



## Property Owners Policy

Please read this document carefully and keep for future reference

### MG Underwriting

Staley House  
Hassall Street  
Stalybridge  
SK15 2LF

**Tel:** 0161 304 9933

**Fax:** 0161 304 9966

[www.mgunderwriting.com](http://www.mgunderwriting.com)

**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 of 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.

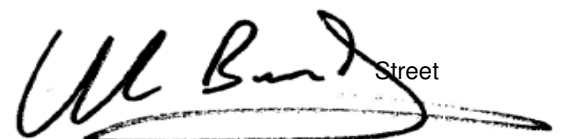
### Important Notice

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 and 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  
Stalybridge  
Cheshire  
SK15 2LF

A handwritten signature in black ink, appearing to read 'Ull Band', with a horizontal line underneath it. To the right of the signature, the word 'Street' is printed.

Authorised signatory Dated 1<sup>st</sup> January 2014

# Customer Information

## Who are the Insurers?

This policy is underwritten by Certain Underwriters at Lloyd's

## 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](mailto: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](http://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 the 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. If it is incorrect, return it immediately to your insurance broker 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. It is recommended that you retain details of your Employers Liability policy/certificates for at least 40 years.

## Policy Definitions

Wherever the following words and phrases appear in this Policy they will always have these meanings

### **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 organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

### **Business**

business stated in the Policy Schedule

### **Contract Works**

Temporary or permanent works executed or in the course of execution at the Premises by you or on your behalf for the purposes of alterations or improvements to the Premises including unfixed site materials for use in connection therewith

### **Costs and Expenses**

- (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**

loss destruction or damage

### **Deductible**

amount of each and every claim which is not covered and for which the Insured shall be their own insurer

### **Employee**

- (1) any person under a contract of service or apprenticeship with the Insured
- (2) any labour master or labour only subcontractor or person supplied by any of them
- (3) any self employed person
- (4) any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured
- (5) any person participating in any government or otherwise authorised work experience training study exchange or similar scheme

whilst engaged in working for the Insured in connection with the Business

### **Geographical Limits**

United Kingdom the Channel Islands and the Isle of Man

### **Injury**

bodily injury death disease illness or shock

### **Insured/you/your**

persons(s) or company(ies) named in the Policy Schedule

### **the Insurers**

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

### **Period of Insurance**

period of insurance stated in the Policy Schedule or any subsequent period for which the Insured pays and the Insurers accept the premium

### **Policy**

policy and Schedules specifications memoranda endorsements or notices attached or issued by the Insurers

### **Pollution**

- (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**

premises at the address(es) shown 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**

most current schedule issued to the Insured by the Insurers

**Unoccupied**

any building or part of any building that has not been lived in or open for business continuously by you or a person authorised by you

## General Exclusions to this Policy

### (1) General

The following Exclusions apply to all Sections of your Policy except Section 4 - Employers' Liability

This Policy does not cover any loss destruction damage consequential loss Injury liability claim cost or expense directly or indirectly caused by or contributed to by or arising from or relating to

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) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

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 Defined Perils (1) - (8) and (10) of Section 1 - Buildings and Contents

### (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 other than in respect of the insurance provided by Section 3 - Property Owners Liability and Section 4 - Employers' Liability

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

This Exclusion shall apply to all Sections of this Policy other than Section 4 - Employers' Liability to the extent that it is necessary to comply with the minimum requirements of the law in the United Kingdom of Great Britain and Northern Ireland including the Channel Islands and the Isle of Man relating to compulsory insurance of liability to employees and provided that the maximum Limit of Indemnity for any one claim or series of claims arising from one source or original cause shall not exceed £5,000,000

### **(3) Date Recognition Failure**

This Policy does not cover

- (1) Damage
- (2) loss of Gross Rentals and additional expenditure
- (3) legal liability other than Employers' Liability
- (4) Costs and Expenses other than in connection with Employers' Liability

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 Defined Perils (1) - (8) and (10) of Section 1 - Buildings and Contents

### **(4) Electronic Data**

This Exclusion applies to all Sections of this Policy other than Sub Section 3 - Property Owners Liability and Section 4 - Employers' Liability

This Policy does not cover loss destruction damage or consequential 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 which results from any of Defined Perils (1) - (3) and (5) - (7) of Section 1 - Buildings and Contents



## 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 Underwriting  
Staley House  
Hassall Street  
Stalybridge  
Cheshire  
SK15 2LF

