

Your Hazelton Mountford Ltd Property Investors Policy

Introduction

Welcome to Aviva. We are committed to providing a first-class service. Aviva is the UK's largest insurer with over 200 years' experience in the insurance industry.

This is your insurance policy which sets out your insurance protection in detail.

Your premium has been calculated on the basis of the extent of cover you have selected which is specified in the schedule, the information you have provided and the declaration you have made. Please read the policy and the schedule carefully to ensure that the cover meets your requirements.

Please contact your insurance adviser if you have any questions or if you wish to make adjustments. Your insurance adviser's details are:

Hazelton Mountford Ltd
4 Bank Street
Worcester
WR1 2EW

Telephone: 01905 611951

Fax: 01905 734821

Email: enquiries@hazeltonmountford.co.uk

Hazelton Mountford – About us:

Hazelton Mountford is a family run independent insurance brokers committed to supplying a first class personal service. We provide value for money, integrity and a level of expertise that is second to none.

Contents

This policy consists of individual sections. You should read this policy in conjunction with the schedule which confirms the sections you are insured under and gives precise details of the extent of your insurance protection.

Contact details for claims and help	Page 4
Complaints Procedure	6
Important Information	7
The Contract of Insurance	8
Recognising You	9
Policy Definitions	10
Asset Protection	14
Property Damage – All Risks	14
Property Damage – Additional Contingencies	19
Property Damage – Clauses	20
Property Damage – Additional Clauses	33
Property Damage – Additional Conditions	35
Glass	36

Contents (Continued)

Revenue Protection	37
Business Interruption	37
Business Interruption – Extensions	45
Business Interruption – Additional Contingencies	46
Business Interruption – Endorsements	50
Business Interruption Gross Rentals Declaration Linked Basis Specification	51
Asset and Revenue Protection	53
Terrorism	53
Legal Liabilities	56
Employers’ Liability	56
Property Owners Liability	60
Property Owners Liability – Additional Endorsement	71
Property Owners Legal Protection	72
Policy Conditions	84
Policy Exceptions	89

Contact details for claims and help

Services

As an Aviva customer, you can access additional services to help you keep your business running smoothly.

Claims Service

0800 015 1498

A 24 hour, 365 days a year claims line providing you with emergency assistance whenever it is required. When we know about your problem, we will start to put the solutions in place.

Legal and Tax Helpline

0345 300 1899

Call this helpline anytime, day or night, for advice on legal or tax matters in the United Kingdom. Given in confidence, the advice is free and you pay for just the cost of the call.

Commercial Legal Protection

0345 300 1899

If you have Commercial Legal Protection cover, please call the helpline for legal advice as soon as you are aware of an incident. Please have your policy number to hand.

If you think you may need to claim, please call the helpline to request a claim form. We can only proceed with your claim when we have details of the incident in writing. A claim form is available to download at www.aviva.co.uk/legalprotection.

Risk Solutions Helpline

0345 366 6666

Call for advice on safety, fire, security and other issues that can affect your business. Most enquiries can be dealt with over the telephone, but if we can't give you an immediate answer, we will deal with your enquiry within one working day. This service is available during office hours with an answering service outside these times.

Counselling Service Helpline

0117 934 0105

This is a confidential service available to your staff to help deal with personal issues such as bereavement, divorce, the threat of violence in the workplace and bullying at work.

Contact details for claims and help (Continued)

Website

www.cutredtape.co.uk

This is Aviva's free website offering many tools and resources to help you manage your business effectively. You'll get access to

- over 700 legal and business guides across HR, sales and marketing, finance, technology, law and risk management
- easy to use templates to build legal documents including employee contracts, health and safety policies, dismissal letters
- discounts on Legal Services
- email alerts on changes in law, legislation and regulation.

To register, please visit www.cutredtape.co.uk and use the voucher code CRTAVIVA for exclusive discounts on a range of legal documents and services.

Complaints Procedure

Our promise of service

Our goal is to give excellent service to all our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all our customers' problems promptly. To ensure that we provide the kind of service you expect, we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

What will happen if you complain

- We will acknowledge your complaint promptly.
- We aim to resolve all complaints as quickly as possible.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update within 10 working days of receipt and give you an expected date of response.

What to do if you are unhappy

If you are unhappy with any aspect of the handling of your insurance we would encourage you, in the first instance, to seek resolution by contacting your insurance adviser.

If you are unhappy with the outcome of your complaint you may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone:
0800 023 4567 (calls from UK landlines and mobiles are free) or
0300 123 9123

Or simply log on to their website at www.financial-ombudsman.org.uk.

Whilst we are bound by the decision of the Financial Ombudsman Service, you are not. Following the complaints procedure does not affect your right to take legal action.

Important Information

Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise.

1. The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which you, the policyholder, normally live or (if applicable) the first named policyholder normally lives
or
2. In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where it has its principal place of business
or
3. Should neither of the above be applicable, the law of England and Wales will apply.

Financial Services Compensation Scheme

We are members of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if we cannot meet our obligations, depending on the type of insurance and the circumstances of your claim.

Further information about the scheme is available from the FSCS website www.fscs.org.uk, or write to

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St. Botolph Street
London
EC3A 7QU

Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

Customers with Disabilities

This policy and associated documentation are available in large print, audio and braille. If you require any of these formats, please contact your insurance adviser.

Telephone Call Charges and Recording

Calls to 0800 numbers from UK landlines and mobiles are free. The cost of calls to 03 prefixed numbers are charged at national call rates (charges may vary dependent on your network provider) and are usually included in inclusive minute plans from landlines and mobiles. For our joint protection telephone calls may be recorded and/or monitored.

The Contract of Insurance

The policy, the information You have provided and/or the application form, the declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policyholder and Us, Aviva.

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury, to the extent of and subject to the terms contained in or endorsed on the policy.

Important

This policy is a legal contract. You must tell Us about any material circumstances which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence Our judgement in determining whether to provide the cover and, if so, on what terms. If You are not sure whether a circumstance is material ask Your insurance adviser. If You fail to tell Us it could affect the extent of cover provided under the policy.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.

Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in Us automatically being discharged from any liability, then such a breach shall result in any liability We might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that We will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of:

- loss of a particular kind, and/or
- loss at a particular location, and/or
- loss at a particular time,

then We agree that We may not rely on the non-compliance to exclude, limit or discharge Our liability under this policy if You show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Recognising You

Nobody recognises you like Aviva

Aviva is committed to providing a first-class service. We want you to feel that we recognise you and understand your requirements.

Risk Management

By choosing Aviva, you will gain access to the following free risk management resources from Aviva Risk Management Solutions (ARMS).

Online Knowledge Store

Contains over 200 useful risk management fact sheets and templates.

Some of the advice available is particularly tailored to you including a factsheet covering health and safety for property owners.

You can access the Knowledge Store by visiting <http://www.aviva.co.uk/yourbusiness/risk-management/>

Preferred Supplier Scheme

We have secured discounts from carefully vetted risk management providers, to help you protect your business. Some of these services are particularly relevant to your sector including unoccupied property protection services such as the installation of physical security or assistance to prepare properties for re-occupancy.

Aviva insured customers also receive discounts off ARMS training and consultancy services:

Short courses – ideal if you are looking to understand your health and safety obligations and receive practical advice about how to meet them. The current programme includes a risk assessment and getting started in health and safety course.

Accredited training – ARMS is accredited to deliver a number of IOSH, CIEH, IEMA and NEBOSH courses. We boast amongst the highest pass rates in the industry reflecting the quality of our training.

In-company training – our team can adapt any course or develop a bespoke one to ensure that your specific requirements are addressed.

eTraining – Our online courses are quick and easy to complete making them ideal for those with limited time and resources. Our programme covers a range of topics including fire risk assessment.

Consultancy – If you don't have an in-house safety resource or if your team needs expert assistance to address a particular safety issue, ARMS can help. The services available include fire risk assessments, safety audits and our competent person support service.

For further information about the services ARMS provides, call the team on 0345 366 66 66 or visit <http://www.aviva.co.uk/yourbusiness/risk-management/>.

Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy, for example Employee, except when used in the sections of this policy headed 'Introduction', 'Contents', 'Contact details for claims and help', 'Complaints Procedure' and 'Important Information' and in headings and titles.

Each Section of the policy contains definitions which apply to that particular Section and they must be read in conjunction with the following policy definitions.

Block of Flats

A building occupied entirely for residential purposes

- (1) in excess of two storeys high
- (2) with a single roof
- (3) containing two or more Residential Units.

Building

The building including

- (a) interior decorations and landlords' fixtures and fittings and tenants improvements
- (b) telecommunication television and radio aerials, satellite dishes, aerial fittings and masts
- (c) outbuildings, roads, pavements, fences, gates, paths, drives, fixed signs, garden walls, patios, terraces, ornaments and statues, car parks, cess pits and septic tanks, oil tanks
- (d) underground pipes, cables and wires
- (e) gangways, pedestrian malls, pedestrian access bridges, hardstandings, bollards, barriers, flag poles, lamp posts, street furniture
- (f) video, audio and building management and security systems and equipment
- (g) trees, shrubs, hedges, plants and turf used in landscaping
- (h) Contents of Common Areas including models, exhibitions and seasonal items introduced into shopping centres.

Computer and Electronic Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and/or similar devices, whether physically or remotely connected thereto.

Contents

Furniture, furnishings, fixtures and fittings and refrigerators, dishwashers, washing machines, microwaves and other white goods belonging to You or for which You are responsible within the Building at The Premises.

Contents of Common Areas

Furniture, furnishings, fixtures and fittings and other contents including janitorial goods belonging to You or for which You are responsible in the common areas of The Premises including property kept in yards, car parks, gardens or other open areas at The Premises.

Data

All information which is

- (1) electronically stored
or
- (2) electronically represented
or
- (3) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data

including but not limited to operating systems, records, programs, software or firmware, code or series of instructions.

Policy Definitions (continued)

Data Storage Materials

Any materials or devices used for the storage or representation of Data including but not limited to disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices which may or may not also constitute Computer and Electronic Equipment.

Defined Contingencies

- (1) fire
- (2) lightning
- (3) explosion
- (4) aircraft and other aerial devices or articles dropped from them
- (5) earthquake
- (6) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (7) storm or flood
- (8) escape of water from any tank, apparatus or pipe
- (9) falling trees
- (10) impact
- (11) escape of fuel from any fixed oil heating installation
- (12) malicious persons other than thieves
- (13) malicious persons other than thieves but only where involving entry into or exit from The Premises by forcible and violent means
- (14) theft or attempted theft
- (15) theft or attempted theft but only where involving entry into or exit from The Premises by forcible and violent means
- (16) theft involving violence or threat of violence to You, Your partners, directors or Employees.

Denial of Service Attack

Any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of Computer and Electronic Equipment or Data, including but not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, and the generation of excess or non genuine traffic within, between or amongst networks.

Employee

Any person who is

- (1) under a contract of service or apprenticeship with You
- (2) borrowed by or hired to You
- (3) a labour master or supplied by a labour master
- (4) employed by labour only sub-contractors
- (5) self-employed
- (6) under a work experience or training scheme
- (7) a voluntary helper while working under Your control in connection with The Business
- (8) an outworker or homeworker when engaged in work on Your behalf.

Excess / Excesses

The amount(s) specified in Your policy or The Schedule which We will deduct from each and every claim at each separate premises.

The amount(s) to be deducted after the application of any Average condition.

You will repay any such amount paid by Us.

For the purposes of this definition the term "separate premises" shall include all Residential Units which are not within or form part of a Block of Flats or Maisonette insured by this policy.

Policy Definitions (continued)

Failure

Any partial or complete reduction in the

- (1) performance
or
- (2) availability
or
- (3) functionality
or
- (4) the ability to recognise or process any date or time of any
 - (a) Computer and Electronic Equipment
 - (b) electronic means of communication
 - (c) website.

Local Authority Rates

Money paid or payable by You to the local authority in respect of local authority or business rate charges levied in respect of The Premises.

Long Term Unoccupied

Any Unoccupied Building, Portion of a Building or a Residential Unit in a building that

- (1) remains untenanted at the first renewal following the expiry of a 26 week untenanted period
and/or
- (2) is either empty, void, vacant or disused and is awaiting
 - (a) redevelopment
and/or
 - (b) demolition.

For the purposes of this definition, notwithstanding (1) above, where The Premises is classified for use as either

- (1) offices
or
- (2) internal retail units within a covered shopping complex which is locked against public access out of business hours

in respect of Portion of a Building the period is extended to 156 weeks unless otherwise agreed by Us in writing to the contrary.

Loss of Data

Physical or electronic or other loss or destruction or alteration or loss of use, whether permanent or temporary, of or damage to Data, of whatsoever nature, in whole or in part, including, but not limited to, Loss of Data resulting from loss or damage to Computer and Electronic Equipment or Data Storage Materials, including while stored on Data Storage Materials.

Maisonette

A Residential Unit occupying two or more floors of a larger building having its own entrance from outside.

Money

Current

- (1) coins, bank and currency notes
- (2) postal and money orders, bankers' drafts, cheques and giro cheques
- (3) crossed warrants, bills of exchange and securities for money
- (4) postage, revenue, national insurance and holiday with pay stamps
- (5) national insurance and holiday with pay cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions
- (6) credit company sales vouchers, luncheon vouchers and trading stamps
- (7) VAT invoices.

Policy Definitions (continued)

Period of Insurance

From the effective date until the expiry date (both shown in The Schedule) or any subsequent period for which We accept payment for renewal of this policy.

