals earned during the financial year most nearly concurrent with the expired Period of Insurance
- (4) If any Damage has occurred giving rise to a claim under this Section for loss of Gross Profit Gross Revenue or Gross Rentals the declaration referred to in (3) above will be increased by the Insurers for the purpose of premium adjustment by the amount by which the Gross Profit Gross Revenue and Gross Rentals was reduced during the financial year solely in consequence of the Damage
- (5) If the declaration (adjusted as provided for in (3) above and proportionately increased where the Indemnity Period exceeds 12 months) is
 - (a) less than 75% of the Sum Insured stated for Gross Profit Gross Revenue or Gross Rentals in the Schedule applicable to this Section for the relative Period of Insurance the Insurers will allow a pro rata return of premium not exceeding 33.3% of the provisional premium
 - (b) more than 75% of the Sum Insured stated for Gross Profit Gross Revenue or Gross Rentals in the Schedule applicable to this Section for the relative Period of Insurance You will pay a pro-rata additional premium not exceeding 33.3% of the provisional premium
- (6) The Declaration Linked Basis Condition under this Section will not apply where the Provisional Premium Basis Condition applies

DECLARATION LINKED BASIS CONDITION

This Condition applies only if Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals is stated in each Item for either Gross Profit Gross Revenue or Gross Rentals

- (1) The Basis of Payment will be as for Gross Profit Gross Revenue or Gross Rentals but the liability of the Insurers will in no case exceed 133.33% of the amount stated for Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals in the Schedule applicable to this Section
In the absence of written notice from the Insurers to the contrary the Insurers' liability under this Section will not be reduced by the amount of any loss and You will undertake to pay the appropriate additional premium for such automatic reinstatement of cover
- (2) The premium is provisional and is based on an Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals figure for the financial year most nearly concurrent with the Period of Insurance stated in this Policy
You must send to the Insurers not later than six months after the expiry of each Period of Insurance a declaration confirmed by Your professional accountants of the Gross Profit Gross Revenue or Gross Rentals earned during the financial year most nearly concurrent with the expired Period of Insurance
- (3) If any Damage has occurred giving rise to a claim under this Section for loss of Gross Profit Gross Revenue or Gross Rentals the declaration of the Gross Profit Gross Revenue or Gross Rentals earned will be increased by the Insurers for the purpose of adjusting the premium by the amount by which the Gross Profit Gross Revenue or Gross Rentals was reduced during the financial year solely due to Damage giving rise to the claim
If the declaration (adjusted as provided above and proportionately increased where the Indemnity Period exceeds 12 months) is

- (a) less than the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals for the related Period of Insurance the Insurers will allow a pro rata return of premium calculated under the terms of (2) above but not exceeding 50% of such Premium
- (b) more than the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals for the Period of Insurance You will pay a pro rata addition to the premium calculated under the terms of (2) above
- (4) Before each renewal of this Policy You will send to the Insurers an Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals figure for the financial year most nearly concurrent with the Period of Insurance for which Premium is payable on renewal
- (5) The Provisional Premium Basis Condition under this Section will not apply where the Declaration Linked Basis Condition applies

UNDERINSURANCE CONDITION

If any Sum Insured in respect of Gross Profit Gross Revenue or Gross Rentals not being subject to the Declaration Linked Basis Condition as stated in the Schedule applicable to this Section is less than the Annual Gross Profit Annual Gross Revenue or Annual Gross Rental (or such multiple thereof that the Maximum Indemnity Period compares to 12 months if the Indemnity Period is longer) the amount payable for Gross Profit Gross Revenue or Gross Rentals will be proportionately reduced and You will be considered as Your own insurer for the difference

EXCLUSIONS TO THE BUSINESS INTERRUPTION SECTION

This Section does not cover loss resulting from interruption of or interference with Your Business

- (1) arising from deliberate falsification of any records used for Your Business
- (2) due to any Damage excluded by Exclusions 2-14 to the Buildings & Contents Section of this Policy all of which are incorporated into and must be read as applying to this Section
- (3) due to any cost incurred in the cleaning repair replacement recall or checking of any property or in making any refund
- (4) arising directly or indirectly from
 - (a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotions or malicious persons
 - (b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from a Peril shown in the Schedule applicable to this Section in so far as it is not otherwise excluded
 - (c) accidental breakdown of computer or data processing equipment
- (5) caused by or consisting of the bursting of any vessel machine or apparatus (not being a boiler or economiser on the Premises or a boiler used for domestic purposes only) in which internal pressure is due to steam only and belonging to You or under Your control but this will not exclude subsequent loss which itself results from a cause not excluded elsewhere in this Section or Policy