### (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 or liability for which you are claiming 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 or Injury 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
- (f) not negotiate with nor make any admission of liability nor offer payment or promise to any party without the Insurers' written consent
- (g) make all medical records, notes and correspondence referring to a claim or pre-existing condition relating to any Accident 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 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 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 an 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 or 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

The Insurers may cancel this Policy by sending seven days' notice by recorded delivery letter 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 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

### (18) Asbestos Condition

This **Policy** only insures asbestos physically incorporated in an insured building or structure, and then only provides indemnity in respect of that part of the asbestos which has been physically **Damaged** during the **Period of Insurance** by one of these Listed Perils;

Fire, lightning, explosion, aircraft, riot or civil commotion, earthquake, subterranean fire, storm or flood, escape of water, impact, sprinkler leakage, subsidence.

This coverage is subject to all limitations in the **Policy** to which this endorsement is attached and in addition to each of the following specific limitations;

- a) the said building or structure must be insured under this **Policy** for **Damage** by a Listed Peril.
- b) the Listed Peril must be the immediate sole cause of the **Damage** to the asbestos.
- c) the **Insured** must report to the **Underwriters** the existence and cost of the **Damage** as soon as practicable after the Listed Peril first **Damaged** the asbestos.

However this **Policy** does not insure any such **Damage** first reported to the **Underwriters** more than 12 (twelve) months after the expiration or termination of the **Period of Insurance**.

This **Policy** shall provide no cover (whether for physical **Damage** business interruption delay of repair or other consequential loss) in respect of;

- i) wear and tear or inherent defect, quality or vice in or of any asbestos
- ii) any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design manufacture installation use retention treatment management repair replacement or removal of any asbestos (**Damaged** or otherwise) or
- iii) any asbestos which the Listed Peril has not physically **Damaged**.

Except as set forth in the foregoing section of this endorsement, this **Policy** does not insure asbestos or any interest relating thereto.

### **(19) Change in Tenancy Condition**

The Insured must advise the Underwriters within 14 days of becoming aware of all changes in tenancy or occupation within the Property Insured which differs to the information provided when applying for this insurance. If the information provided 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

### **(20) Several Liability**

The liability of the Insurers is several and not joint and is limited solely to the extent of their individual proportions as shown in the Endorsement entitled Identity of Insurers. The Insurers are not responsible for the subscription of any co-subscribing insurers or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

# Section 1 - Buildings and Contents

## Insuring Clause

If any Property suffers Damage

- (1) by any peril defined herein and stated in the Schedule applicable to this Section
- (2) during the Period of Insurance

the Insurers will pay or at their option will reinstate or replace your Property or any part of it which is lost destroyed or damaged up to the Limit of Liability

## Definitions to the Buildings and Contents Section

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

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

### Specific Perils

perils defined below and stated in the Schedule applicable to this Section except accidental loss destruction or damage

## Property Definitions

### Buildings

buildings 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

### Contents

contents in common areas of the Buildings consisting of furniture and furnishings the property of the Insured or for which they are responsible excluding

- (1) money and personal effects
- (2) computers and computer systems records
- (3) audio visual equipment
- (4) business books and documents
- (5) curiosities rare books works of art or articles of antique furniture exceeding £500 in value unless specified in the Schedule applicable to this Section
- (6) china or other fragile or brittle objects exceeding £500 in value unless specified in the Schedule applicable to this Section
- (7) any other property exceeding £1,000 in value unless specified in the Schedule applicable to this Section

## Defined Perils

- 1) Fire lightning earthquake or explosion
- 2) Aircraft or other aerial devices or articles dropped from them
- 3) Riot civil commotion strikers locked-out workers labour and political disturbances
- 4) Malicious persons excluding Damage
  - a) by theft or attempted theft
  - b) caused by the occupiers of the buildings
- 5) Storm or flood
- 6) Escape of water from any tank apparatus or pipe or oil from any fixed heating installation
- 7) Impact by any road vehicle train or animal
- 8) Theft or attempted theft of Property from any building at the Premises excluding Damage
  - a) which does not involve
    - (i) entry to or exit from such building or attempt thereof by forcible and violent means
    - (ii) hold-up accompanied by violence or threat of violence at the Premises
    - (iii) caused by any occupier of the Buildings either as principal or accessory
  - b) caused by any occupier of the Buildings either as principal or accessory
- 9) Accidental loss destruction or damage excluding Damage
  - a) by any of the Defined Perils (1) – (8) and (10)
  - b) which would not be insured in consequence of any of the exclusions to a Defined Peril
- 10) Subsidence ground heave or landslip excluding
  - a) Damage to property other than the main buildings at the Premises unless the main buildings are damaged at the time by the same cause
  - b) Damage caused by
    - (i) settlement or movement of made-up ground
    - (ii) coastal or river erosion
    - (iii) defective design or workmanship or the use of defective materials
  - c) the first £1,000 of each and every claim