Portion of a Building

Any part of a building that the Landlord has free rights of access to enter and is responsible for the upkeep and maintenance.

Rent Free Period

The period specified in the lease agreement during which Gross Rentals are not payable.

Residential Unit

An individual self contained living area with a separately controlled entry/exit point within any building.

The Business

Activities directly connected with the business specified in The Schedule.

The Premises

The premises specified in The Schedule.

The Schedule

The document which specifies details of The Policyholder, The Premises, Property Insured, Sums Insured, Limits of Indemnity and any Excess(es), Endorsements and Conditions applying to this policy.

Unoccupied

Any Building or Portion of a Building or a Residential Unit in a building that is

(1) untenanted or void:
and/or

(2) empty, vacant or disused:

for a period in excess of 45 consecutive days.

In respect of a Residential Unit the period is extended to 26 weeks provided sufficient heating to The Premises is provided to prevent freezing unless otherwise agreed by Us in writing to the contrary.

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions with the ability to damage, interfere with, or otherwise adversely affect Computer and Electronic Equipment or Data, whether involving self-replication or not, including, but not limited to trojan horses, worms and logic bombs.

We/Us/Our/Aviva

Aviva Insurance Limited.

You/Your/The Policyholder

The person, persons, company, companies, partnership, partnerships or unincorporated association, named in The Schedule as The Policyholder.

Asset Protection Property Damage – All Risks

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Property Insured

Property insured as detailed in The Schedule.

Cover

We will indemnify You in respect of Damage to the Property Insured occurring during the Period of Insurance at The Premises.

Basis of Claim Settlement – Indemnity

The basis upon which We will calculate the amount We will pay in respect of any claim will be

- (1) the cost of replacement or repair of the property lost, destroyed or damaged, to a condition as good as, but not better or more extensive than, its condition immediately prior to the Damage, or at Our option
- (2) the reduction in value of the Property Insured, unless the Basis of Claim Settlement – Reinstatement clause or any other alternate basis of settlement is stated to apply.

The Sum Insured under each item other than items applying solely to professional fees, rent, and removal of debris, is separately subject to Average. See Condition (1).

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each item,
or
- (2) the Total Sum Insured,
or

- (3) any other maximum amount payable or limit of liability specified in this Section or The Schedule.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Average

Where a Sum Insured is stated to be subject to average, this means that if at the time of Damage, the Sum Insured is less than the total value of the Property Insured, You will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

(2) Fire Extinguishing Appliances

You must maintain all fire extinguishing appliances on The Premises, so far as Your responsibility extends, in full working order in accordance with the manufacturer's instructions.

(3) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter or take possession of the building or The Premises
- (b) take possession of, or require to be delivered to Us, the Property Insured which We will deal with in a reasonable manner

without incurring liability or reducing Our rights.

We will not pay for any Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements
- (ii) hinder or obstruct Us.

You are not entitled to abandon property to Us.

Asset Protection Property Damage – All Risks (continued)

(4) Change of Occupancy

You must tell Us immediately if

- (a) any building at The Premises becomes Unoccupied.
- (b) any Unoccupied building at The Premises becomes occupied.

(5) Construction Heating and Occupation of the Buildings

Unless otherwise stated in The Schedule the buildings are

- (a) constructed of brick, stone, or concrete
- (b) roofed with slates, tiles, concrete, metal or asbestos
- (c) heated by
 - (i) low pressure hot water or steam
 - (ii) oil fired space heaters fed from a fuel tank in the open
 - (iii) overhead gas or electrical appliances
 - (iv) gas or electric fires in offices onlyor as expressly varied in accordance with details provided to Us
- (d) occupied for the sole purpose of The Business and otherwise only as a private dwelling.

(6) Interested Parties – Specified

In the event of Damage as insured by this Section interested parties, as stated in The Schedule, must declare the nature and extent of their interest.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to the Property Insured caused by or consisting of
 - (a) an existing or hidden defect

- (b) gradual deterioration or wear and tear
 - (c) frost or change in the water table level
 - (d) faulty or defective
 - (i) design
 - (ii) materials used in its construction
 - (e) (i) faulty or defective workmanship
 - (ii) operating error or omission
- by You or any of Your Employees.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage to the Property Insured caused by or consisting of
 - (a) (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
 - (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture
 - (v) finish
 - (c) (i) nipple or joint leakage
 - (ii) failure of welds
 - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associating piping
 - (e) the Property Insured's own mechanical or electrical breakdown or derangement.

Asset Protection Property Damage – All Risks (continued)

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which results from Defined Contingencies (1) to (12) or any other accidental cause
- (ii) any subsequent Damage which results from a cause not otherwise excluded.

- (3) Damage to the Property Insured caused by pollution or contamination.

However, We will indemnify You in respect of Damage to the Property Insured not otherwise excluded caused by

- (a) pollution or contamination which results from Defined Contingencies (1) to (12)
- (b) Defined Contingencies (1) to (12) which results from pollution or contamination.

- (4) Damage to the Property Insured caused by

- (a) subsidence, ground heave or landslip unless
 - (i) resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
 - or
 - (ii) specifically mentioned as insured in The Schedule.
- (b) normal settlement of new structures.
- (c) acts of fraud or dishonesty.
- (d)
 - (i) disappearance
 - (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information or clerical error.

- (5) Damage to any building or structure caused by its own cracking or collapse.

However, We will indemnify You in respect of such Damage if it results from Defined Contingencies (1) to (12) and is not otherwise excluded.

- (6) Damage to
- (a) gates
 - (b) fences

- (c) moveable property in the open by

- (i) wind
- (ii) rain, hail, sleet or snow
- (iii) flood
- (iv) dust

However, We will indemnify You for Damage to such property caused by falling trees and not otherwise excluded.

- (7) Damage

- (a) to the Property Insured by fire resulting from its undergoing any process involving the application of heat.
- (b) to that portion of the Property Insured caused by its own self ignition, leakage of electricity, short circuiting, or over running.
- (c) resulting from the Property Insured undergoing any process of
 - (i) production or packaging
 - (ii) treatment, testing or commissioning
 - (iii) servicing or repair.

However, We will indemnify You in respect of such Damage if it is caused by fire or explosion and is not otherwise excluded.

- (8) Damage while any building is Unoccupied caused by escape of water as a result of freezing of any automatic sprinkler in The Premises.

- (9) Damage to glass, china, earthenware, marble or other fragile objects, which do not form part of the structure of the Buildings or its fixtures and fittings, unless specifically mentioned as insured in The Schedule.

However, We will indemnify You in respect of such Damage if it results from a Defined Contingency and is not otherwise excluded.

- (10) Damage to

- (a) vehicles licensed for road use including accessories on or attached to them

Asset Protection Property Damage – All Risks (continued)

- (b) caravans or trailers
- (c) railway locomotives or rolling stock
- (d) watercraft or aircraft
- (e) property in the course of construction including materials for use in the construction
- (f) land, piers, jetties, bridges, culverts or excavations
- (g) livestock
- (h) growing crops or trees.
- (i) moveable property kept in yards, car parks, gardens or other open areas at The Premises exceeding
 - (i) £10,000 any one item
and
 - (ii) £50,000 in any one Period of Insurance.

However, We will indemnify You if such property is specifically stated as insured in The Schedule and the Damage is not otherwise excluded.

- (11) Damage
 - (a) insured by any marine policy
 - (b) which would be insured under any marine policy if this policy did not exist.

However, We will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had the insurance not existed.

- (12) Damage more specifically insured by You or on Your behalf.
- (13) any consequential loss or damage.

However, We will indemnify You in respect of rent when this item(s) is specifically mentioned as insured in The Schedule.

- (14) any Damage to the Property Insured resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or other sequence to the loss

- (a) Terrorism
- (b) civil commotion in Northern Ireland
- (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands)

acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence Her Majesty's government in the United Kingdom or any other government de jure or de facto

- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence
and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

Asset Protection Property Damage – All Risks (continued)

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.

- (15) (a) Loss of Data
- (b) any Damage to Computer and Electronic Equipment or Failure resulting directly or indirectly from, or in connection with
- (i) Virus or Similar Mechanism,
 - (ii) Denial of Service Attack,
 - (iii) Unauthorised access to or use of Computer and Electronic Equipment.

However, We will indemnify You in respect of subsequent Damage to the Property Insured caused by or resulting from Defined Contingencies (1) to (11) and (13) which is not otherwise excluded.

- (16) the Excess stated in The Schedule.
- (17) Damage to grounds or landscaping
- (a) the cost of moving soil other than as necessary for surface preparation
 - (b) the failure of trees, shrubs, plants or turf to become established
 - (c) the failure of seeds to germinate
 - (d) damage caused by disease, infection or application of chemicals.

Asset Protection Property Damage – Additional Contingencies

Additional Contingencies

The following Additional Contingencies apply to the Property Damage – Specified Contingencies Section and/or the Property Damage – All Risks Section where stated in The Schedule.

Subsidence

We will indemnify You in respect of Damage at The Premises caused by subsidence or ground heave of the site of the Property Insured, or landslip.

We will only indemnify You in respect of Damage to

- (1) forecourts, car parks, driveways, roads, pavements, gangways, pedestrian malls, pedestrian access bridges, paths, patios, terraces, ornaments or statues
- (2) walls, gates, hedges or fences
- (3) cess pits, septic tanks, oil tanks
- (4) hardstandings, bollards, barriers, flag poles, lamp posts, street furniture

if

- (a) such property is specifically insured by this Section
- and
- (b) Damage also occurs to the building to which such property applies and that building is insured by this Section.

We will not indemnify You in respect of

- (1) Damage caused by
 - (a) collapse of any building
 - (b) the normal settlement, shrinking and cracking of any building
 - (c) coastal or river erosion
 - (d) defective design or inadequate construction of foundations
 - (e) any demolition, construction, erection, ground or excavation works, carried out at the site of The Premises or the site of any adjoining premises, unless We have agreed otherwise in writing

(f) settlement or movement of made up ground.

- (2) Damage as a result of movement of solid floor slabs.

However, We will indemnify You in respect of Damage not otherwise excluded if there is Damage to the foundations beneath the exterior walls of The Premises at the same time.

- (3) the Excess stated in The Schedule.

Asset Protection Property Damage – Clauses

Property Damage – Clauses

The following clauses apply to the Property Damage – Specified Contingencies Section and/or Property Damage – All Risks Section if stated as insured in The Schedule, except where otherwise stated.

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Sums Insured.

Bailors' Goods

We will indemnify You in respect of Damage to bailors' goods for which You are responsible in connection with The Business.

We will only indemnify You in respect of Damage where

- (a) the goods are stored in a secure building in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man
- (b) an inventory signed by You has been issued to the tenant as soon as the bailors' goods are taken into Your custody
- (c) the bailors' goods are inspected at least every seven days.

We will not indemnify You in respect of

- (1) theft or attempted theft not involving entry into or exit from the building, where the bailors' goods are being stored, by forcible and violent means.
- (2) Damage in respect of
 - (a) audio and visual equipment
 - (b) cigarettes, cigars, tobacco, wines and spirits.

The Basis of Claim Settlement – Reinstatement clause detailed in the Property Damage – Clauses does not apply to any property insured by this clause.

The maximum We will pay in respect of any one loss is £10,000.

Basis of Claim Settlement – Reinstatement

In the event of Damage to the Property Insured, excluding any items on

- (i) Stock and Materials in Trade
- (ii) professional fees
- (iii) debris removal
- (iv) rent
- (v) pedal cycles and personal effects
- (vi) motor vehicles
- (vii) Computer and Electronic Office Equipment

the basis upon which We will calculate the amount We will pay in respect of any claim will be the reinstatement of the property lost, destroyed or damaged, subject to the following conditions

- (1) Where the Property Insured is
 - (a) lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new.
 - (b) damaged, We will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, We will not pay more than We would have done if the property has been completely destroyed.
- (2) Where Computer and Electronic Office Equipment is insured by this Section and such property is
 - (a) lost or destroyed beyond economic repair, We will pay for its replacement by new Computer and Electronic Office Equipment of equal performance and/or capacity but if this is not possible, by Computer and Electronic Office Equipment with the nearest higher performance and/or capacity.
 - (b) damaged, if an economic repair is possible, We will pay for the repair of the Computer and Electronic Office Equipment, to its condition when new.

Asset Protection Property Damage – Clauses (continued)

However, We will not pay more than We would have done if Computer and Electronic Office Equipment had been completely destroyed.

(3) (1) and (2) above includes the costs necessary to comply with any

- (a) European Union Legislation
- (b) Act of Parliament
- (c) Bye laws of any public authority.

We will not indemnify You

- (a) in respect of the costs incurred
 - (i) for Damage not insured by this Section
 - (ii) where notice was served on You before the Damage occurred
 - (iii) where an existing requirement must be completed within a stipulated period
 - (iv) for property or parts of the property, other than foundations (unless foundations are specifically excluded), which have not suffered Damage
- (b) in respect of any charge or assessment arising from capital appreciation following compliance with any legislation or Bye law.

(4) The work of reinstatement

- (a) may be carried out on another site and in a manner suitable to Your needs. However,
 - (i) Our liability must not be increased
 - (ii) this will not apply when The Premises are Unoccupied unless We have agreed otherwise in writing.
- (b) must begin and be carried out as quickly as possible.

(5) The following condition of Average will apply.

If the Sum Insured at the time the Damage occurred is less than 85% of the amount necessary to replace the whole of the Property Insured and/or Computer and Electronic Office Equipment, at the time of rebuilding or replacement, You will be liable to bear a proportionate share of the loss.