SPECIAL CONDITIONS TO THE BUSINESS INTERRUPTION SECTION

- (1) If any standing charges of Your Business are not insured by this Section (having been deducted in arriving at the Gross Profit) 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 Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges
- (2) If during the Indemnity Period goods shall be sold or services rendered elsewhere than at the Premises for the benefit of Your Business either by You or by others on Your behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover Gross Revenue or Gross Rentals during the Indemnity Period
- (3) You will be entitled to receive interim payments as agreed between You and the Insurers in advance of final settlement of any claim agreed under this Section
- (4) If Your Business is conducted in departments and the independent trading results of each can be traced the cover provided by this Section will apply separately to each department of Your Business affected in consequence of Damage by an insured Peril

- (5) To the extent that You are accountable to the tax authorities for Value Added Tax all terms relating to this Section will be exclusive of such tax

EXTENSIONS TO THE BUSINESS INTERRUPTION SECTION

The liability of the Insurers in respect of each Extension (1) and (2) shall not exceed in respect of any one occurrence the Sum Insured for each item, or £50,000 where no Sum Insured is stated

(1) Prevention of Access

Interruption of or interference with Your Business shall include loss resulting from accidental Damage to property in the vicinity of the Premises which shall prevent or hinder the use of the Premises or access thereto whether the property of the Insured at the Premises shall be damaged or not

(2) Public Supply Undertaking

Interruption of or interference with Your Business shall include loss resulting from the failure of the supply (but excluding any failure which does not include interruption or interference of supply for at least twelve hours) of

- (a) electricity at the terminal ends of the supply authority's service feeders at the Premises
- (b) gas at the supply authority's meters at the Premises
- (c) water at the supply authority's main stop cock serving the Premises (other than by drought)

not occasioned by

- (i) the deliberate act of any supply authority nor by the exercise by any such authority of its power to withhold or restrict supply
- (ii) strikes or labour or trade disputes

OPTIONAL EXTENSIONS TO THE BUSINESS INTERRUPTION SECTION

The following Extensions are optional and apply only if shown in the Schedule applicable to this Section. The liability of the Insurers in respect of each operative Optional Extension shall not exceed in respect of any one occurrence the Sum Insured for each item stated in the Schedule, or £50,000 where no Sum Insured is stated

1. Property Stored

Interruption of or interference with Your Business shall include loss resulting from accidental Damage to property of the Insured whilst stored anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises which You occupy.

2. Specified Suppliers or Customers

Interruption of or interference with Your Business shall include loss resulting from accidental Damage at the premises of any supplier or customer stated in the Schedule applicable to this Section provided that the term suppliers or customers means those companies organisations or individuals with whom at the time of the Damage You had contracts or trading relationships to receive or supply goods or services

3. Infectious Diseases and Other Closure

Interruption of or interference with Your Business carried on at the Premises shall include loss directly resulting from:

Notifiable Disease manifested by any person whilst at the Premises;

An outbreak of a Notifiable Disease within 25 miles of the Premises;

Murder or suicide occurring at the Premises;

Injury or illness sustained by any guest that arises from, or is traceable to, foreign or injurious matter in food or drink provided on the Premises;

Closing of the whole or part of the Premises by the order or on the advice of a competent Public Authority as a result of:-

- (i) defects in the drains or other sanitary arrangements in the Premises
- (ii) the Premises becoming infested with vermin or pests.

Special Provisions

- a. Notifiable Disease means illness sustained by any person resulting from any human infectious or human contagious disease an outbreak of which the competent local authority has stipulated shall be notified to them but excluding
- (i) Acquired Immune Deficiency Syndrome (AIDS) or an AIDS-related condition
 - (ii) avian influenza or any mutant variation thereof
- b. for the purpose of this clause, Indemnity Period means the period during which the results of the Business shall be affected in consequence of the Damage beginning:-
- (i) in the case of (a), (b), (c) and (d), above, with the occurrence or discovery of the incident;
 - (ii) in the case of (e) above, with the date from which the restrictions on the Premises are applied and ending not later than the Maximum Indemnity Period thereafter.

4. Patterns

Interruption of or interference with Your Business shall include loss resulting from accidental Damage to patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, Your property or held by You in trust or on commission for which You are responsible whilst at the premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, of any machine makers, engineers, founders or other metal workers, and whilst in transit thereto and therefrom by road, rail or inland waterway but excluding any premises wholly or partly occupied by You.

5. Transit

Interruption of or interference with Your Business shall include loss resulting from accidental Damage to Your Property whilst in transit by road, rail or inland waterway in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, but excluding Damage arising from impact to, or collision with, the conveying road or rail vehicle or waterborne craft.

6. Motor Vehicles

Interruption of or interference with Your Business in shall include loss resulting from accidental Damage to Your motor vehicles whilst in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises in Your occupation.

7. Contract Sites

Interruption of or interference with Your Business shall include loss resulting from accidental Damage at any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in Your occupation, where You are carrying out a contract.

8. Exhibition Sites

Interruption of or interference with Your Business shall include loss resulting from accidental Damage at any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in Your occupation, where You are exhibiting Your goods for sale.