## Limit of Liability

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

Provided that 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 the amount payable for such Property shall be proportionately reduced

## Exclusions to this Section

This Section does not cover

### **Deductible**

- (1) the first £250 of each and every claim other than where a more specific Deductible is referred to elsewhere in this Section or on the Schedule

### **Inbuilt defect wear tear and defective workmanship**

- (2) 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 Employees

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

### **Frost**

- (3) 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

### **Corrosion or change in temperature**

- (4) 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

### **Joint leakage or breakdown**

- (5) 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

### **Subsidence ground heave or landslip**

- (6) 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 ground heave or landslip may be insured by this Section

### **Change in the water table level**

- (7) Damage attributable to change in the water table level



**Settlement of new structures**

- (8) Damage caused by or consisting of normal settlement or bedding down of new structures

**Theft fraud or dishonesty**

- (9) Damage caused by or consisting of theft or attempted theft where any person in your employment or service or any members of your family are concerned as principal or accessory

**Collapse of buildings**

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

**Property in the open**

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

**Riot or civil commotion**

- (12) Damage caused by riot or civil commotion except in so far as riot or civil commotion are insured by this Section

**Machinery requiring statutory inspection**

- (13) 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

**Steam pressure apparatus**

- (14) 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

**Self-ignition of electrical apparatus**

- (15) 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

**Property insured by other insurance**

- (16) any property which at the time of Damage is insured by a more specific insurance

**Special Conditions to this Section****(1) Reinstatement Basis of Payment**

Subject to the undernoted provisions the basis upon which the amount payable in respect of any Item to which this Condition applies 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 only applies 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) 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

**(4) 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

- (a) any company
  - (i) in the relation of holding company or subsidiary to you
  - (ii) which is a subsidiary of a parent company of which you are yourself a subsidiaryin each case within the meaning of the relevant companies' legislation current at the time of the Damage
- (b) the tenant of any Building insured by this Section provided that
  - (i) the Damage did not result from a breach of the terms of the lease by the tenant
  - (ii) the Damage did not result from a criminal fraudulent or malicious act of the tenant
  - (iii) the tenant contributes to the cost of insuring the Buildings against the event which caused the Damage

**(5) 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
- (b) pay any additional premium that Insurers may require

**(6) Automatic Reinstatement of Sum Insured**

In the event of Damage the Sums Insured by this Section will be automatically reinstated from the date of the Damage unless written notice is given to the contrary either by the Insurers or by you provided always that in the event of reinstatement you will

- (a) pay any such additional premium as may be requested for such reinstatement from that date
- (b) give effect to any additional protective devices at the Premises which the Insurers may reasonably require

**(7) General Interests Clause**

The interests of the Lessee of each individual property and their Mortgagees (if any) are noted in the Insurance provided by Section 1 with such interest to be disclosed in the event of a claim for Damage arising hereunder

**(8) Minimum Security Requirements**

- a) It is a condition precedent to liability under this Policy that all protections provided for the safety of the Premises shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of the Underwriters and shall be in full and effective operation when the Premises are closed for Business or left unattended, and at all other appropriate times
- b) It is a condition precedent to liability under this Policy that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations
- c) In the event of the Insured receiving any notification;
  - i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
  - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
  - iii) that any alarm system cannot be returned to or maintained in full working order

then with immediate effect:

- 1) it shall be a condition precedent to liability under this Policy that the Insured shall notify Underwriters as soon as possible, at which time Underwriters shall reserve the right to vary terms or cancel cover provided under this Policy
- 2) the Insured shall be responsible for the first 20% of any loss destruction or Damage by theft or attempted theft subject to a minimum contribution of GBP2,500
- 3) it shall be a condition precedent to liability under this Policy that the Insured shall comply with any requirements that Underwriters impose in response to such notice

## **IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING**

### **Professional Fees**

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 during any one Period of Insurance