(6) We will not indemnify You if You

- (a) do not incur the cost of replacing or repairing the Property Insured and/or Computer and Electronic Office Equipment.
- (b) or someone acting on Your behalf, have insured the property under another policy which does not have a similar basis of reinstatement.
- (c) do not comply with any of the terms of this clause.

However, the Basis of Claim Settlement – Indemnity will apply.

For the purposes of this clause Computer and Electronic Office Equipment means

- (a) all computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, data processing equipment, information repository, equipment capable of processing data and or similar devices, whether physically or remotely connected thereto,
- (b) personal computers, laptops, small micro computers and similar equipment used for processing electronic data and which are designed to be carried by hand,
- (c) all electronic office equipment including telecommunications equipment, facsimile, printing and photocopying machines.

Computer and Electronic Office Equipment does not include

- (i) Portable equipment away from The Premises
- (ii) Computer and Electronic Office Equipment held as stock or customers' Computer and Electronic Office Equipment held in trust
- (iii) Computer and Electronic Office Equipment controlling or monitoring any manufacturing process.

Asset Protection Property Damage – Clauses (continued)

Basis of Claims Settlement – Indemnity Only

In respect of Buildings that are Long Term Unoccupied, the Basis of Settlement – Reinstatement clause detailed in the Property Damage – Clauses does not apply other than to

- (1) a Portion of a Building
or
- (2) a Residential Unit within a Block of Flats
or
- (3) a Maisonette.

Basis of Claim Settlement – Rent

If rent is insured under this Section, We will indemnify You in respect of loss of rent resulting from the Building or any part of the Building

- (1) generating the rent received
or

- (2) for which rent is payable

being made unfit for the purpose of The Business as a result of Damage insured by this Section.

The maximum amount that We will pay You in respect of loss of rent will be the proportion of the Rent Sum Insured that would have been payable during the period from the date of the Damage until the Building is repaired or reinstated.

Breakage or Collapse of Television & Radio Aerials

We will indemnify You in respect of Damage at The Premises caused by the breakage or collapse of television and radio aerials, aerial fittings, masts or satellite dishes.

Buildings awaiting Refurbishment Redevelopment or Renovation

If at the time of Damage a Building insured under this Section is awaiting refurbishment redevelopment or renovation We will not indemnify You for costs that You would have incurred in the absence of any Damage.

Capital Additions

We will indemnify You in respect of Damage to

- (1) any newly built and/or newly acquired building
- (2) alterations, additions and improvements to an insured building but not in respect of any appreciation in value

situate anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

The maximum We will pay in respect of any one location under this clause is

- (1) in respect of any newly built and/or newly acquired building
 - (a) £5,000,000 where The Premises is solely occupied for office or retail use
 - (b) £1,000,000 where The Premises is Unoccupied
 - (c) £2,000,000 where The Premises is occupied for other purposes.
- (2) 20% of the Sum Insured or £500,000 whichever is lesser in respect of alterations, additions and improvements to an insured building.

You must

- (1) provide Us with details of such additional Building or alterations, additions or improvements as soon as possible but in any event,
 - (a) within six months of the date You became responsible for the insurance of such additional Building
and
 - (b) before the expiry of the Period of Insurance
- (2) specifically insure such extensions with Us, from the date Our liability commenced
- (3) pay the appropriate additional premium.

Asset Protection Property Damage – Clauses (continued)

Changing Locks

We will indemnify You in respect of such additional costs incurred by You following theft or attempted theft of keys including but not limited to digital access cards, safe keys or safe combination access codes from

- (1) The Premises
- (2) Your home
- (3) Your directors' homes
- (4) Your authorised Employees' homes

or while in Your custody or that of an Employee following theft involving violence or threat of violence to You or an Employee.

The maximum We will pay in respect of any one claim is £5,000 and £15,000 in total during any one Period of Insurance.

Contents including Contents of Common Areas

We will indemnify You in respect of Damage to Contents: The maximum we will pay in respect of any one claim is £20,000.

Contract Works

Where You have entered into a contract or agreement for the extension, alteration or refurbishment of any of The Premises, the insurance by each Item on buildings is extended to include contract works (including unfixed materials on site) to the extent required by contract conditions and We will note the interest of the contractor and sub-contractor as specified in the contract where such interests are required

provided that You

- (1) give Us prior notification of any contract with a contract price in excess of £100,000 including details of the
 - (a) nature of the works to be carried out
 - (b) contract conditions
 - (c) contract period
 - (d) contract price
- (2) pay Us the additional premium required in respect of each individual contract to which this clause applies.

We will not indemnify You

- (a) where a more specific insurance policy is in force
- (b) in respect of each separate contract for the first £500 in respect of Theft or Malicious Damage.

For the purposes of this clause, contract works include temporary or permanent works completed or to be completed by or on behalf of You at The Premises.

Contractors' Interests

Where You are required to effect insurance on the Property Insured in joint names of You and the contractor under the terms of a contract condition then the interest of the contractor in the Property Insured as joint Policyholder is hereby noted and You must provide Us with details of any single contract valued in excess of £250,000 prior to work commencing and pay an additional premium if required.

Damage to Grounds

We will indemnify You in respect of reasonable costs and expenses necessarily incurred in reinstating or repairing landscape gardens and grounds due to the actions of the emergency services following Damage at The Premises or adjoining properties.

The maximum We will pay in respect of any one claim is £25,000.

Debris Removal

Unless a separate item for costs of removal of debris is insured under this Section, the Sum Insured for each item on Buildings, Machinery and Plant and Stock and Materials in Trade in The Schedule, includes costs and expenses You incur with Our consent for

- (1) the removal of debris
- (2) dismantling
- (3) demolishing
- (4) shoring up or propping of those parts of the Property Insured which have suffered Damage.

Asset Protection Property Damage – Clauses (continued)

We will not indemnify You in respect of such costs and expenses

- (1) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it
- (2) arising from pollution or contamination of property not insured by this Section
- (3) more specifically insured.

Description of Property

In determining the item under which property is insured We will accept the description given in Your business records.

Drains

The Sum Insured under each Buildings and/or Machinery and Plant item includes costs and expenses You incur with Our consent for cleaning and/or clearing of

- (1) drains
- (2) sewers
- (3) gutters

for which You are responsible following Damage to the Property Insured.

Emergency Services

We will indemnify You in respect of loss destruction or damage to The Premises resulting from the actions of the emergency services, including deliberate acts where such deliberate acts are for the purposes of safeguarding human life or minimising Damage.

Environmental Clause

We will indemnify You in respect of losses over £10,000 for the additional costs necessarily and reasonably incurred with Our consent in rebuilding or repairing Buildings at The Premises in a manner that aims to reduce potential harm to the environment by improving energy efficiency following Damage.

We will not indemnify You under this clause in respect of

- (1) the additional cost of complying with any European Union legislation, Act of Parliament, or byelaws of any public authority
- (2) any additional costs for work You had already planned to be carried out prior to the Damage
- (3) any additional costs for replacing undamaged property
- (4) any Unoccupied Building
- (5) You electing not to rebuild or repair the Building.

The maximum We will pay under this clause in respect of all claims occurring during the Period of Insurance is

- (1) an additional 5% of the amount We have paid or agreed to pay in respect of the claim for Buildings, after the application of all other terms and conditions of the policy
or
- (2) £2,500

whichever is the lower.

Failure of Third Party Insurances

We will indemnify You in respect of Damage to any building owned by You in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man for which (by the terms of an agreement with You) the

- (1) tenant,
or
- (2) lessee
or
- (3) other occupier
or
- (4) other third party with a financial interest in the building

who has an obligation to insure but has failed to maintain in force such insurance.

Asset Protection Property Damage – Clauses (continued)

We will not indemnify You in respect of Insurance cover that has been arranged but has been invalidated due to

- (1) a breach of a warranty or condition
and/or
- (2) risk improvements not having been complied with
and/or
- (3) where the tenant, lessee, other occupier or third party has not made a claim under his policy and should have done so.

The maximum We will pay at any one premises under this clause is

- (1) £5,000,000 where The Premises is solely occupied for office or retail use
- (2) £1,000,000 where The Premises is a Building that is entirely Unoccupied
- (3) £2,000,000 where The Premises are occupied for other purposes.

You must

- (1) advise Us in writing within 30 days from when You become aware that such Insurance is not in force
and
- (2) pay the appropriate premium for the period such insurance is not effected.
and
- (3) obtain written confirmation at the inception and annual check of any agreement, from the tenant, lessee, occupier or other third party with a financial interest and their insurers, that
 - (a) the insurance policy is in force
and
 - (b) the policy provides at least the extent of cover provided by this policy.

Fire and Security Equipment

We will indemnify You in respect of costs and expenses incurred in

- (1) refilling, recharging or replacing any
 - (a) portable fire extinguishing appliances
 - (b) local fire suppression system
 - (c) fixed fire suppression system
 - (d) sprinkler installation
 - (e) sprinkler heads
- (2) re-setting fire and/or intruder alarms and/or closed circuit television equipment

following Damage insured by this Section.

The maximum We will pay in respect of any one claim is £50,000.

If in relation to any claim under this clause You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

You must maintain all such equipment in accordance with the manufacturer's instructions.

We will not indemnify You in respect of any costs and expenses recoverable from Your maintenance company or Fire and Rescue Service.

Fly Tipping

We will pay for the reasonable costs of clearing and removing any property illegally deposited in or around the buildings insured under this policy.

We will not indemnify You in respect of the first £1,000 of each and every loss at each of The Premises.

The maximum We will pay for any one claim or in any one period of insurance is £5,000.

Further Investigation Expenses

We will indemnify You where a portion of the building has suffered Damage and there is a reasonable possibility of Damage having occurred to other portions of the same building, which is not immediately apparent.

Asset Protection Property Damage – Clauses (continued)

We will pay

- (1) the reasonable costs incurred with Our prior agreement in establishing whether or not such Damage has occurred
and
- (2) costs incurred in establishing whether or not other buildings insured at The Premises have suffered such Damage but only if such buildings are subsequently found to have suffered such Damage for which We are liable under the policy.

The maximum We will pay in respect of any one loss is £5,000.

Gardening Equipment

We will indemnify You in respect of Damage to gardening equipment owned by You and used in connection with The Business at The Premises.

The maximum We will pay in respect of any one claim is £10,000.

Gates, Fences and Moveable Property in the open

Notwithstanding Exception 6 We will indemnify You in respect of Damage to gates fences and moveable property in the open by wind rain hail sleet snow or flood where there is Damage to The Premises at the same time.

The maximum we will pay in respect of any one claim is £2,500.

Glass

The following clause is only applicable where the Property Damage – All Risks Section is stated as insured in The Schedule.

Where Buildings are insured under this Section We will indemnify You in respect of

- (1) breakage (including the cost of boarding up) of glass at The Premises including
 - (a) the cost of removing and reinstating obstructions to replacing glass.

- (b) the cost of replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass.

- (2) breakage of fixed
 - (a) wash hand basins, pedestals, baths, sinks
 - (b) lavatory bowls, bidets, cisterns
 - (c) shower trays, splashbacksat The Premises.

We will not indemnify You in respect of breakage of glass

- (a) when The Premises are Unoccupied
- (b) in transit or while being fitted
- (c) by workmen carrying out alterations or repairs to The Premises.

The maximum We will pay in respect of any one claim will be the Buildings Sum Insured stated in The Schedule.

Hire Agreement

If the Property Insured by this Section is the subject of hire agreements, We will include the interest of the owners in any indemnity provided by this Section.

You must provide the name of any other interested party in the event of a claim.

Illegal Cultivation of Drugs

We will indemnify You in respect of Damage arising from Your tenants use of The Premises for the manufacture, cultivation, harvest or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971).

You will lose Your right to indemnity in respect of a Residential Unit if You, or anyone acting on Your behalf, do not

- (1) carry out internal and external inspections of the buildings at least every three months or as permitted under the tenancy agreement
 - (a) maintain a log of such inspections and retain that log for at least 24 months
 - (b) carry out a six monthly management check of the inspections log

Asset Protection Property Damage – Clauses (continued)

- (2) obtain and record written formal identification of any prospective tenant
- (3) obtain and retain a written employers reference for any new tenant
- (4) obtain and record details of Your tenant's bank account and verify those details by receiving at least one payment from such account
- (5) advise Your tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in items (2) (3) and (4) above for all lettings that they arrange.

Inadvertent Failure to Insure

We will indemnify You in respect of Damage to

- (1) any newly built or newly acquired building
- (2) alterations, additions and improvements to an insured building but not in respect of any appreciation in value

where You have

- (1) an obligation to insure whether owned or leased by You, but which have been, inadvertently, left uninsured
and
- (2) agreed to insure all buildings, owned by You or for which You are responsible to insure with Us, situate in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man (unless otherwise agreed in writing by Us).

The maximum We will pay in respect of any one location under this clause is

- (1) in respect of any newly built and/or newly acquired building
 - (a) £5,000,000 where The Premises is solely occupied for office or retail use
 - (b) £1,000,000 where The Premises is a Building that is entirely Unoccupied
 - (c) £2,000,000 where The Premises are occupied for other purposes
- (2) £500,000 in respect of alterations, additions and improvements to an insured building

situate anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

We will not indemnify You in respect of

- (1) any building more specifically insured
- (2) any appreciation in value.

You must

- (1) advise Us in writing immediately You become aware of a building inadvertently left uninsured and pay the appropriate premium due from the date Our liability commenced.
- (2) carry out, at not less than twelve month intervals, a check of all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force on each of them.