9. Unspecified Suppliers or Customers

Interruption of or interference with Your Business shall include loss resulting from accidental Damage at the premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man of any supplier or customer provided that the term suppliers or customers means those companies organisations or individuals with whom at the time of the Damage You had contracts or trading relationships to receive or supply goods or services but excluding the premises of any supply undertaking from which You obtain electricity, gas or water or telecommunication services.

SECTION 3 - BOOK DEBTS

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

In the event of

- (1) Your books of account or other books or records used for Your Business at the Premises sustaining Damage caused by any Peril during the Period of Insurance and
- (2) Your being as a result unable to trace or establish the Outstanding Debit Balances in whole or in part due to You

the Insurers will pay to You the amount lost resulting from such Damage limited to the loss sustained by You in respect of Outstanding Debit Balances directly caused by the Damage but not exceeding for any occurrence of Damage

- (a) the amount of the Outstanding Debit Balances which cannot be traced
- (b) additional expenditure incurred with the Insurers' previous consent in tracing and establishing Outstanding Debit Balances after Damage has occurred
- (c) reasonable charges payable by You to Your professional accountants for producing the information required by the Insurers under General Condition (1) of this Policy and reporting that such particulars or details are in accordance with Your books of account or other records used for Your Business

DEFINITIONS TO THE BOOK DEBTS SECTION

Outstanding Debit Balances

means the total of outstanding Customers' Accounts last recorded by You in accordance with Special Condition (2) of this Section before Damage occurred and adjusted for

- (1) bad debts
- (2) amounts
 - (a) debited (or invoiced but not debited)
 - (b) credited (including credit notes and cash not passed through Your books at the time of Damage) to Customers' Accounts in the period between the date to which the last record (kept by You in accordance with Special Condition (2) of this Section) relates and the date of Damage
- (3) any abnormal condition of trade which had or could have had a material effect on Your Business so that the adjusted figures will represent as nearly as reasonably practicable those which would have existed at the date of the Damage had the Damage not occurred

Customers' Accounts

means all the credit accounts of Your Business

Peril

means any peril as insured by Section 1 - Buildings and Contents and defined therein

BASIS OF PAYMENT

The Insurers' liability under this Section for any one claim or in total during any Period of Insurance will not exceed the Sum Insured stated in the Schedule applicable to this Section

UNDERINSURANCE CONDITION

If the Sum Insured stated in the Schedule applicable to this Section is less than the Outstanding Debit Balances at the time of Damage the amount payable will be proportionately reduced and You will be considered Your own insurer for the difference

EXCLUSIONS TO THE BOOK DEBTS SECTION

This Section does not cover loss resulting from

- (1) any Damage excluded by Exclusions 2-14 to the Buildings and Contents Section of this Policy all of which are incorporated into and must be read as applying to this Section unless such loss is specifically insured under this Section
- (2) erasure or distortion of information on computer systems or other records
 - (a) due to the presence of magnetic flux
 - (b) whilst mounted in or on any machine or data processing apparatus unless caused by loss or destruction of or damage to the said machine or apparatus
 - (c) due to defects in such records
- (3) deliberate falsification of any records used for Your Business
- (4) the deliberate act of any public supply undertaking to restrict or withhold electricity water or gas supply

SPECIAL CONDITIONS TO THE BOOK DEBTS SECTION

(1) Fire-resisting safes

If there are fire-resisting safes or cabinets at the Premises Your books or records used for Your Business in which Customers' Accounts are shown must be kept in such safes or cabinets when not in use

(2) Record of Outstanding Customers' Accounts

You must calculate the total of outstanding Customers' Accounts every month and keep a record of each month's total (including back-up copies of computer data) in a place other than at the Premises

SECTION 4 - ALL RISKS ON SPECIFIED ITEMS

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

If any Specified Item is lost destroyed or damaged by any accidental cause

- (1) during the Period of Insurance
- (2) at the Premises or within the Geographical Limits stated in the Schedule applicable to this Section

the Insurers will indemnify You for such Damage by payment reinstatement replacement or repair at their option

DEFINITION TO THE ALL RISKS ON SPECIFIED ITEMS SECTION

Specified Item

means the property described and for which a Sum Insured is stated in the Schedule applicable to this Section

BASIS OF PAYMENT

The Insurers' liability under this Section will not exceed

- (1) the Sum Insured for each Item
- (2) in total the Total Sum Insured stated in the Schedule applicable to this Section

UNDERINSURANCE CONDITION

Unless Special Condition (1) of this Section applies if at the time of Damage the value of one Specified Item or the total value of all Specified Items for which one Sum Insured is shown exceeds that Sum Insured You will be Your own insurer for the difference and will bear a rateable share of the loss accordingly