### **Debris Removal Costs**

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

### **Public Authorities**

Additional costs of rebuilding or reinstatement of lost destroyed or damaged Property which you incur solely to comply with Building or other Regulations under or framed in pursuance of any European Union Legislation Act of Parliament or with Bye-Laws of any Public Authority

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 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**

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

excluding

- a) property lost destroyed or damaged by theft whilst in transit
- b) losses occurring outside the Geographical Limits

The amount payable for Contents will not exceed the lesser of

- 1) the amount which would have been payable had the loss occurred in that part of the Premises from which the Contents are temporarily removed or
- 2) 10% of the Sum Insured for Contents

### **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 Policy until completion of the purchase without affecting your rights and liabilities under this Policy or those of the Insurers

### **Replacement of Locks**

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

- a) 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
- b) involving entry to or exit from your business premises by forcible and violent means
- c) 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 £1000 in any one Period of Insurance

### **Cost of Metered Water or Oil**

The cost or value of metered water or domestic heating oil lost following accidental damage to fixed water or heating installations in the Premises subject to a limit of £10,000 in any one Period of Insurance

Provided that the Insurers shall not be liable for any claim in respect of a building which is empty or not in use

### **Damage to Landscaped Gardens**

The cost of restoring any damage done to landscaped gardens by the Emergency Services in attending the Premises as a result of the operation of any peril insured by this Section subject to a limit of £2500 in any one Period of Insurance

### **Trace and Access**

The reasonable costs incurred in locating the source of Damage at the Premises caused by escape of water or oil as insured by this Section subject to a limit of £1,000 each and every claim

### **Glass Sanitary Ware and Underground Services**

Unless insured elsewhere in this Section the indemnity provided herein extends to include subject to the Exclusions of this Section accidental Damage to

- a) fixed glass baths bath panels washbasins pedestals sinks splash backs shower trays bidets toilet pans toilet seats and toilet cisterns within the Buildings
- b) underground service pipes and cables the property of the Insured for which they are responsible at the Premises

### **Clearance of Drains**

The indemnity provided by this Section extends to include 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 subject to a limit of £2,500 each and every claim

### **Contract Works**

The insurance by each item on Buildings extends to include Contract Works to the extent to which you have contracted to arrange cover subject to a limit of £25,000 each and every claim at any Premises  
This insurance shall only apply in so far as the Contract Works are not otherwise insured

### **Further Investigation Expenses**

Where a Building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Building which is not immediately apparent the Insurers will pay the reasonable costs incurred by you with the Insurers' prior consent in establishing whether or not such Damage has occurred

The Insurers will also pay the reasonable costs incurred by you in establishing whether or not other Buildings in the vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered such Damage for which the Insurers are liable.

### **Unauthorised Use of Electricity Gas or Water**

The cost of metered electricity gas or water for which you are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Premises without your authority subject to the Insurers' liability not exceeding £5,000 in any one Period of Insurance

Provided that such Premises have been inspected weekly by a responsible person on your behalf and that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

### **Additional Sprinkler Costs**

The costs incurred in upgrading an automatic sprinkler installation to the current LPC Rules solely as imposed upon you by the Insurers following Damage to the Buildings provided that at the time of Damage the installation conformed to the 28<sup>th</sup> or 29<sup>th</sup> Edition Rules or to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those Rules

### **Value Added Tax**

The insurance by each Item on Buildings extends to include Value Added Tax paid by the Insured which is not subsequently recoverable

Provided that

- a) i) the Insured's liability for tax arises solely as a result of the reinstatement or repair of the Buildings to which such Item relates following Damage

- i) the Insurers have paid or agreed to pay for such Damage
  - ii) if payment made by the Insurers in respect of reinstatement or repair of such damage shall be less than the actual cost of reinstatement or repair any payment under this Clause resulting from the Damage shall be reduced in like proportion
- b) the Insured's liability for such tax does not arise from the replacement Buildings having greater floor area than or being better or more extensive than the destroyed or damaged Buildings
- c) where rebuilding takes place upon another site the Insurers liability under this provision shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site
- d) the Insurers liability under this Clause shall not include amounts payable by the Insured as penalties or interest for non-payment or late payment of tax Provisions to the contrary elsewhere in this Policy are over-ridden as follows in respect of those Items to which this Clause applies
  - i) for the purpose of the Limit of Liability Clause or Day One Value Basis Clause (whichever is applicable) rebuilding costs shall be exclusive of Value Added Tax
  - ii) the liability of Insurers may exceed the Sum Insured by an Item or in the whole the total Sum Insured where such excess is solely in respect of Value Added Tax