Insect Nests Removal

We will pay the cost of removing the nests of wasps, bees or hornets and other insects harmful to humans from The Premises.

We will not pay the cost of removing such nests that were already in the building prior to the inception of the policy.

The maximum We will pay in respect of any one claim is £500.

Legal Expenses for the Eviction of Squatters

We will pay legal costs and expenses payable to a lawyer or other suitably qualified person who has been appointed to act for You with Our prior written agreement in any civil action to evict anyone in the Property Insured who does not have Your permission to be there.

All legal proceedings will be dealt with by a Court or other body that We agree to within the United Kingdom, Channel Islands or Isle of Man.

We will not pay costs and expenses

- (1) for any dispute where the cause of the action arises within 90 days of the inception date of this Clause under this policy

Asset Protection Property Damage – Clauses (continued)

- (2) for any dispute where the cause of the action involves Your tenant
- (3) for any dispute which is recoverable under Property Owner's Legal Protection Section of this policy
- (4) more specifically insured elsewhere.

The maximum We will pay in any one Period of Insurance is £2,500.

Local Authority Rates

We will indemnify You in respect of the Local Authority Rates You become liable for as a result of the lessee being able to determine or frustrate the lease, following Damage.

We will not indemnify You

- (1) in respect of any portion or portions of The Premises which were untenanted at the date of the Damage
- (2) where You elect not to reinstate The Premises
- (3) where The Premises are unfit for occupation as a result of an act or omission by You or someone acting on Your behalf, which has resulted in a valuation officer reinstating The Premises on the rating list.

The maximum amount We will pay under this clause is £5,000.

Long Term Unoccupied

If at the time of Damage the buildings are Long Term Unoccupied

- (1) We will not indemnify You in respect of Damage caused by or resulting from
 - (a) malicious persons
 - (b) escape of water from any tank apparatus or pipe or escape of fuel from any fixed oil heating installation
 - (c) water accidentally discharged or leaking from any automatic sprinkler installation in The Premises that had not been caused by freezing where sufficient heating to The Premises had been provided to prevent freezing
 - (d) theft or attempted theft

- (e) any other cause unless Damage results from a Defined Contingency not otherwise excluded by this clause.

- (2) the Excess for any loss or damage is £1,000 or as stated in The Schedule, whichever is the higher amount.

Loss Minimisation Costs and Prevention Expenditure

Following Damage at The Premises We will pay for costs and expenses incurred by You with Our prior consent to provide necessary additional physical protection to prevent further Damage.

We will not pay

- (1) more than the reduction in Damage avoided by the expenditure
- (2) for costs otherwise incurred under Policy Condition (10) Reasonable Precautions.

The maximum We will pay in any one Period of Insurance is £5,000.

Assault

We will pay

- (a) the compensation stated below to You for Bodily Injury to an Insured Person caused by the theft or attempted theft of Money, which happens in the course of The Business and resulting in the following contingencies

(i) death	£10,000
(ii) total and permanent loss of sight in one or both eyes	£10,000
(iii) loss of one or both limbs	£10,000
(iv) total disablement which prevents the Insured Person from pursuing their normal occupation	£100 per week
(v) reimbursement of incurred medical expenses up to	£250
- (b) up to £250 in respect of such Insured Person for Damage to their personal effects following an attempted theft to steal Money covered by this Clause.

Asset Protection Property Damage – Clauses (continued)

Metered Services

We will indemnify You for charges for which You are responsible following Damage if water, electricity, gas, oil or other utility is accidentally discharged from a metered system providing service to The Premises.

The maximum We will pay in respect of any one claim is £25,000.

Mortgage and Other Interests

The interest is noted in respect of any Residential Building or Residential Unit of all parties who have an interest in such property. In addition, the rights of any mortgagee or lessor shall not be prejudiced by any act of any mortgagor, lessee or occupier of any Residential Building or Residential Unit, provided the mortgagee or lessor shall immediately on becoming aware of such act give Us notice in writing and pay any additional premium We may require

Munitions of War

Policy Exceptions 1 (a) and (c) will not apply in respect of Damage to the Property Insured caused by or resulting from the detonation of munitions of war or parts thereof, at or within one mile of the boundary of The Premises, provided that the presence of such munitions does not result from a state of war current at the time of the Damage.

Non-invalidation

The insurance by this Section will not be invalidated by any act, omission or alteration, either unknown to You or beyond Your control, which increases the risk of Damage.

However, You must

- (1) notify Us immediately You become aware of any such act, omission or alteration
and
- (2) pay any additional premium We require.

Other Interests

Subject to Your consent, the interest of all parties who wish to register an interest in the Cover by this Section will be noted provided that all such interests are notified to Us within 30 days of any Damage.

Privity of Contract

We will indemnify You in respect of all such sums as You may become legally liable to pay following Damage, and pay as indemnity to tenants in respect of repair or reinstatement of premises previously owned but which are no longer Your property and where the current owner has failed to maintain adequate insurance cover, subject to the terms and conditions of this policy.

We will not indemnify You in respect of

- (1) contribution in respect of any more particular insurance effected by any succeeding owner or tenant or sub-tenant
- (2) any premises disposed of more than seven years prior to the start date of the current Period of Insurance.

The maximum We will pay under this Additional Clause is £2,000,000 during the Period of Insurance.

You must take all reasonable and appropriate steps to obtain release from Your liabilities under the covenants to insure such property on its disposal.

Professional Fees

Unless a separate item for professional fees is insured under this Section, the Sum Insured for each item on Buildings and Machinery and Plant includes an amount for necessary and reasonable professional fees, incurred in reinstating or repairing the Property Insured following Damage insured by this Section.

We will not indemnify You in respect of fees

- (1) more specifically insured
- (2) incurred in preparing a claim
- (3) incurred without Our consent.

Reinstatement of Data

We will indemnify You in respect of the necessary and reasonable costs of reinstating data held on or used by or in connection with building management or control systems resulting from Damage.

The maximum We will pay in respect of any one claim is £5,000

Asset Protection Property Damage – Clauses (continued)

You must

- (1) store the original disks or media of all software or programs and any backups in a fire resistant safe or in a secure location away from The Premises.
- (2) maintain adequate backup copies by backing up
 - (a) the original disks or media or software or programs where that is allowable under the terms of the software licence
and
 - (b) all data produced by the software or programs no less than once a day or any other period agreed by Us. The integrity of any data backup must be validated using operator system routines or checks produced by the software supplier.

Reinstatement to Match

Where the Property Insured has suffered Damage, You may replace, repair or restore the property with equivalent property which employs current technology, and replacement, repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new. This Section further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored provided that Our total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

Subrogation

In the event of a claim under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent or subsidiary
- (2) any company which is a subsidiary of a parent company of which You are a subsidiary

as defined in the relevant legislation current at the time of Damage

- (3) any tenant of Yours provided that
 - (a) the tenant or lessee contributes to the cost of insuring the Property Insured against the event which caused the Damage
 - (b) the Damage did not result from a criminal, fraudulent or malicious act of the tenant or lessee.

Temporary Removal

We will indemnify You in respect of Damage to the Property Insured except for

- (1) documents, manuscripts, business books, Data Storage Materials, plans and designs
and
- (2) Stock and Materials in Trade

while temporarily removed for cleaning, renovation or repair or similar purposes

- (1) to another part of The Premises
- (2) to any other premises in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum We will pay in respect of any one claim is 10% of the item Sum Insured after the deduction of the value of any building and Stock and Materials in Trade included within the item Sum Insured.

We will not indemnify You in respect of

- (a) property more specifically insured
- (b) Damage occurring elsewhere than at The Premises to motor vehicles or motor chassis licensed for normal road use
- (c) property removed for more than 90 consecutive days unless We agree a longer period in writing.

Tenant Debris Removal

We will indemnify You in respect costs necessarily and reasonably incurred following Damage at The Premises for the removal of contents debris including fixtures and fittings not Your Property for the purpose of accelerating the reinstatement of The Premises.

Asset Protection Property Damage – Clauses (continued)

We will not indemnify You where a more specific insurance policy is in force.

The maximum We will pay in respect of any one claim is £25,000.

Trace and Access

We will indemnify You in respect of reasonable costs and expenses incurred with Our consent

(1) in locating the actual source of Damage
and

(2) any repairs directly arising from (1)

caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such Damage is insured by this Section.

The maximum We will pay in respect of any one claim is £50,000.

Transfer of Interest

If at the time of Damage to a Building insured under this Section You have entered into a contract to sell Your interest in it but

(1) the contract has not yet been completed
and

(2) the building has not yet been insured by or on behalf of the purchaser.

We will indemnify the purchaser to the extent that this Section insures the Building if the purchase is subsequently completed.

This will not affect either Your or Our rights and liabilities up to the date of completion of the purchase.

Tree Felling and Lopping

We will pay reasonable costs and expenses incurred by You with Our consent for the lopping or removal of trees for which You are responsible if such trees are considered by an arborologist or other qualified person to be an immediate threat to life or to The Property Insured.

We will not pay for

(a) legal or local authority costs involved in removing trees.

(b) costs solely incurred to comply with a preservation order.

The maximum We will pay for any one claim is £500 and £2,500 in any one Period of Insurance.

Unoccupied Building awaiting demolition and redevelopment.

The Basis of Settlement in respect of any Unoccupied Building awaiting demolition and redevelopment is amended to read as follows

In the event of Damage the basis upon which We will calculate the amount We will pay for any claim will be the costs and expenses necessarily incurred by You with Our consent following Damage to the Property Insured for

(1) removal of debris

(2) dismantling or demolishing

(3) shoring up or propping.

We will not indemnify You in respect of costs and expenses

(a) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it

(b) arising from pollution or contamination of property not insured by this item

(c) more specifically insured

(d) which exceed the sum insured

of the parts of the property which have suffered Damage for this Item.

Our liability under this clause in respect of the costs of removing debris, dismantling or demolishing or propping or shoring up shall be limited to the difference between such costs and those which would have been incurred had the Damage not occurred.

Asset Protection Property Damage – Clauses (continued)

Value Added Tax

The insurance by this Section extends to include Value Added Tax paid by You (including 'self-supply' Value Added Tax where appropriate) which is not subsequently recoverable provided that

- (1) (a) Your liability for such tax arises solely as a result of the reinstatement or repair of the buildings following Damage
- (b) We have paid or have agreed to pay for such Damage
- (c) if any payment by Us in respect of the reinstatement or repair of such Damage is less than the actual cost of reinstatement or repair, any payment under this Clause resulting from that Damage will be reduced in like proportion
- (2) Your liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged building
- (3) where an option to reinstate on another site is exercised, Our liability under this Clause will not exceed the amount of tax that would have been payable had the building been rebuilt on its original site
- (4) Our liability under this Clause will not include amounts payable by You as penalties or interest for non-payment or late payment of tax
- (5) You have taken all reasonable precautions to include Your Value Added Tax liability within the Building Sums Insured at the inception of this insurance and at each subsequent Renewal Date.

The following amendments are made to this Policy in respect of this Clause only

- A for the purposes of any Condition of Average, rebuilding costs will be exclusive of Value Added Tax
- B Our liability may exceed the Sum Insured where such excess is solely in respect of Value Added Tax.

Waiver of Average (RICS)

Where You

- (1) have taken all reasonable steps to ensure that The Building(s) item Sum Insured is adequate and
- (2) have obtained a valuation of The Building(s), that has been calculated as the cost of reinstating The Building(s) as defined within the Policy Definitions including debris removal costs and associated professional fees, from a Royal Institute of Chartered Surveyors professional or such other person agreed by Us within the three years prior to the date of the Damage and
- (3) have adjusted the Sum Insured in line with the valuation and
- (4) have made annual adjustments of the Sum Insured based on the General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or alternative index as may be agreed by Us in writing

then if at the time of Damage You provide Us with a copy of the valuation no adjustment will be made under either the Condition of Average or paragraph (5) of the Basis of Claim Settlement – Reinstatement clause.

Workmen

Repairs and minor structural alterations may be carried out at The Premises without affecting the Cover.

Asset Protection Property Damage – Additional Clauses

Property Damage Additional Clauses

The following Additional Clauses apply to the Property Damage – Specified Contingencies Section and/or Property Damage – All Risks Section if stated as applying in The Schedule.

Day One Basis of Settlement

For each Item of Property Insured to which this clause applies (as stated in The Schedule).

- (1) The first and annual premiums are based upon the Declared Value as stated in The Schedule.

Declared Value shall mean

Your assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of the Basis of Settlement – Reinstatement Clause at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for

- (a) the additional cost of reinstatement to comply with
 - (i) European Union Legislation
 - (ii) Act of Parliament
 - (iii) Bye laws of any public authority
- (b) professional fees
- (c) debris removal costs.

The Declared Value incorporated in each Item is stated in The Schedule.

- (2) You must notify Us of the Declared Value at the start of each Period of Insurance.

If You fail to notify Us of the Declared Value at the start of any Period of Insurance, We will use the last Declared Value notified to Us for the following Period of Insurance.

- (3) Paragraphs (5) and (6) of the Basis of Settlement – Reinstatement are restated as follows

- (5) if, at the time of the Damage, the Declared Value is less than the cost of reinstatement of the Property Insured,

arrived at in accordance with paragraph (1) of this Clause, at the start of the Period of Insurance, Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of this Clause.

- (6) We will not indemnify You
 - (a) until You have incurred the cost of replacing or repairing the property
 - (b) if You, or someone acting on Your behalf, have insured the property under another policy which does not have the same basis of reinstatement
 - (c) if You do not comply with any of the provisions of this Clause.