EXCLUSIONS TO THE ALL RISKS ON SPECIFIED ITEMS SECTION

This Section does not cover

- (1) the amount stated in the Schedule applicable to this Section as the Deductible
- (2) Damage to
 - (a) Valuables coins manuscripts rare books plans patterns models moulds designs or documents of title
 - (b) tobacco goods wines spirits or livestock
 - (c) Money or securities for Money gaming machines juke boxes vending or beverage machines
 - (d) production machinery requiring statutory inspection
 - (e) stock
 - (f) mainframe computers or data processing equipment
 - (g) glass

unless described as a Specified Item in the Schedule applicable to this Section

- (3) Damage caused by
 - (a) mechanical or electrical breakdown or derangement or its own overrunning short circuiting or self-heating
 - (b) corrosion rust wet or dry rot shrinkage evaporation contamination loss of weight dampness marring scratching vermin or insects
 - (c) depreciation
 - (d) change in temperature colour flavour texture or finish
 - (e) any process of cleaning dyeing repairing restoring alteration or adjusting
 - (f) atmospheric or climatic conditions or action of light

- (g) inherent vice latent defect gradual deterioration wear and tear frost its own faulty or defective design workmanship or materials
- (4) any unexplained loss shortage or disappearance
- (5) loss or destruction of or damage to property contained in any unattended vehicle
- (6) any property which at the time of Damage is insured by a more specific insurance

SPECIAL CONDITIONS TO THE ALL RISKS ON SPECIFIED ITEMS SECTION

(1) Reinstatement Basis of Payment

This Condition only applies when Reinstatement Basis of Payment is stated against any Item in the Schedule applicable to this Section

In the event of Damage to any Specified Item the basis upon which the amount payable under each of the said Items is to be calculated shall be the reinstatement of the property subject to Damage

For the purpose of this Section reinstatement shall mean

- (a) where the property is lost or destroyed its replacement by similar property to a condition equivalent to but not better or more extensive than its condition when new
- (b) where property is damaged the repair of the damage and the restoration of that portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

Provided that

- (i) when any property is damaged or destroyed in part only the liability of the Insurers shall be limited to the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly destroyed
- (ii) if the cost of reinstating the whole of the property covered by an Item to which this Condition applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Insurers 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 at that time

(2) Index Linking

This Condition only applies when Index Linking is stated against any Item in the Schedule applicable to this Section

The Sum Insured on any Item will be increased by a percentage determined by the Insurers and such revised Sum Insured in the absence of advice from You to the contrary will be deemed to apply for the ensuing Period of Insurance

SECTION 5 - GLASS

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

In the event of Damage to the property described in (1) herein during the Period of Insurance at the Premises the Insurers will

- (1) at their option reinstate Your Glass Sanitary ware neon signs or light boxes or pay to You the cost of reinstatement
- (2) pay any reasonable temporary boarding-up costs pending reinstatement
- (3) pay the cost of repairing or reinstating
 - (a) window frames or window contents
 - (b) alarm foil lettering painting silvering or other ornamental work forming part of and attached to Glass insured by this Section

DEFINITIONS TO THE GLASS SECTION

Glass

means fixed plain plate or sheet glass of ordinary glazing quality lettering thereon wired glass and mirrors

Sanitary ware

means lavatory pans wash-basins cisterns and other sanitary ware for which the Insured is responsible

BASIS OF PAYMENT

The Insurers' liability will not exceed for each Item the Sum Insured stated in the Schedule applicable to this Section

The liability of the Insurers in respect of Damage

- (1) to alarm foil lettering painting silvering or other ornamental work shall not exceed £500
- (2) to window frames and window contents shall not exceed £500
- (3) requiring temporary boarding-up shall be the reasonable cost incurred by You

UNDERINSURANCE CONDITION

If at any time of replacement reinstatement or repair the Sum Insured for any Item stated in the Schedule applicable to this Section is less than the full cost of replacement reinstatement or repair if total Damage of all property insured by that Item had occurred You will be considered to be Your own insurer for the difference and will bear a rateable of the loss accordingly

EXCLUSIONS TO THE GLASS SECTION

This Section does not cover

- (1) the amount stated in the Schedule applicable to this Section as the Deductible
- (2) Damage to Glass other than fracture extending through its entire thickness
- (3) Damage caused by fire lightning explosion earthquake or subsidence or any resulting preventive or salvage operation
- (4) Damage occasioned whilst the Premises are empty or disused
- (5) Damage occasioned by or traceable to alterations to the Premises or to the Glass whereby the risk of Damage is increased
- (6) property that was cracked or broken when this Section was effected
- (7) Damage caused by or consisting of mechanical or electrical breakdown
- (8) Damage arising from chipping scratching wear and tear or any other gradually operating cause

SECTION 6 - MONEY AND PERSONAL INJURY

This Section applies only if stated as **INSURED** in the Policy Schedule

MONEY INSURING CLAUSE

In the event of Damage

- (1) to Money belonging to You or for which You are responsible which is in transit in Your custody and control or that of Your Authorised Representative or with authorised collectors or sent by registered post or within
 - (a) the Premises
 - (b) Your private residence or that of any of Your Employees with Your consent
 - (c) a bank night safe awaiting removal by bank official
- (2) by theft or attempted theft of or to any safe or strong room at the Premises or any case bag or waistcoat in which Money is contained or any stamp franking machine used for Your Business
- (3) to clothing and personal effects belonging to any of Your directors partners or Employees following theft or attempted theft of Money insured under this Section

during the Period of Insurance and within the Geographical Limits the Insurers will indemnify You at their option by payment repair or reinstatement