## Warranty to This Section

### Unoccupancy Warranty

It is warranted that the following precautions be taken at any empty disused or unoccupied Building

- 1) Gas supply to be turned off at the main
- 2) Water supply to be turned off at the stopcock where it enters the premises and the water installation fully drained down
- 3) Electricity supply to be turned off at the main

If it is necessary for essential circuits to be left on such as for intruder/fire alarm systems or lighting such as for periodic security visits it must be ensured that the wiring to those parts is in a safe and satisfactory condition. Non-essential circuits should be isolated either by turning off at the main switch or by removal of fuses

All letterboxes should be sealed to prevent insertion of flammable material

All combustible contents especially waste should be removed from the premises. The premises must be made secure with

- mortice deadlocks conforming to BS3621 or close shackle padlocks with matching locking bar on all external doors or shutters
- all ground and lower floor glazed areas and upper floor windows if accessible from flat roofs or other forms of access and glass in doors should be boarded over using 19mm thickness shuttering grade plywood

Existing intruder alarms should continue to be used

If there is any form of perimeter site security such as fencing and gates these should be maintained in good condition

The premises should be visited at least once a week and a thorough inspection carried out internally and externally. A log detailing times and dates of visits must be maintained



## Section 2 - Rental Income

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

### Insuring Clause

In the event of Damage for which the Insurers are liable under Section 1 of this Policy during the Period of Insurance the Insurers will indemnify you against loss of Gross Rentals and additional expenditure to the extent described in the Basis of Payment hereunder up to the Limit of Liability

### Definitions to this Section

Note (1) To the extent that the Insured is accountable to the tax authorities for value added tax all terms in this Section shall be exclusive of such tax

Note (2) For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded

### Estimated Gross Rentals

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 stated in the Schedule applicable to this Section exceeds 12 months)

### Gross Rentals

money paid or payable to you for tenancies and other charges and for services rendered in the course of your Business at the Premises

### Indemnity Period

period beginning with the occurrence of 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

### Limit of Liability

The Insurers liability under this Section will not exceed

200% of the Sum Insured for each Item  
in total 200% of the Total Sum Insured

stated in the Schedule applicable to this Section

Provided that if the Sum Insured for each Item is less than the annual Gross Rentals at the inception of the Period of Insurance the amount payable for such Item shall be proportionately reduced

### Basis of Payment

The amount payable shall be

1) in respect of loss of Gross Rentals

the amount by which the Gross Rentals during the Indemnity Period shall in consequence of Damage fall short of the Gross Rentals which would have been received had the Damage not occurred

2) in respect of additional expenditure

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 Damage but not exceeding the amount of 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 Damage

## Special Condition to this Section

If during the Indemnity Period the Business shall be conducted elsewhere than at the Premises the money paid or payable to you for tenancies and other charges and for services rendered at such other premises shall be brought into account in arriving at your Gross Rentals during the Indemnity Period

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

#### **Denial of Access**

Loss of Gross Rentals and additional expenditure as a result of Damage as insured by this Section to property in the vicinity of the Premises which prevents or hinders the use of the Premises or access thereto whether the Premises or property of the Insured therein shall be damaged or not

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

#### **Managing Agents Premises**

The insurance by each item on Gross Rentals is extended to include loss as insured resulting solely from Damage by any of the Defined Perils stated as insured in the Schedule to Buildings or other property at any location in the United Kingdom owned or occupied by the Insured's managing agents for the purposes of their business in consequence of which rent receivable by you is reduced

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

#### **Loss of Investment Income on Late Payment of Rent**

If as a result of Damage the Insurers are paying indemnity in respect of loss of Gross Rentals and the payment by the Insurers to you is made later than the date upon which you would normally have expected to receive the Rent from a lessee the Insurers will pay a further sum representing the investment interest lost to you during the delay period subject to the Insured being responsible for the first £500 of each and every claim

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

#### **Rent of Residential Buildings**

In the event that Buildings occupied solely or at least 80% for residential purposes suffer Damage and no Sum Insured on Gross Rentals for the residential portions has been allocated then this Policy extends to include such loss of Gross Rentals including Costs of Re-letting and Additional Expenditure incurred during the Indemnity Period

For the purposes of this cover

Costs of Reletting shall mean the costs necessarily and reasonably incurred in reletting the Buildings (including legal fees in connection with the re-letting)