However the Sums Insured will be limited to 108% of the Declared Values stated in The Schedule.

- (4) The maximum We will pay in respect of each separate location subject to this Clause is as stated in The Schedule.

Bank Interest Scotland

We agree that

- (1) the interest in this Section is vested in the insured parties stated in The Schedule
- (2) the interest of Heritable Creditors in the insurance by this Section shall not be prejudicially affected by anything done or omitted by the proprietor where the risk of Damage is increased except as regards any change upon the character of the risk which may be made by or with the written consent of the Heritable Creditors
- (3) this Section shall not lapse or the terms be altered until seven days notice has been given to the Heritable Creditors any additional premium or renewal premium in respect of any change in risk or extension of period is payable to Us as from the start date of the change or extension period

Asset Protection Property Damage – Additional Clauses (continued)

(4) We will notify in writing the Heritable Creditors, as soon as We are aware of any Damage by this Section.

Foundations

Where any Buildings Sum Insured stated in The Schedule is subject to Average, the Sum Insured includes

- (1) that portion of the foundations within a 60 centimetre radius around and below a structural column or superstructure support
- (2) that portion of the foundations less than eight centimetres below the floor level of the lowest storey
- (3) machinery foundations.

We will not indemnify You in respect of any other portion of foundations.

Deductible

We will deduct the amount of any deductible stated in The Schedule in respect of each and every claim at each separate premises as calculated after the application of all other terms of this Section.

We may charge You an additional premium if You arrange insurance in respect of the deductible.

European Union and Public Authorities – including Undamaged Property and Automatic Sprinkler Installations

Paragraph (3) of the Basis of Claim Settlement – Reinstatement clause contained in the Property Damage and Theft – Clauses is deleted and replaced by the following:

- (3) (a) (1) and (2) above includes the costs necessary to comply with any
 - (i) European Union Legislation
 - (ii) Act of Parliament
 - (iii) Bye laws of any public authority.
- (b) where We require You to comply with current LPC Rules for Automatic Sprinkler Installations, the additional cost of reinstating water supply equipment which

- (i) conformed to previous LPC Rules
- (ii) conformed to current LPC Rules when installed but fails to conform to subsequent amendments to those rules.

However, the maximum We will pay will not exceed in total

- (a) in respect of Property Insured which has suffered Damage, the Sum Insured
- (b) in respect of undamaged portions of Property Insured, other than foundations, 15% of the amount We would have been liable to pay if the Property Insured by the item at The Premises where Damage occurred had been completely destroyed.

We will not indemnify You in respect of

- (1) the costs incurred
 - (a) for Damage not insured by this Section
 - (b) where notice was served on You before the Damage occurred
 - (c) where an existing requirement must be completed within a stipulated period.
- (2) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye law.

Asset Protection Property Damage – Additional Conditions

Additional Conditions

The following Additional Conditions apply to the Property Damage – Specified Contingencies Section and/or Property Damage – All Risks Section if shown in The Schedule and in addition to the Conditions contained in this Section and Policy Conditions at the back of this policy.

Unoccupied Premises

If in relation to any claim for Damage while The Premises are Unoccupied, You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (1) carry out internal and external inspections of the buildings at least every seven days and
 - (a) maintain a weekly log of such inspections
 - (b) immediately repair, or arrange to repair, any damage or defects found
 - (i) in the buildings, including the removal of graffiti
 - (ii) in security or alarm or fire protection installations.
- (2) remove all waste, unfixed combustible materials, and gas bottles either within or outside the buildings, from The Premises.
- (3) securely lock all external doors, close and secure all windows, and secure and seal all letter boxes and openings.
- (4) Wherever possible
 - (a) turn off all sources of power, fuel and water at the mains,
 - (b) chain and padlock the isolation valves,
 - (c) drain all water and fuel supply tanks, apparatus and pipes.

However, where the buildings are protected by

- (i) an Intruder Alarm, CCTV or Fire Detection System You must provide sufficient power for their effective operation.

- (ii) a sprinkler installation, You must provide sufficient power or water supplies for its effective operation and sufficient heat to prevent it freezing.
- (5) advise Us immediately if the buildings are to be occupied by contractors for renovation, alteration or conversion purposes or if the buildings are to become occupied or used.
- (6) in respect of a Residential Unit the period of the Unoccupied definition is extended to 26 weeks provided sufficient heating to The Premises is provided to prevent freezing unless otherwise agreed by Us in writing to the contrary.

However not withstanding the above

- (1) where only a Portion of the Building insured is untenanted condition (3) will read as follows
 - (3) securely lock all exit and entry doors, close and secure all windows and secure and seal all letter boxes and openings to the untenanted Portion of a Building or Residential Unit.
- (2) where The Premises are empty, vacant or disused but are tenanted conditions (1), (2), (3) and (4) above apply only to the extent that they may be reasonably and practically implemented without frustrating or invalidating the lease

unless We agree otherwise in writing.

Asset Protection Glass

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Cover

We will indemnify You in respect of

- (1) breakage (including the cost of boarding up) of glass at The Premises
- (2)
 - (a) Damage at The Premises to
 - (i) contents of display windows
 - (ii) window and door frames
 - (b) the cost of removing and reinstating obstructions to replacing glass
 - (c) the cost of replacing alarm foil, lettering, painting, embossing, silvering, or other ornamental work on glass occurring during the Period of Insurance.

The maximum that We will pay in respect of item 2 (a), (b) and (c) is £2,000 in respect of total of all claims during any one Period of Insurance.
- (3) breakage of fixed
 - (a) wash hand basins, pedestals, baths, sinks
 - (b) lavatory bowls, bidets, cisterns
 - (c) shower trays, splashbacks at The Premises.
- (4) Damage to neon and illuminated signs for which You are responsible.

We will not indemnify You in respect of Damage

- (1) arising from adjustment, repair, dismantling or erection of any part of the sign or Damage to any part whilst removed from its normal working position

- (2) arising from mechanical breakdown of the sign or any part thereof
- (3) to any part of the sign by its own ignition, electrical breakdown or burn out
- (4) to tubes unless the glass is fractured.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to glass in
 - (a) light fittings
 - (b) signs
 - (c) Stock and Materials in Trade or goods in trust
 - (d) vehicles
 - (e) vending machines.
- (2) Damage to glass caused by
 - (a) scratching
 - (b) gradual deterioration or wear and tear
 - (c) change in colour or finish.
- (3) breakage of glass
 - (a) while The Premises are Unoccupied
 - (b) in transit or while being fitted
 - (c) by workmen carrying out alterations or repairs to The Premises.
- (4) the Excess stated in The Schedule.

Revenue Protection Business Interruption

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternate definition is stated to apply.

Damage

Physical loss, destruction or damage

Cover

In respect of each item in The Schedule, We will indemnify You in respect of any interruption or interference with The Business resulting from Damage to property used by You at The Premises for the purpose of The Business occurring during the Period of Insurance caused by any of the following Contingencies

The Schedule will state

- (a) which of the following Contingencies apply
- (b) any Clauses, Extensions and Additional Contingencies which apply.

The maximum We will pay in respect of any one claim is

- (a) for any Item, the Sum Insured stated in The Schedule
- (b) in aggregate, the Total Sum Insured unless stated otherwise in the Specification.

Contingencies

All Risks

Any Damage not excluded.

Subsidence

Subsidence or ground heave of the site of The Premises or landslip.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Alteration

We will not indemnify You under this Section if

- (a) Any Policyholder
 - (i) agrees a composition or arrangement with creditors
 - or
 - (ii) agrees a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
 - or
 - (iii) has an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
 - or
 - (iv) has a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or has a provisional liquidator, receiver, or receiver and manager of The Business duly appointed
 - or
 - (v) has an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or has possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge.
- (b) Your interest ceases otherwise than by Your death.

However, We will indemnify You if We agree otherwise in writing.

Revenue Protection Business Interruption (continued)

Claims Procedures

If in relation to any claim You have failed to comply with the following Claims Procedures You will lose Your right to indemnity under this Section.

You must

- (a) take any action reasonably practicable to minimise any interruption of or interference with The Business or to avoid or minimise any Damage
- (b) at Your expense, provide Us with
 - (i) a written claim
 - and
 - (ii) details of other insurances covering the Damagewithin 30 days after the expiry of the Indemnity Period or such further time that We may allow
 - (iii) books, records and documents We require to assess Your claim
- (c) repay Us, any payment on account We have already made, if You fail to comply with this condition.

Index Linking

Renewal

Where it states in The Schedule that index linking applies, the amounts insured will be adjusted for movements in the Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.

Property Cover

We will not indemnify You under this Section unless

- (1) there is in force at the time of the Damage, an insurance policy covering Your interest in the property at The Premises for the Damage
- and
- (2) (i) payment has been made or liability admitted for such Damage

or

- (ii) payment would have been made or liability would have been admitted for such Damage but for the exclusion of losses below a stated amount in such insurance policy.

Subrogation Rights Waiver

In the event of a claim under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent or subsidiary
 - (2) any company which is a subsidiary of a parent company of which You are a subsidiary
- as defined in the relevant legislation current at the time of Damage
- (3) any tenant of Yours provided that
 - (a) the tenant or lessee contributes to the cost of insuring the Property Insured against the event which caused the Damage
 - (b) the Damage did not result from a criminal, fraudulent or malicious act of the tenant or lessee.

Payments on Account

Claim payments on account may be made to You during the Indemnity Period, if required.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to the Property Insured caused by or consisting of
 - (a) an existing or hidden defect
 - (b) gradual deterioration or wear and tear
 - (c) frost or change in the water table level
 - (d) faulty or defective

Revenue Protection Business Interruption (continued)

- (i) design
- (ii) materials used in its construction
- (e) (i) faulty or defective workmanship
- (ii) operating error or omission

by You or any of Your Employees.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage to the Property Insured caused by or consisting of
 - (a) (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
 - (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture
 - (v) finish
 - (c) (i) nipple or joint leakage
 - (ii) failure of welds
 - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associating piping
 - (e) the Property Insured's own mechanical or electrical breakdown or derangement.

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which results from Defined Contingencies (1) to (12) or any other accidental cause
- (ii) any subsequent Damage which results from a cause not otherwise excluded.

- (3) Damage to the Property Insured caused by pollution or contamination.

However, We will indemnify You in respect of Damage to the Property Insured not otherwise excluded caused by

- (a) pollution or contamination which results from Defined Contingencies (1) to (12)
- (b) Defined Contingencies (1) to (12) which results from pollution or contamination.

- (4) Damage to the Property Insured caused by

- (a) subsidence, ground heave or landslip unless
 - (i) resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
 - or
 - (ii) specifically mentioned as insured in The Schedule
- (b) normal settlement of new structures
- (c) acts of fraud or dishonesty
- (d) (i) disappearance
- (ii) unexplained or inventory shortage
- (iii) misfiling, misplacing of information or clerical error.

- (5) Damage to any building or structure caused by its own cracking or collapse.

However, We will indemnify You in respect of such Damage if it results from Defined Contingencies (1) to (12) and is not otherwise excluded.

- (6) Damage to

- (a) gates
- (b) fences
- (c) moveable property in the open by
 - (i) wind
 - (ii) rain, hail, sleet or snow
 - (iii) flood

Revenue Protection Business Interruption (continued)

- (iv) dust.

However, We will indemnify You for Damage to such property caused by falling trees and not otherwise excluded.

(7) Damage

- (a) to the Property Insured by fire resulting from its undergoing any process involving the application of heat
- (b) to that portion of the Property Insured caused by its own self ignition, leakage of electricity, short circuiting, or over running
- (c) resulting from the Property Insured undergoing any process of
 - (i) production or packaging
 - (ii) treatment, testing or commissioning
 - (iii) servicing or repair.

However, We will indemnify You in respect of such Damage if it is caused by fire or explosion and is not otherwise excluded.

- (8) Damage while any building is Unoccupied caused by escape of water as a result of freezing of any automatic sprinkler in The Premises.
- (9) Damage to glass, china, earthenware, marble or other fragile objects, which do not form part of the structure of the Buildings or its fixtures and fittings, unless specifically mentioned as insured in The Schedule.

However, We will indemnify You in respect of such Damage if it results from a Defined Contingency and is not otherwise excluded.

(10) Damage to

- (a) vehicles licensed for road use including accessories on or attached to them
- (b) caravans or trailers
- (c) railway locomotives or rolling stock
- (d) watercraft or aircraft
- (e) property in the course of construction including materials for use in the construction

- (f) land, piers, jetties, bridges, culverts or excavations

- (g) livestock

- (h) growing crops or trees.

However, We will indemnify You if such property is specifically stated as insured in The Schedule and the Damage is not otherwise excluded.

(11) Damage

- (a) insured by any marine policy
- (b) which would be insured under any marine policy if this policy did not exist.

However, We will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had the insurance not existed.

- (12) Damage more specifically insured by You or on Your behalf.

- (13) any Damage to the Property Insured resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or other sequence to the loss

- (a) Terrorism
- (b) civil commotion in Northern Ireland
- (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence Her Majesty's government in the United Kingdom or any other government de jure or de facto

Revenue Protection Business Interruption (continued)

- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
- the use or threat of force and/or violence and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means
- caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.

- (14) (a) Loss of Data
- (b) any Damage to Computer and Electronic Equipment or Failure resulting directly or indirectly from, or in connection with
- (i) Virus or Similar Mechanism,
 - (ii) Denial of Service Attack,
 - (iii) unauthorised access to or use of Computer and Electronic Equipment.