DEFINITIONS TO THE MONEY SECTION

Authorised Representative

means any of Your Employees with Your consent or any person employed by a professional security company under contract with You to carry Money on Your behalf

Business Hours

means the usual hours of Your Business and all hours during which You or Your directors partners or Employees entrusted with Money are on the Premises for the purpose of Your Business

BASIS OF PAYMENT

The liability of the Insurers will not exceed the Limits stated in the Schedule applicable to this Section

In respect of any safe or strong room or any case bag waistcoat or stamp franking machine insured by this Section the liability of the Insurers will consist of the cost of repair or if beyond economic repair the cost of replacement but in either case to a condition substantially the same as but not better or more extensive than its condition when new

EXCLUSIONS TO THE MONEY SECTION

This Section does not cover

- (1) the amount stated in the Schedule applicable to this Section as the Deductible
- (2) any loss of Money that is not discovered within 7 days of its occurrence
- (3) loss or destruction of or damage to
 - (a) Money during transit by post (other than registered post)
 - (b) the contents of any machine operated by notes coins or tokens
- (4) any loss or shortage due to error or omission or any depreciation in value
- (5) any loss suffered by You as an immediate result of a business transaction
- (6) loss of Money from any unattended vehicle
- (7) loss caused by the use of counterfeit Money

SPECIAL CONDITIONS TO THE MONEY SECTION

- (1) Money in the care of collectors must be delivered to the Premises or to the bank or post office within 24 hours of receipt

- (2) All keys and/or notes of combination lock codes for safes and strong rooms containing Money (except those deposited with a bank) must be held in the personal custody of an authorised person and must not be left in the Premises at any time
- (3) You shall keep a complete record of Money in transit and on the Premises and such record shall be kept in a place other than with the Money

CONDITION TO THE MONEY SECTION

It is a condition precedent to liability that Money in transit (other than non-negotiable Money defined in C of the Schedule applicable to this Section) is accompanied by able bodied Employees aged between 20 and 60 years in accordance with the following unless specified elsewhere by Endorsement to this Policy

Amount in Transit	Minimum Number of Employees
up to £3,000	One
£3,001 to £6,000	Two
£6,001 or over	as specially agreed by the Insurers and stated in the Schedule applicable to this Section

This condition shall not apply to Money in transit by professional security company

PERSONAL INJURY INSURING CLAUSE

If any Insured Person independently of any other cause suffers death Permanent Disablement or Temporary Disablement by violent external and visible means

- (1) caused by actual or attempted robbery or hold-up
- (2) while engaged in duties connected with Your Business
- (3) within the Geographical Limits
- (4) during the Period of Insurance

the Insurers will pay the Benefits stated in the Schedule applicable to this Section provided that such death or disablement occurs within 24 months of the incident

DEFINITIONS TO PERSONAL INJURY COVER

Insured Person

means any of Your directors partners or Employees under 70 years of age

Permanent Disablement

means

- (1) total loss of use or physical severance of a limb at or above the wrist or ankle
- (2) loss of an eye or total and irrecoverable loss of sight in one or both eyes or loss of speech or hearing
- (3) permanent and total disablement from engaging in or giving attention to a profession business or occupation of any kind

Temporary Disablement

means disablement other than Permanent Disablement preventing the Insured Person from engaging in or giving attention to their usual business profession or occupation

EXCLUSION TO PERSONAL INJURY COVER

The Insurers will not be liable for death Permanent Disablement or Temporary Disablement caused by or arising entirely or partly from any physical condition defect or infirmity existing before the incident for which a claim is being made under this Section

SPECIAL CONDITIONS TO PERSONAL INJURY COVER

- (1) The Insurers shall not be liable under more than one of the Benefits stated in the Schedule applicable to this Section
- (2) Benefit in respect of Temporary Disablement
 - (a) will not be payable for more than 104 weeks in respect of disablement arising from any one occurrence
 - (b) will become payable when the total amount is agreed or at Your request in arrears at intervals of four weeks
- (3) The Insured Person will submit to a medical examination at the request and expense of the Insurers

SECTION 7 - GOODS IN TRANSIT

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

If any Goods in Transit are lost destroyed or damaged by any accidental cause not excluded during the Period of Insurance and within the United Kingdom the Channel Islands the Isle of Man and the Republic of Ireland the Insurers will indemnify You for such Damage by payment reinstatement replacement or repair at the Insurers' option

DEFINITIONS TO THE GOODS IN TRANSIT SECTION

Goods in Transit

means Property Insured belonging to You or for which You are responsible whilst being