Additional Expenditure shall mean the expenditure (other than recoverable as Costs of Re-letting) necessarily and reasonably incurred solely to avoid or diminish the loss of Gross Rentals

Any underinsurance condition applying to this Section is deleted

The Insurers will also indemnify the Insured in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease

The Insurers liability shall not exceed 20% of the Sum Insured applicable to the residential Building or residential portion of the Building concerned

### **Unlawful Occupation**

Loss of Gross Rentals in consequence of access to or use of the Premises being hindered or prevented due to the Premises or property in the vicinity of the Premises or any rights of way being

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

It is understood that the Insurers shall not be liable for:

- (a) loss arising from any cause within your control
- (b) loss as a result of physical loss or destruction of or damage to property
- (c) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear or tear
- (d) any incident involving prevention or hindrance of access to or use of the Premises for less than 12 hours duration

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

### **Professional Charges**

The reasonable charges payable by the Insured to their professional accountants/auditors for producing any particulars or details or any other proofs information or evidence as may be required under General Condition (1) and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents Provided that the sum of the amount otherwise payable under this Section shall in no case exceed the Limit of Liability herein

### **Automatic Reinstatement of Sum Insured**

In the event of Damage the Sums Insured by this Section will be automatically reinstated from the date of the Damage unless written notice is given to the contrary either by the Insurers or by you provided always that in the event of reinstatement you will pay any such additional premium as may be requested for such reinstatement from that date

## Section 1 - Buildings and Contents and Section 2 - Rental Income

**IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THE ABOVE SECTIONS FOR THE FOLLOWING**

### Automatic Cover (Newly Acquired Properties)

Automatic cover for premises newly acquired by you in the United Kingdom to the extent that your interest is not protected by any other more specific insurance

Provided that

- a) as soon as reasonably practicable you shall notify the Insurers in writing of each premises acquired and arrange specific cover with the Insurer
- b) this cover shall operate for a maximum period of 30 days from the date you acquired their interest in the premises
- c) the Insurers' maximum liability any one claim for Buildings and Gross Rentals shall not exceed £750,000 in respect of any premises
- d) in respect of any premises purchased for renovation refurbishment or redevelopment the Basis of Payment shall be indemnity

### Alterations and Additions to Premises

In the event that alterations and additions to the Premises are effected during the Period of Insurance and are not more specifically insured the under noted increases in cover shall apply from practical completion of the work until the renewal date immediately following such completion

In respect of Buildings – the Declared Value and/or Sum Insured (as appropriate) shall be increased by such percentage as represents the value of the alterations or additions not exceeding either 10% or £750,000 whichever is the less

In respect of Gross Rentals – if the Gross Rentals is to increase following completion of the alterations or additions the Sum Insured shall be increased by the anticipated amount of the additional Gross Rentals for the Indemnity Period not exceeding either 10% or £250,000 whichever is the less

## Section 3 - Property Owners Liability

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

### Insuring Clause

In the event of accidental

- (1) Injury to any person
- (2) loss of or accidental damage to material property
- (3) loss of amenities nuisance trespass or interference with any right of way air or water

occurring during the Period of Insurance and arising in connection with your ownership of or responsibility for the Property insured by Section 1 of this Policy the Insurers will indemnify you in respect of your liability at law for compensation together with Costs and Expenses

### Basis of Payment

The liability of the Insurers will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section for any one claim or series of claims arising from one source or original cause

In addition the Insurers will pay Costs and Expenses

### Exclusions to this Section

This Section does not cover

#### Deductible

- (1) the first £250 of each and every claim in respect of (2) of the Insuring Clause to this Section only

#### Fines liquidated damages or penalties

- (2) liability for fines liquidated damages or penalties of any kind or for punitive exemplary restitutionary or multiplied damages

#### Injury to Employees

- (3) liability to any Employee for Injury arising out of and in the course of their employment by you

#### Property in your custody or control

- (4) physical loss of or damage
  - (a) property belonging to you or in your custody or under your control or that of any Employee (other than property belonging to your visitors directors partners or Employees)
  - (b) that part of any property on which you or any of your Employees or agents are or have been working where the physical loss or damage results from such work

#### Deliberate Acts

- (5) liability caused by or arising from any deliberate act or omission by or on behalf of any person claiming indemnity under this Section and which could reasonably have been expected of such person having regard to the nature and circumstances of such act or omission