However, We will indemnify You in respect of subsequent Damage to the Property Insured caused by or resulting from Defined Contingencies (1) to (11) and (13) which is not otherwise excluded.

- (15) the Excess stated in The Schedule.

Business Interruption – Clauses

The following Business Interruption clauses apply to the Business Interruption Section if stated as insured in The Schedule, except where otherwise stated.

Additional Gross Rentals

We will indemnify You following Damage to

- (1) any newly built and/or newly acquired building
- (2) alterations, additions and improvements to an insured building

situate anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man resulting in a loss of Gross Rentals as insured by this Section.

The maximum We will pay in respect of any one premises is £1,000,000.

You must

- (1) provide Us with details of such additional Gross Rentals as soon as possible but in any event
 - (a) within six months of the date You became responsible for the insurance of such additional rent
 - and
 - (b) before the expiry of the Period of Insurance
- (2) specifically insure such extensions with Us, from the date Our liability commenced
- (3) pay the appropriate additional premium.

We will not indemnify You in respect of any appreciation in value.

Breakage/Collapse of Television and Radio Aerials

We will indemnify You in respect of any resultant loss in Gross Rentals following Damage at The Premises caused by the breakage or collapse of television and radio aerials, aerial fittings, masts or satellite dishes.

Buildings Awaiting Sale

Buildings forming part of the Property Insured, that You have contracted to sell or have accepted an offer in writing to purchase the interest in the buildings subject to contract, where that sale is cancelled or delayed solely due to the Damage.

Revenue Protection Business Interruption (continued)

Under this extension We will indemnify You in respect of

- (1) interest payable by You on capital borrowed which, but for the Damage, would be available, from the proceeds of the sale, for investment in The Business
- (2) the additional interest payable by You on amounts borrowed at a rate of interest not exceeding 2% above the prevailing Inter Bank Lending Rate
- (3) the investment interest lost by You on any proceeds of the sale (after the deduction of any capital borrowed as detailed in (2) above).

We will not indemnify You unless You have made all reasonable efforts to complete the sale as soon as possible following the Damage.

Maximum Indemnity Period

Six months.

Indemnity Period

The period during which the results of The Business are affected due to the Damage, beginning with the date on which, but for the Damage, the building would have been sold and ending with the date of completion or the expiry of the Maximum Indemnity Period if earlier.

Contracting Purchaser's Interest

Between You contracting to sell Your interest in any of The Premises and the completion of the purchase by a third party, if Damage occurs which is not otherwise insured by the third party, on completion the third party will be entitled to benefit under this Section without prejudice to the rights and liabilities of You or Us.

Failure of Third Party Insurances

We will indemnify You in respect of loss resulting from interruption or interference with The Business following Damage to any building owned by You in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man for which (by the terms of an agreement with You) the

- (1) tenant,
or
- (2) lessee
or
- (3) other occupier
or
- (4) other third party with a financial interest in the building

who has an obligation to insure but has failed to maintain in force such insurance.

We will not indemnify You in respect of

- (1) Insurance cover that has been arranged but has been invalidated due to
 - (a) a breach of a warranty or condition
and/or
 - (b) risk improvements not having been complied with
and/or
 - (c) where the tenant, lessee, other occupier or third party has not made a claim under his policy and should have done so.

The maximum We will pay at any one premises in respect of Gross Rentals is £1,000,000.

You must

- (1) advise Us in writing within 30 days from when You become aware that such Insurance is not in force
and
- (2) pay the appropriate premium for the period such insurance is not effected
and
- (3) obtain written confirmation at the inception and annual check of any agreement, from the tenant, lessee, occupier or other third party with a financial interest and their insurers, that
 - (a) the insurance policy is in force
and
 - (b) the policy provides at least the extent of cover provided by this policy.

Revenue Protection Business Interruption (continued)

Illegal Cultivation of Drugs

We will indemnify You in respect of loss of Gross Rentals following Damage arising from Your tenants use of The Premises for the manufacture, cultivation, harvest or any other method of processing of drugs classed as a controlled substance under the Misuse of Drugs Act (1971).

You will lose Your right to indemnity in respect of a Residential Unit if You, or anyone acting on Your behalf, do not

- (1) carry out internal and external inspections of the buildings as permitted by the tenancy agreement at least every three months
 - (a) maintain a log of such inspections and retain that log for at least 24 months
 - (b) carry out a six monthly management check of the inspections log
- (2) obtain and record written formal identification of any prospective tenant
- (3) obtain and retain a written employers reference for any new tenant
- (4) obtain and record details of Your tenant's bank account and verify those details by receiving at least one payment from such account
- (5) advise Your tenant where sub-letting is allowed by the tenancy agreement that they must follow the detail in items (2) (3) and (4) above and You do not incorporate this detail within Your inspection and management log.

Inadvertent Failure to Insure

We will indemnify You in respect of loss resulting from interruption or interference with The Business following Damage where You have

- (1) an obligation to insure the premises whether owned or leased by You, but which have been, inadvertently, left uninsured
and
- (2) agreed to insure all buildings, owned by You or for which You are responsible to insure with Us, situate in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man (unless otherwise agreed in writing by Us).

We will not indemnify You in respect of

- (1) any building more specifically insured
- (2) any appreciation in value.

The maximum we will pay at any one premises in respect of Gross Rentals is £1,000,000.

You must

- (1) advise Us in writing immediately You become aware of a property inadvertently left uninsured
and
- (2) pay the appropriate premium due from the date the insurance becomes Your responsibility
and
- (3) carry out at not less than 12 month intervals a check on all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force on each of them.

Loss of Investment Income on Late Payment of Gross Rentals

If as a result of Damage We are indemnifying You in respect of Loss of Gross Rentals and the payment by Us to You is made later than the date on which you would normally have expected to receive rent from a lessee, We will pay a further amount representing the investment interest lost to You during the delay period.

Loss of Rent or Alternative Accommodation for Residential Units

Where any Residential Unit cannot be lived in or if access to it is denied as a result of Damage and where not otherwise insured We will indemnify

- (1) (a) You or Your lessee in respect of the cost of reasonable and necessary alternative accommodation for which You are responsible to provide and/or ground rent and/or management charges
or
(b) You in respect of Gross Rentals
and/or

Revenue Protection Business Interruption (continued)

- (2) You or Your lessee in respect of the cost of reasonable and alternative accommodation for domestic pets where such pets are not permitted in any alternative accommodation and/or
- (3) You in respect of the temporary storage of Your Contents or Contents of Common Parts.

The maximum we will pay in respect of any one claim is 25% of the Sum Insured on the building insured under the Asset Protection Property Damage Section of this Policy in which the Residential Unit is contained subject to a Maximum Indemnity Period of 36 months.

Privity of Contract

We will indemnify You in respect of loss of Gross Rentals following Damage to buildings anywhere in England, Wales, Scotland, Northern Ireland the Channel Islands or the Isle of Man previously owned by You but which are no longer Your property and where the current owner has failed to maintain adequate insurance cover, subject to the terms and conditions of this policy.

We will not indemnify You in respect of

- (1) contribution in respect of any more particular insurance effected by any succeeding owner or tenant or sub-tenant
- (2) any premises disposed of more than seven years prior to the start date of the current Period of Insurance.

The maximum We will pay under this Clause is £2,000,000 during the Period of Insurance.

You must

- (1) take all reasonable and appropriate steps to obtain release from Your liabilities under the covenants to insure such property on its disposal.

Managing Agents Premises

We will indemnify You in respect of loss of Gross Rentals following Damage to property of Your managing agents at their premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

For the purposes of this clause only, The Premises shall include any premises occupied by Your managing agents for the purposes of their business.

Prevention of Access

We will indemnify You in respect of loss of Gross Rentals following Damage to Property within one mile of the boundary of The Premises which physically prevents or restricts access to or use of The Premises.

We will not indemnify You for any interruption or interference lasting less than 12 consecutive hours.

Relocation of Tenants to Own Premises

In the event that Your tenant is relocated to an empty building of Yours following Damage Your claim for any resultant loss of Gross Rentals in relation to that damaged building will not be reduced provided that the building used to relocate the tenants to is insured by the Asset Protection Property Damage – Specified Contingencies Section or Asset Protection Property Damage – All Risks Section of this policy.

Rent Abatement (cessor clause)

If following Damage We are indemnifying You in respect of loss of Gross Rentals and a pre-existing cessor clause in the lease enables a lessee to cease paying Rent which but for the Damage that lessee would normally pay, We will pay that Rent as part of the loss.

We will not indemnify You beyond the date when the terms of the cessor clause in the lease determine that the lessee should begin to pay such Rent again.

Rent Free Period

The Indemnity Period where a Rent Free Period exists within the lease agreement shall be the period during which The Business results are affected due to the Damage beginning with the date following the Damage that the Rent Free Period ends and ending not later than the Maximum Indemnity Period.

Revenue Protection Business Interruption – Extensions

Business Interruption Extensions

The Schedule will state which of the Extensions described below apply. In some cases an Extension will apply with a standard limit unless stated otherwise in The Schedule.

The insurance by Item 1 of this Section, is extended to include Damage during the Period of Insurance

(1) at the premises or situations

or

(2) to the property

described below by any Contingency stated in The Schedule as applying to such premises, situations or property, which results in interruption or interference with The Business.

The maximum We will pay under each Extension in respect of any one loss will be the

(1) amount

or

(2) percentage of the Sum Insured (or 200% of the Estimated Amount)

stated in The Schedule as the Limit.

The amounts or limits stated below or in The Schedule are inclusive of any amounts payable under the provisions of any Clauses stated in The Schedule.

Prevention of Access – Loss of Attraction

Property or premises within one mile of the boundary of The Premises which causes a loss of Gross Rentals or Estimated Gross Rentals directly due to a reduction in customers visiting the area.

Loss of Attraction

Buildings or other property at any location within one mile of the boundary of The Premises as a result of which an agreement in course of negotiation to lease The Premises is avoided or delayed and the Gross Rentals or Estimated Gross Rentals received by You are reduced.

Revenue Protection Business Interruption – Additional Contingencies

Additional Contingencies

The Schedule will state which of the following Additional Contingencies described below apply. In some instances an Additional Contingency will apply with a standard limit unless stated otherwise in The Schedule.

The insurance by Item 1 of this Section, is extended to include interruption or interference with The Business during the Period of Insurance, which results from the Additional Contingencies described below.

The maximum We will pay under each Additional Contingency in respect of any one loss will be

(1) £1,000,000

or

(2) 10% of the Maximum Amount payable

whichever is the lower, unless otherwise stated in The Schedule.

Provided that

- (1) The Additional Contingencies do not apply in respect of any Business Interruption Extension.
- (2) The amounts or limits stated in The Schedule are inclusive of any amounts payable under the provisions of any Clauses stated in The Schedule.

Action by Police, Government or Other Competent Authority

The prevention or restriction of access to, or closure of, The Premises, by any Police, Government or other competent Authority, due to an emergency event within one mile of the boundary of The Premises that causes or threatens a danger or disturbance.

We will not indemnify You

- (1) in respect of any action taken in controlling, preventing or suppressing the spread of any disease.
- (2) in respect of any danger or disturbance caused wholly or partly by You, or through Your misconduct, connivance, neglect or omission.
- (3) for any interruption or interference lasting less than 12 consecutive hours.

The provisions of any Automatic Reinstatement Clause does not apply in respect of this Additional Contingency.

Failure of Electricity Supply

The accidental failure of Your supply of electricity at the terminal ends of Your suppliers feed to The Premises.

We will not indemnify You in respect of any accidental failure

- (1) caused by the deliberate act of any supplier of electricity
- (2) caused by the exercise of any supplier of electricity power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (5) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any generating station or sub-station of Your supplier(s) of electricity, in England, Wales, Scotland, Northern Ireland, the Channel Islands, the Isle of Man or France.

Failure of Gas Supply

The accidental failure of Your supply of gas at the terminal ends of Your suppliers feed to The Premises.

We will not indemnify You in respect of any accidental failure

- (1) caused by the deliberate act of any supplier of gas
- (2) caused by the exercise of any supplier of gas's power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (5) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any land based premises of

Revenue Protection Business Interruption – Additional Contingencies (continued)

- (a) Your supplier(s) of gas and
- (b) any natural gas producer directly linked to Your supplier(s) of gas, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Failure of Water Supply

The accidental failure of Your supply of water at the terminal ends of Your suppliers feed to The Premises.

We will not indemnify You in respect of accidental failure

- (1) caused by the deliberate act of any supplier of water
- (2) caused by the exercise of any supplier of water's power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) caused by drought or other weather conditions unless equipment has been damaged
- (5) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (6) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any water works or pumping station of Your supplier(s) of water, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Specified Disease, Food Poisoning, Vermin Pests and Defective Sanitation, Murder or Suicide.

- (1) A Specified Disease occurring at The Premises or within five miles of the boundary of The Premises,
- (2) Any person contracting an illness caused by food or drink poisoning, which is directly attributable to food or drink supplied from The Premises,
- (3) The discovery of an organism at The Premises which is likely to result in any person contracting an illness caused by food or drink poisoning or a Specified Disease,
- (4) (i) The discovery of vermin or pests

- or
- (ii) any accident causing defects in the drains or other sanitary arrangements, at The Premises,
- (5) Any occurrence of murder or suicide at The Premises which
 - (a) restricts the use of or results in closure of The Premises on the order or advice of the competent authority
 - and
 - (b) directly results in a reduction in the Turnover (or Revenue, Fees, or Rentals as insured by this Section) of The Business.