- (1) carried by method of transit described in the Schedule applicable to this Section
- (2) loaded upon or unloaded from any Vehicle described in the Schedule applicable to this Section
- (3) temporarily kept in warehousing during the course of transit for a period not exceeding 30 days

Property Insured

means tools and stock appertaining to the Business

Vehicle

means vehicle including any trailer attached thereto

BASIS OF PAYMENT

The liability of the Insurers shall not exceed

- (1) the Consignment Limit in respect of any one transit by post or any one transit by road or rail haulier
- (2) in respect of Property Insured in transit by Vehicles owned or operated by You
 - (a) the Consignment Limit in respect of any one Vehicle load
 - (b) the Aggregate Consignment Limit in respect of any one loss or series of losses arising out of a single event

stated in the Schedule applicable to this Section

UNDERINSURANCE CONDITION

If at the time of Damage the total value of Goods in Transit forming any one consignment exceeds the Consignment Limit for each Item stated in the Schedule applicable to this Section You will be considered as Your own insurer for the difference and will bear a rateable share of the loss accordingly

EXCLUSIONS TO THE GOODS IN TRANSIT SECTION

This Section does not cover

- (1) the amount stated in the Schedule applicable to this Section as the Deductible
- (2) Damage to Property Insured by theft from a Vehicle owned or operated by You
 - (a) after the completion of any working day of the driver
 - (b) whilst any such Vehicle is left unattended between 9pm and 6am unless the Vehicle is kept in either
 - (i) a securely locked building of substantial construction
 - (ii) a locked compound surrounded by secure walls and fences
 - (iii) a constantly supervised vehicle compound or park
- (3)
 - (a) livestock or other living creatures
 - (b) explosives or any other goods of a dangerous nature
 - (c) Money securities documents manuscripts business books computer systems records patterns models moulds plans and designs
 - (d) bullion precious metals precious stones or works of art unless specifically mentioned as insured by this Section
- (4) loss of market loss of profits delay indirect loss or any business interruption loss

- (5) property carried by or despatched by You for hire or reward
- (6) Damage to Property Insured arising as a result of packing which was inadequate to withstand normal handling during transit or from overloading of the Vehicle
- (7) Damage to Property Insured caused by or consisting of
 - (a) natural deterioration
 - (b) gradual deterioration insects mildew vermin wear and tear or inherent vice
 - (c) making up packing or processing of the Property Insured whilst temporarily housed in the course of transit
- (8) Damage to Property Insured caused by or consisting of
 - (a) contamination depreciation in value evaporation leakage spillage or shortage of weight
 - (b) electrical or mechanical breakdown failure or derangement
 unless caused by fire theft collision or overturning of the conveying Vehicle
- (9) deterioration of Property Insured conveyed under frozen chilled or insulated conditions due to
 - (a) breakdown or malfunctioning of refrigerated and/or cooling machinery
 - (b) insufficient insulation
 - (c) incorrect setting or operation of the equipment
 - (d) faulty stowage
 unless caused by fire theft collision or overturning of the conveying Vehicle
- (10) Damage to china glass statuary marble plasterwork earthenware pictures or scientific instruments unless caused by fire theft collision or overturning of the conveying Vehicle
- (11) Damage to Property Insured more specifically insured
- (12) Property Insured temporarily housed or stored at a rental or under a contract for storage and/or distribution
- (13) Damage to Property Insured in or on open Vehicles owned by or operated by You caused by atmospheric or climatic conditions or theft
- (14) any unexplained shortage or disappearance

SPECIAL CONDITIONS TO THE GOODS IN TRANSIT SECTION

- (1) You must maintain in efficient condition any security protections stipulated by the Insurers
- (2) In so far as the Vehicles are within Your control You must exercise all reasonable care in
 - (a) selecting steady sober and competent drivers and attendants and
 - (b) reasonable monitoring of the performance of Your drivers and attendants
- (3) You shall not own or operate more Vehicles for the transit of the Property Insured than the number(s) stated in the Schedule applicable to this Section without the agreement of the Insurers

IN ADDITION THE INSURERS WILL PROVIDE COVER UNDER THIS SECTION AS FOLLOWS

In respect of any Vehicle owned or operated by You this Section extends to include

- (1) costs and expenses reasonably incurred by You in
 - (a) the removal of debris and site clearance of Property Insured damaged whilst in transit from the immediate area of the site where the Damage occurred
 - (b) reloading onto any Vehicle any Property Insured which has fallen from the Vehicle
 - (c) transferring the Property Insured to any other Vehicle including conveying the Property Insured to the original destination or returning the Property Insured to the place of despatch following Damage to the Property Insured or fire collision or overturning of the conveying Vehicle
 - (d) resecuring the Property Insured following a dangerous movement of the load in transit for an amount not exceeding £500 any one event
- (2) Damage to tarpaulins ropes and sheets owned by You or for which You are legally responsible whilst carried on such Vehicle for an amount not exceeding £500 any one event
- (3) any Vehicle used temporarily in substitution of any Vehicle referred to in the Schedule applicable to this Section whilst such Vehicle is out of use for maintenance repair or official vehicle testing subject to the terms applicable to the original Vehicle