#### Contractual Liability

- (6) liability which attaches itself solely by virtue of a contract or agreement but any liability which would have attached in the absence of such contract or agreement is covered under this Section

### **Advice and professional services**

- (7) liability caused by or arising from
  - (a) any advice design or specification given by you or on your behalf for a fee
  - (b) professional services rendered by you or on your behalf

### **Aircraft hovercraft and watercraft**

- (8) liability caused by or arising from the ownership possession or use by you or on your behalf of any aircraft hovercraft or watercraft (other than watercraft eight metres in length or less)

### **Mechanically propelled vehicles**

- (9) liability caused by or arising from the ownership possession or use by or on behalf of you of any mechanically propelled vehicle (or trailer attached to it) if being used in circumstances for which compulsory insurance or security is required under any legislation governing the use of the vehicle

### **Cyber Liability**

- (10) liability arising directly or indirectly out of
  - (a) loss of alteration of or damage to
  - or
  - (b) reduction in the functionality availability or operation of

any computer system or programme hardware data information repository microchip integrated circuit or similar device in computer equipment or non-computer equipment as a result of your E-activities

For the purpose of this Exclusion E-activities means any use of electronic networks including the internet and private networks intranets extranets electronic mail worldwide web and similar medium carried out by you or by any person persons partnership firm or company acting for you or on your behalf

### **Asbestos**

- (11) liability arising from the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause to loss which may have contributed concurrently or in consequence of a loss.

### **Mildew Mould Spore(s) or Allergens**

- (12) liability directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or

any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of fungus of any kind whatsoever, including but not limited to mildew, spore(s), or allergens; or

any obligations or duty to defend any actions directly or indirectly occasioned by, or happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to mildew mould spore(s) or allergens

Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.

### **Component Building Material**

- (13) liability directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.

## **IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING**

### **Indemnity to Others**

- 1) If you so request
  - a) any of your directors partners or Employees in respect of liability for which you would have been entitled to indemnity under this Section had the claim for which indemnity is being sought been made against you
  - b) any officer or member of your social sports and welfare organisations or fire first aid or ambulance services while acting in their respective capacities as such
- 2) The legal personal representatives of any deceased person who was entitled to claim indemnity under this Section in respect of liability incurred by that person
- 3) Any principal in like manner to you where any contract or agreement entered into by you for the performance of work so requires in respect of the principal's liability arising from the performance of work by you

### **Cross Liabilities**

Each person to whom this Section applies in the same manner and to the same extent as if a separate policy had been issued to each provided that the total amount of compensation will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section

### **Compensation for Court Attendance**

In the event of the following persons attending court at the request of the Insurers in connection with a claim under this Section the Insurers will compensate you at a rate of each person's wages or salary or at the following rates whichever is the less for each day on which attendance is required

- 1) by you or any of your directors or partners £250 per day
- 2) by any of your Employees £100 per day

### **Health and Safety at Work etc Act Defence Costs**

You and also at your request any of your directors partners or Employees for legal costs and expenses incurred

- 1) in defending any prosecution for breach of duty
- 2) with the Insurers' consent in an appeal against a conviction resulting from a prosecution

under the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed during the Period of Insurance where the circumstances may otherwise give rise to a claim under this Section

excluding any claim arising from a deliberate or premeditated act event or omission which any person seeking indemnity under this Section knows or should have known would be likely to constitute an offence under the above Act or Order

### **Defective Premises Act**

Liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of the disposal of any premises which were occupied and/or owned by you in connection with your Business

excluding any liability for

- a) the cost of making good replacement or reinstatement of any defect or workmanship giving rise to such liability
- b) any physical loss of or damage to such premises

### **Sudden and Unintended Pollution**

Pollution is excluded by General Exclusion I(d) of this Policy but this Section provides Pollution cover subject to all other provisions of this Policy for liability in respect of Injury or loss of or damage to property caused solely by Pollution

- 1) which results from a sudden identifiable unintended and unexpected incident and
- 2) such incident occurs entirely at a specific and identified time and place while this Policy remains in force provided that
  - a) all Pollution which arises out of any one incident will be deemed to have happened at the time such incident takes place
  - b) the Insurers will not indemnify you against liability in respect of Pollution happening anywhere in the United States of America or Canada
  - c) the total liability of the Insurers for compensation will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section for this additional cover and for any claim otherwise payable under this Section arising from the same source or original cause



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