The provisions of any Automatic Reinstatement Clause do not apply in respect of Additional Contingency Specified Disease, Food Poisoning, Vermin Pests and Defective Sanitation, Murder or Suicide.

Definitions

For the purposes of this additional contingency, the following definitions apply:

Specified Disease

Any of the following diseases contracted by any person

- (a) Acute encephalitis
- Acute poliomyelitis
- Anthrax
- Chicken pox
- Cholera
- Diphtheria
- Dysentery
- Erysipeloid
- Legionellosis
- Legionnaires Disease
- Leprosy
- Leptospirosis

Revenue Protection Business Interruption – Additional Contingencies (continued)

Lyme Disease
Malaria
Measles
Meningitis
Meningococcal septicaemia
Mumps
Ophthalmia neonatorum
Paratyphoid fever
Puerperal fever
Plague
Rabies
Relapsing fevers
Rubella
Scarlet fever
Smallpox
Tetanus
Toxoplasmosis
Tuberculosis
Typhoid fever
Typhus fever
Viral hepatitis
Whooping cough
Yellow fever

(b) Viral haemorrhagic fever caused by the following virus's

Lassa virus
Junin virus
Machupo virus
Sabia virus
Guanarito virus
Ebola virus
Marburg virus
Crimean-Congo
haemorrhagic fever virus

Hanta virus
Rift Valley fever virus
Yellow fever virus
Dengue virus

Indemnity Period

The period during which the results of The Business are affected due to the accident, occurrence or discovery starting from the date the Premises are closed or their use restricted and ending not later than the Maximum Indemnity Period.

Maximum Indemnity Period

Three months.

Condition

If in relation to any claim arising directly or indirectly from an occurrence of Legionellosis or Legionnaires Disease You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

At The Premises You must ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, "The Prevention and Control of Legionellosis (including Legionnaires Disease)" Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

Failure of Telecommunications

The accidental failure of Your supply of telecommunications and internet services at the incoming line terminals or receivers at The Premises.

We will not indemnify You in respect of an accidental failure

- (1) caused by the deliberate act of any supplier of telecommunications and internet services
- (2) caused by the exercise of any supplier of telecommunications and internet services power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) caused by drought

Revenue Protection Business Interruption – Additional Contingencies (continued)

- (5) caused by atmospheric or weather conditions but this will not exclude accidental failure due to Damage to equipment caused by such conditions
- (6) other than at Premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (7) caused by failure of any satellite
- (8) lasting less than 24 consecutive hours but this will not apply in respect of accidental failure resulting from Damage to any land based premises of Your supplier(s) of telecommunications and internet services, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Revenue Protection Business Interruption – Endorsements

Business Interruption Endorsements

The following Endorsements only apply to this Section if stated in The Schedule.

Rent Receivable

We will pay in respect of rent receivable the difference between

- (1) the rent which would have been receivable in respect of The Premises during the Indemnity Period but for the Damage
- (2) the amount of rent actually received during the same period

less any savings in charges or expenses of The Business, payable out of rent receivable, which reduce or cease due to the Damage.

If at the time of the Damage the Sum Insured by this item is less than the rent which, but for the Damage would have been receivable during the 12 months from the date of the Damage (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will

- (1) be Your own insurer for the difference
- (2) bear a rateable share of the loss.

The maximum We will pay is the Sum Insured stated in The Schedule.

Additional Increased Cost of Working

We will pay the additional expenditure necessarily and reasonably incurred due to the Damage solely for the purpose of avoiding or diminishing the reduction in Turnover (or Revenue, Fees, or Rentals as insured by this Section) during the Indemnity Period and which exceeds the amount recoverable as increase in cost of working, under Item 1 of this Section.

The maximum We will pay is the Sum Insured stated in The Schedule.

Additional Cost of Rent

We will pay the additional cost of rent necessarily and reasonably incurred by You for temporary premises, beyond the Maximum Indemnity Period under Item 1 of this Section during the Additional Maximum Indemnity Period stated in The Schedule.

The maximum We will pay is the Sum Insured stated in The Schedule.

Definition

Additional Maximum Indemnity Period

The number of months stated in The Schedule in excess of the Maximum Indemnity Period under Item 1.

Revenue Protection Business Interruption

Gross Rentals Declaration Linked Basis Specification

Item

Estimated Gross Rentals stated in The Schedule

Definitons

The following definitions apply to this Specification in addition to the definitions stated in this Section and The Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Estimated Gross Rentals

Your estimate of Gross Rentals for the financial year most closely corresponding to the Period of Insurance (proportionately increased where the Maximum Indemnity Period exceeds 12 months).

Gross Rentals

Money paid or payable to You by tenants for rental of The Premises and for services provided in connection with The Business at The Premises.

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending not later than the Maximum Indemnity Period.

Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Additional Contingency.

Annual Gross Rentals

The Gross Rentals during the 12 months immediately before the date of the Damage.

Standard Gross Rentals

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

Standard Gross Rentals and Annual Gross Rentals may be adjusted to reflect any trends or circumstances which

- (a) affect The Business before or after the Damage
- (b) would have affected The Business had the Damage not occurred.

The adjusted figure will represent, as near as possible, the results which would have been achieved during the same period had the Damage not occurred.

Notes

All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.

Basis of Settlement

This insurance is limited to loss of Gross Rentals due to

- (a) loss of Gross Rentals
and
- (b) increase in cost of working.

We will pay

- (i) in respect of Gross Rentals the amount by which, due to the Damage, the Standard Gross Rentals exceed the Gross Rentals during the Indemnity Period
- (ii) in respect of increase in cost of working any additional expense You necessarily and reasonably incur solely to prevent or limit a reduction in Gross Rentals during the Indemnity Period which but for such additional expense would have taken place due to the Damage. We will not pay more than the reduction avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Gross Rentals, which reduce or cease due to the Damage.

Revenue Protection Business Interruption (continued)

Gross Rentals Declaration Linked Basis Specification

Maximum Amount Payable

The maximum amount We will pay is

- (a) in respect of Gross Rentals:
 - 200% of the Estimated Gross Rentals stated in The Schedule
- (b) overall:
 - 200% of the Estimated Gross Rentals stated in The Schedule
 - and
 - 100% of the Sums Insured by other items unless otherwise agreed by Us.

However, if at the time of the Damage the Sum Insured on Estimated Gross Rentals is less than 50% of the Annual Gross Rentals (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss and the maximum amount We will pay is the Estimated Gross Rentals stated in The Schedule.

Clauses

The following clauses apply to this Specification.

Alternative Premises

The Gross Rentals during the Indemnity Period will include Gross Rentals derived elsewhere than from The Premises if The Business is conducted elsewhere than at The Premises.

Auditors, Professional Accountants and Legal Fees

We will pay Your auditors', professional accountants' and solicitors' reasonable charges for

- (a) producing information We require for investigating any claim and
- (b) confirming the information is in accordance with Your business books
- (c) determining Your contractual rights under any rent cessor clause or insurance break clause contained in the lease

but not for any other purposes in the preparation of a claim.

The maximum We will pay for any claim, including auditors', professional accountants' and solicitors' charges, is the Sum Insured.

Automatic Reinstatement

The Estimated Gross Rentals stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Estimated Gross Rentals.

Premium Adjustment

You will supply, within six months of the expiry of each Period of Insurance, a professional accountant's declaration of Gross Rentals earned in Your financial year most closely corresponding to the Period of Insurance.

We will, for the purposes of premium adjustment, increase the declared figure by the amount by which the Gross Rentals were reduced during the financial year as a result of a claim.

If the declared figure (adjusted as above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) for the relative Period of Insurance

- (a) is less than the Estimated Gross Rentals, We will allow a pro rata return of up to 50% of the premium paid
- (b) exceeds the Estimated Gross Rentals, You will pay a pro rata additional premium up to 33 $\frac{1}{3}$ % of the premium paid.

Renewal

You will supply, prior to each renewal, the Estimated Gross Rentals for the financial year most closely corresponding to the following Period of Insurance.

Asset and Revenue Protection Terrorism

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Act of Terrorism

Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of HM Government in the United Kingdom or any other government de jure or de facto.

Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems.

This includes but is not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between or amongst networks.

Excess

The amount(s) specified in this Section and The Schedule which We will deduct from each and every claim at each separate location. The amount(s) to be deducted after the application of any Average condition.

Hacking

Unauthorised access to any computer or other equipment, component, system or item which processes, stores or retrieves data whether Your property or not.

Heads of Cover

Any of the following types of direct insurance cover

- (1) Buildings and completed structures
- (2) Other property

- (3) Business Interruption
 - (4) Book Debts
- insured under this policy.

Nuclear Installation

Any installation of such class or description as may be prescribed by regulations made by the Secretary of State from time to time or any successor relevant authority, being an installation designed or adapted for

- (1) the production or use of atomic energy,
- (2) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations,
or
- (3) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

Any plant (including any machinery, equipment or appliance, whether fixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Phishing

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

Private Individual

Any person other than a

- (1) company, association or partnership
- (2) trustee or body of trustees where insurance is arranged under the terms of a trust
- (3) person who owns Residential Property for the purpose of a business as a sole trader

Asset and Revenue Protection Terrorism (continued)

- (4) person who owns Residential Property of which in excess of 20% is commercially occupied.

Where

- (a) (i) the Residential Property is occupied by a trustee or a sole trader as a private residence
and
(ii) the property is not a block of flats
each will be deemed to be a Private Individual in respect of that same property.
- (b) two or more persons have arranged insurance on Residential Property in
(i) their several names
and/or
(ii) the name of The Policyholder includes the name of a bank, building society or other financial institution for the purpose of noting their interest in the property insured

such persons will be deemed to be a Private Individual in respect of that property.

Residential Property

- (1) Private dwelling houses and flats.
(2) Household goods and personal effects.

Treasury

The Lords Commissioners of HM Treasury from time to time or any successor relevant authority.

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data, files or operations whether involving self-replication or not.

This includes, but is not limited to, trojan horses, worms and logic bombs.

Cover

We will indemnify You in respect of all losses arising under any of the Heads of Cover resulting from loss or destruction of or damage to property insured under this policy directly caused by an Act of Terrorism occurring during the Period of Insurance at The Premises but only in England, Wales and Scotland (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands), subject to the definitions, exceptions and conditions herein.

The maximum We will pay under this Section in any one Period of Insurance will not exceed the limit of liability or Sum Insured for each of the Heads of Cover specified in the Section of this policy where the Head of Cover is otherwise insured.

In any action, suit or proceedings where We allege that any loss is not covered by this Section the burden of proving that such loss is covered will be upon You.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

- (1) The insurance provided by this Section is subject to all the Definitions, Conditions and Clauses of the Sections of this policy where the Head of Cover is otherwise insured.

If there is conflict between this Section and the rest of the policy, this Section will prevail.

- (2) We will not indemnify You unless and until
(a) the Treasury issues a certificate certifying that any loss was caused by an Act of Terrorism,
or
(b) in the event of the Treasury refusing to issue such a certificate a tribunal formed by agreement between Us and Pool Reinsurance Company Limited decides that the cause of such loss was an Act of Terrorism.

Asset and Revenue Protection Terrorism (continued)

- (3) If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim
- (a) You must declare to Us all property and/or premises owned by You, or for which You are responsible, including all such property and/or premises of subsidiary companies
 - (b) You must purchase Terrorism insurance from a Pool Reinsurance Company Limited member company in respect of all such property and/or premises.
- (4) We may cancel the cover provided by this Section
- (a) by sending You 30 days written notice to Your last known address

We will refund a proportionate part of any premium paid for the unexpired period
 - (b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement

We will not refund any instalment paid.
- (b) any alteration, modification, distortion, erasure or corruption of data processed by any such computer, or other equipment, component, system or item

whether Your property or not, where such damage is caused by Virus or Similar Mechanism, Hacking, Phishing or Denial of Service Attack.
- (c) riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- (2) as a result of loss or destruction of or damage to Residential Property insured in the name of a Private Individual.
- (3) as a result of loss or destruction of or damage to any property at a Nuclear Installation or Nuclear Reactor.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of losses arising under any of the Heads of Cover

- (1) directly or indirectly caused by or contributed to, by or arising from or occasioned by or resulting from
- (a) the alteration, modification, distortion, corruption of or damage to any computer, or other equipment, component, system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information, programs or software) or

Legal Liabilities Employers' Liability

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Compensation

Damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) costs and expenses incurred with Our written consent
- (3) Any claimant's legal costs for which The Insured is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

The Defined Territories

Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, or offshore installations within the Continental Shelf around such territories.

The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance servicesin their respective capacities as such
- (c) any principal for whom You are carrying out a contract to the extent required by the contract conditions
- (d) those who hire plant to You to the extent required by the hiring conditions or the personal representative of any of these persons in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, including Costs and Expenses, which We will pay in respect of any one claim or series of claims against The Insured arising out of one cause.

Legal Liabilities Employers' Liability (continued)

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

We will not provide indemnity in respect of Bodily Injury to any Employee engaged by You outside The Defined Territories for the purpose of work by any such Employee outside The Defined Territories.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation and
- (2) Costs and Expenses

in respect of Bodily Injury caused during the Period of Insurance to any Employee arising out of and in the course of employment by You in The Business within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) upkeep of vehicles and plant which are owned and used by You.
- (3) canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation in exhibitions.
- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee of Yours.

Contractual Liability

We will indemnify The Insured in respect of liability for Bodily Injury imposed on You solely by reason

of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work outside The Defined Territories.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007

We will indemnify You in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals.
- (2) costs of prosecution awarded against You which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged offence committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to any person other than an Employee.
- (3) in respect of any
 - (a) fines.
 - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance policy.