CONDITION TO THE GOODS IN TRANSIT SECTION

Vehicle security and maintenance

It is a condition precedent to liability that

- (1) all Vehicles owned or operated by You conveying the Property Insured are maintained in an efficient and roadworthy condition
- (2) whenever any Vehicle owned or operated by You containing the Property Insured is left unattended all doors and the boot are locked and windows and other openings are securely closed
- (3) all additional security or protective appliances specified as warranties in the Schedule applicable to this Section are put into full and effective operation whenever the Vehicle(s) is/are left unattended and neither withdrawn nor varied without the written consent of the Insurers

OPTIONAL CONDITIONS TO THE GOODS IN TRANSIT SECTION

The following Conditions apply only if shown in the Schedule applicable to this Section

- (1) **Additional Locking Devices**
It is warranted that the vehicle(s) is/are fitted with mechanical locking devices in addition to any manufacturer's factory fitted locking devices
- (2) **Immobiliser**
It is warranted that the Vehicle(s) is/are fitted with an electronic or mechanical vehicle immobiliser in addition to any manufacturer's factory fitted immobilizer
- (3) **Alarm**
It is warranted that the vehicle(s) is/are fitted with an alarm warning device

SECTION 8 - DETERIORATION OF STOCK

This Section applies only if stated as INSURED in the Policy Schedule

INSURING CLAUSE

In the event of Damage caused by deterioration or putrefaction occurring during the Period of Insurance to the property described by any Item stated in the Schedule applicable to this Section

- (1) in the cold chamber of Your refrigerating plant and
- (2) elsewhere in Your Premises which but for the occurrence of an incident covered by this Section would have been placed in the cold chamber of Your refrigerating plant

caused by

- (a) rise or fall in temperature as a result of
 - (i) Breakdown of Your refrigerating plant
 - (ii) failure due to inherent defect of any thermostatic device being an integral part of Your refrigerating plant
 - (iii) sudden and unforeseen failure of the public supply of electricity at the terminal ends of the public supply authority's service feeders at the Premises where Your refrigerating plant is installed not caused by the deliberate act of any supply authority or the exercise by any such authority of its power to withhold or restrict supply
- (b) action of refrigerant fumes which have escaped from Your refrigerating plant

the Insurers will indemnify You for Damage to such property by payment or reinstatement at their option

DEFINITION TO THE DETERIORATION OF STOCK SECTION

Breakdown

means for the purposes of this Section loss or destruction of or damage to an item of refrigerating plant resulting from the breaking distortion or electrical burn-out of any part of it whilst in use arising from defects in the item of refrigeration plant causing sudden stoppage of its function and requiring its repair or replacement

BASIS OF PAYMENT

The Sum Insured stated for each Item in the Schedule applicable to this Section will represent only the value of property in Your refrigerating plant and property which would have been placed there but for the occurrence of an incident insured by this Section

The Insurers' liability for such property will not exceed for any one Item the Sum Insured shown against that Item in the Schedule applicable to this Section in any one Period of Insurance

UNDERINSURANCE CONDITION

If the value of the property in Your refrigerating plant and property which would have been placed there but for the occurrence of an incident insured by this Section exceeds the Sum Insured for that Item stated in the Schedule applicable to this Section You will be considered to be Your own insurer for the difference and will bear a rateable share of the loss accordingly

EXCLUSIONS TO THE DETERIORATION OF STOCK SECTION

This Section does not cover

- (1) the amount stated as the Deductible in the Schedule applicable to this Section
- (2) the refrigerating plant itself
- (3) any Damage to property arising from

- (a) defects in or defective insulation due to the wearing away or wearing out of any part of a machine caused by or naturally arising from ordinary usage or working
- (b) failure or rupture from any cause whatsoever of any fuse whether incorporated in the refrigerating plant or not or failure of electrical contacts at which sparking or arcing occurs in ordinary working
- (c) gradually developing flaws defects cracks or partial fractures in any part or parts which do not make immediate stoppage necessary although at some future time repair or renewal of the part or parts affected may be necessary
- (d) any extraneous cause not specifically insured under this Section
- (4) Damage to property in any refrigerating plant that is over 10 years old
- (5) in respect of (a) (i) and (a) (ii) of the Insuring Clause Damage resulting from fire lightning aircraft explosion earthquake flood or theft

SPECIAL CONDITIONS TO THE DETERIORATION OF STOCK SECTION

You must comply with the following Conditions or a claim may not be payable under this Section

- (1) If any refrigerating plant has other than hermetically sealed motors and compressors You must
 - (a) keep a contract in force with a competent refrigeration engineer providing for inspection and maintenance of such plant at a frequency not less than every six months
 - (b) keep a proper record of all examinations adjustments and replacements carried out
- (2) You must
 - (a) give immediate notice in writing to the Insurers of
 - (i) any proposed alterations or additions to the refrigerating plant
 - (ii) any proposed departure from ordinary working conditions in connection with the refrigerating plant
 and until the Insurers' consent in writing has been given for the proposed alteration addition or departure the Insurers will not be liable for Damage in connection with the refrigerating plant
 - (b) allow the Insurers upon request in writing to inspect and examine any refrigerating plant and carry out at Your own expense any necessary dismantling and reassembling on such dates as the Insurers and You mutually agree
- (3) In the event of a claim or possible claim under this Section the Insurers will not be liable for further Damage relating to the defective refrigerating plant until it has been repaired to the Insurers' satisfaction

SECTION 9 - LOSS OF LICENCE

This Section applies only if stated as **INSURED** in the Policy Schedule

INSURING CLAUSE

In the event that the Licence in relation to the use of the Premises is

- (1) forfeited under the provisions of the appropriate legislation governing such Licences
- (2) refused renewal after due application for such renewal to the appropriate authority

at any time during the Period of Insurance the Insurers will pay or make good to You any loss that You may sustain in respect of

- (a) depreciation in value of Your interest in the Premises by the forfeiture of or refusal to renew Your Licence to an amount not exceeding the Limit of Indemnity stated in the Schedule applicable to this Section
- (b) costs and expenses incurred by You with the written consent of the Insurers in connection with any appeal against the forfeiture of or refusal to renew the Licence

DEFINITION TO THE LOSS OF LICENCE SECTION

Licence

means licence granted to You by the Justices for the sale or supply of excisable liquor at the Premises

BASIS OF PAYMENT

The amount payable under this Section will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section

EXCLUSIONS TO THE LOSS OF LICENCE SECTION

- (1) No claim will arise if under this Section
 - (a) You are entitled to obtain compensation under the provisions of any Act of Parliament in respect of refusal to renew the Licence
 - (b) before or after refusal to renew or forfeiture of Your Licence the Premises are required for any public purpose by an appropriate authority
 - (c) surrender refusal to renew or forfeiture arises under or results directly or indirectly from
 - (i) any scheme of town or country planning improvement redevelopment surrender or reduction
 - (ii) re-distribution of Licences in connection with redevelopment
 - (iii) any alteration of the law affecting the granting or surrender refusal to renew or forfeiture of Licences
- (2) No claim will arise under this Section unless You prove to the Insurers reasonable satisfaction that such matter was beyond Your power or control if
 - (a) any alterations to the Premises requiring the consent of the licensing or other necessary authority are made without their approval
 - (b) the Premises are closed for any period not required by law
 - (c) the Premises are not maintained in a sanitary or other suitable state of repair or condition
 - (d) any direction or requirement of the licensing or other authority is not complied with
 - (e) forfeiture of or refusal to renew Your Licence is caused wholly or partly by or through
 - (i) Your misconduct procurement connivance neglect or omission
 - (ii) Your omission to take any step necessary to keep the Licence in force

SPECIAL CONDITIONS TO THE LOSS OF LICENCE SECTION

NB Insurers consider time to be of the essence in complying with the Conditions applying to this Section

- (1) On becoming aware of any
 - (a) complaint against the Premises or the control of it
 - (b) proceedings against or conviction of the holder of the Licence or manager tenant or occupier of the Premises for any breach of the licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to such person's honesty moral standing or sobriety
 - (c) change in the tenancy or arrangement of the Premises
 - (d) transfer or proposed transfer of the Licence
 - (e) alteration to the purpose for which the Premises are used
 - (f) objection to renewal or other circumstances which may endanger the Licence or its renewalYou must as soon as possible give notice in writing to the Insurers and supply such additional information and give such assistance as the Insurers may reasonably require

- (2) In the event that the holder of the Licence or manager tenant or occupier of the Premises dies or is incapacitated or deserts the Premises or is convicted of any offence (where such conviction affects the character or reputation of the convicted person with regard to such person's honesty moral standing or sobriety) You will where practicable and at the request of the Insurers procure a suitable replacement to whom the Justices will transfer the Licence or grant the Licence by way of renewal

- (3) In the event of the Licence being forfeited or renewal refused You must
 - (a) give notice in writing to the Insurers within 24 hours of learning such event stating the grounds upon which the Licence was forfeited or refused renewal
 - (b) give all such assistance as the Insurers may require for the purpose of an appeal against such forfeiture or refusal to renew and allow the Insurers and their solicitors full discretion in the conduct of such proceedings
 - (c) apply if practicable and required by the Insurers for the granting of such new Licence for the same or alternative premises as may enable You to continue Your Business in a similar or alternative form
 - (d) provide a statement of Your loss (if any) together with such documents statements and accounts as may be reasonably required by the Insurers to verify the same and also (if required by the Insurers) make a declaration as to the truth accuracy and completeness of Your statement and give the Insurers free access to the Premises and Your business books and accounts as may be necessary to ascertain the value of the Premises and the goodwill of Your Business