Legal Liabilities Employers' Liability (continued)

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any person other than an Employee.
- (3) where indemnity is provided by another insurance policy.

Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

However, You will repay to Us all sums We would not have been liable to pay but for the provisions of such law.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day.
- (2) Each Employee is £250 per day.

Unsatisfied Court Judgments

We will, at Your request, pay any Employee or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for Bodily Injury against any company registered in or any individual domiciled in The Defined Territories and which remain unpaid six months after the date of such judgment.

Payment will only be made where

- (1) the Bodily Injury was caused during any Period of Insurance to the Employee arising out of and in the course of employment by You in The Business.
- (2) the judgment was obtained in a court within The Defined Territories.
- (3) there is no appeal outstanding to the judgment.
- (4) the Employee, or his or her personal representative, assigns the judgment debt to Us.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of

- (1) work in or on and travel to, from or within any offshore
 - (a) accommodation, exploration, drilling or production rig or platform.
 - (b) support vessel.
- (2) Bodily Injury sustained by any Employee when such person is
 - (a) carried in or upon a vehicle
 - (b) entering or getting on to, or alighting from, a vehicle

where any road traffic legislation requires insurance or security.

Legal Liabilities Employers' Liability (continued)

- (3) (a) liquidated damages.
 - (b) penalty clauses.
 - (c) fines.
 - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (4) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) Terrorism
 - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (4)(a) and/or (4)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions in (4)(a) and (4)(b) above shall apply to the Employers' Liability Section but the Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to £5,000,000 including Costs and Expenses.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Premium Adjustment

- (1) At renewal, where it is stated in The Schedule that index linking applies, the estimates upon which the premium is based will be adjusted for movements in The Average Earnings Index issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.
- (2) Where it is stated in The Schedule that declarations apply
 - (a) You will, within one month after the Expiry Date shown in The Schedule, supply the information We require

and
 - (b) We will adjust the premium for the expired period subject to any minimum premium(s) applying.

Legal Liabilities Property Owners Liability

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Clean-Up Costs

Costs of Remediation.

Compensation

Damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
 - (2) Costs and expenses incurred with Our written consent
 - (3) Any claimant's legal costs for which The Insured is legally liable
- in connection with any event which is or may be the subject of indemnity under this Section.

Damage

Physical

- (1) loss.
- (2) destruction.
- (3) damage.

Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Financial Loss

A pecuniary loss suffered by any tenant of The Insured and not caused by Personal Injury or Damage to Property.

Personal Injury

- (1) Bodily Injury.
- (2) Wrongful
 - (a) arrest, detention or imprisonment.
 - (b) eviction.
 - (c) accusation of shoplifting.

Pollution or Contamination

- (1) Pollution or contamination of buildings or other structures or of water or land or the atmosphere
and
- (2) all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
 - (2) repaired, serviced or tested
 - (3) installed, constructed, erected or transported
- by You or on Your behalf and which is no longer in the custody or control of The Insured.

Property

Material property.

Legal Liabilities Property Owners Liability (continued)

Remediation

Remedying the effects of Pollution or Contamination as lawfully required by any Enforcing Authority to a standard reasonably achievable by the methods available at the time such Remediation commences and shall include the testing for or monitoring of Pollution or Contamination.

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or offshore installations within the Continental Shelf around such territories.

The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance servicesin their respective capacities as such
- (c) any principal for whom You are carrying out a contract, to the extent required by the contract conditions

- (d) those who hire plant to You to the extent required by the hiring conditions
- or the personal representatives of any of these persons
- in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, which We will pay in respect of any one event or all events of a series consequent on or attributable to one original cause.

In respect of

- (1) Products Supplied
- (2) Pollution or Contamination

The Limit of Indemnity will apply to the total of all events happening in any one Period of Insurance.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

The Works

All works completed or to be completed by You or on Your behalf including

- (1) all materials incorporated or to be incorporated
- (2) plant, tools, equipment and temporary buildings used or to be used

for the period during which You are responsible under contract conditions.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation

Legal Liabilities Property Owners Liability (continued)

and

- (2) Costs and Expenses in respect of accidental
 - (a) Personal Injury
 - (b) Damage to Property
 - (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with The Business and which happens during the Period of Insurance and within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity and any Costs and Expenses.

However, in respect of any claim brought in

- (1) the United States of America or any territory within its jurisdiction
- (2) Canada

the maximum We will pay, inclusive of Costs and Expenses, is The Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) upkeep of vehicles and plant which are owned and used by You.
- (3) Your canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation in exhibitions.

- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee.

Buildings Temporarily Occupied

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (and their contents) temporarily occupied by The Insured for the purpose of carrying out The Business.

We will not provide indemnity in respect of Damage to

- (1) premises and their contents which You own or are loaned, leased, hired or rented to
 - (a) The Insured.
 - (b) any other party who is carrying out work on Your behalf.
- (2) The Works.

Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which result from any deliberate act or omission by You.
- (3) where indemnity is provided by another insurance policy.

Legal Liabilities Property Owners Liability (continued)

Contractual Liability

We will indemnify The Insured in respect of accidental Bodily Injury or Damage to Property imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work outside The Defined Territories.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Data Protection Act 1998

We will indemnify The Insured in respect of

- (1) legal fees and defence costs
- (2) legal liability for Compensation to an individual
 - (a) the subject of personal data The Insured holds
 - and
 - (b) who suffers damage or distress caused by
 - (i) inaccuracy of data
 - (ii) loss of the data
 - (iii) unauthorised destruction or disclosure of the data
 - (iv) unauthorised access to the data

arising from proceedings brought against The Insured under Section 13 of the Data Protection Act 1998.

The maximum We will pay for all claims happening during any one Period of Insurance is £1,000,000.

We will not provide indemnity in respect of

- (1)
 - (a) Personal Injury other than as provided by this Clause
 - (b) Damage to Property

- (c) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence
 - (d) libel, slander or defamation.

- (2) consequential losses.
- (3) liability
 - (a) as a result of You having authorised the destruction or disclosure of the data
 - (b) which could reasonably have been expected to arise as a result of any other deliberate act or omission by You.
- (4) any fine or statutory payment.
- (5) liability which arises solely by reason of the terms of any agreement.
- (6) liability in respect of liquidated damages or under any penalty clause.
- (7) legal costs or expenses or financial losses in respect of any order
 - (a) for rectification or erasure of data
 - (b) requiring that data to be supplemented by any other statements.
- (8) proceedings relating to Compensation for any
 - (a) Employee if the Employers' Liability Section of this policy is not in force
 - (b) third party if the Property Owners Liability Section of this policy is not in force.

Defective Premises

We will indemnify The Insured in respect of legal liability for accidental Bodily Injury or Damage to Property arising under

- (1) the Defective Premises Act 1972
- (2) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001

in connection with any premises which You previously owned or occupied for the purposes of The Business.

Legal Liabilities Property Owners Liability (continued)

We will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

Employees' and Visitors' Personal Belongings

We will indemnify The Insured in respect of legal liability for accidental Damage to Employees' and visitors' vehicles and personal belongings which are in the custody or control of The Insured.

We will not provide indemnity where this Property is

- (1) loaned, leased, hired or rented to The Insured.
- (2) stored for a fee or other consideration by The Insured.
- (3) in the custody or control of The Insured for the purposes of being worked upon.

Environmental Statutory Clean-Up Costs

We will indemnify The Insured against

- (1) the cost of carrying out Remediation and/or
- (2) paying for Clean-Up Costs

pursuant to a lawful notice or demand served upon The Insured under any environmental protection legislation in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands by any Enforcing Authority provided that such cost or costs arise from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident will be deemed to have happened at the time such incident takes place.

The maximum We will pay, including Costs and Expenses, is £100,000 in respect of all events in any one Period of Insurance.

The limit above forms part of, and is not in addition to, The Limit of Indemnity stated in The Schedule for the Property Owner's Liability Section.

We will not provide indemnity

- (1) in respect of any work (whether preventive or otherwise) in respect of property
 - (a) which You own or is loaned, leased, hired or rented to The Insured.
 - (b) which is held in trust or in the custody or control of
 - (i) The Insured
 - (ii) any other party who is carrying out work on Your behalf.
 - (c) which requires to be insured under the terms of Clause 6.5.1. of the Standard Form of Building Contract issued by the Joint Contracts Tribunal or a clause of similar intent under other contract conditions.
- (2) in respect of any work involving the reinstatement or reintroduction of flora or fauna.
- (3) in respect of any fines or penalties.
- (4) in respect of any Complementary or Compensatory Remediation as defined by the Environmental Damage (Prevention and Remediation) Regulations 2009 and any successor and/or amending legislation.
- (5) in respect of costs of preventing any imminent threat of environmental damage where such costs are incurred in the absence of Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident.
- (6) in respect of costs of achieving any improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences.
- (7) where indemnity is provided by another insurance policy.

Legal Liabilities Property Owners Liability (continued)

Financial Loss – Property Owners

We will indemnify The Insured in respect of legal liability for Financial Loss as a direct result of the failure to provide any Property or service in connection with Property Insured as detailed under the Property Damage Section of this policy.

The maximum We will pay, including Costs and Expenses, in respect of all claims made against The Insured in any one Period of Insurance is £500,000.

This indemnity only applies to claims made against The Insured during the currency of this clause or within 30 days of its expiry.

We will not provide indemnity

- (1) in respect of Financial Loss as a result of
 - (a) circumstances which, at inception of this Property Owner's Liability Section, The Insured knew or ought to have known about and which were likely to give rise to a claim.
 - (b) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract or injurious falsehood.
 - (c) passing off or infringement of any trademark, trade name, merchandise mark, registered design, copyright or patent right.
 - (d) libel, slander or defamation.
 - (e) liability under the Data Protection Act 1998 or any subsequent amending legislation.
 - (f) any diminution in value of any Property.
 - (g) the failure or partial failure of any managing agent to fulfil their obligations under any contract.
 - (h) any consequence whatsoever directly or indirectly caused by or contributed to or arising from
 - (i) the presence
 - (ii) the releaseof Asbestos including any product containing Asbestos.

- (2) for the first 5% or £1,000, whichever is the greater, of Compensation, Costs and Expenses in respect of each and every loss.

Hired or Rented Premises

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (including fixtures and fittings) within The Defined Territories which are hired, rented or loaned to The Insured in connection with The Business.

We will not provide indemnity in respect of

- (1) the first £250 of Compensation, Costs and Expenses in respect of such Damage caused other than by fire or explosion.
- (2) liability imposed on The Insured solely by reason of the terms of any hiring or renting agreement.
- (3) Damage caused by fire or any other peril against which any hiring or renting agreement specifies that insurance is taken out by The Insured.

Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007

We will indemnify You in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against You

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged offence committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to any Employee.

Legal Liabilities Property Owners Liability (continued)

- (3) in respect of any
 - (a) fines.
 - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance policy.

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any Employee.
- (3) where indemnity is provided by another insurance policy.

Legionella

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that in connection with any Premises owned, hired or rented by You that You comply with the Health and Safety Commissions Approved Code of Practice – The control of

legionella bacteria in water systems Ref ISBN 0-7176-1772-6 or any amending Code of Practice.

We will indemnify You in respect of Pollution or Contamination caused by the discharge dispersal release or escape of legionella bacteria from premises owned, hired or rented by The Insured where the Pollution and Contamination is not caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place.

This indemnity only applies to claims made against You during the currency of this Clause or within 30 days of its expiry.

The maximum We will pay, including Costs and Expenses, in respect of all claims made against The Insured in any one Period of Insurance is £1,000,000.

We will not provide indemnity in respect of

- (1) any occurrence happening before the inception date of this Clause under this policy.
- (2) any agreement unless liability would have existed otherwise.

If We do not offer The Insured renewal of the cover provided by this Clause We will indemnify The Insured in respect of any occurrence happening during the currency of this Clause and before the expiry of the last Period of Insurance provided that

- (1) claims are made in writing within 90 days of the last Period of Insurance.
- (2) You exercise the right granted by this Clause no later than 30 days after the last Period of Insurance.
- (3) You pay the premium required by Us, which shall not exceed 20% of the annual premium, or pro rata equivalent thereof, applicable to the last Period of Insurance.
- (4) The maximum We will pay, including Costs and Expenses, in respect of all claims made against You during the last Period of Insurance and within the amount of days shown in (1) above is the amount specified above as applying to this Clause.

Legal Liabilities Property Owners Liability (continued)

Motor Contingent Liability

We will indemnify You in respect of Your legal liability for accidental Bodily Injury and Damage to Property which arises from any vehicle or trailer attached thereto which is

- (1) (a) not owned by
(b) not loaned, leased, hired or rented to You nor provided by You
and
- (2) being used in connection with The Business in The Defined Territories.

We will not provide indemnity

- (1) in respect of Damage to the vehicle or trailer or goods carried in or on the vehicle or trailer.
- (2) while the vehicle is being driven by
 - (a) You.
 - (b) any person who to Your knowledge or that of Your representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
- (3) where indemnity is provided by another insurance policy.

Overseas Personal Liability

We will indemnify You and, at Your request, any director, partner or Employee of Yours in respect of legal liability for accidental Bodily Injury or Damage to Property incurred in a personal capacity whilst such persons are temporarily outside The Defined Territories in connection with The Business.

We will also indemnify any accompanying spouse and children.

Where You are an individual, this indemnity will also apply to Your personal liability whilst away from Your business premises in connection with The Business but within The Defined Territories.

We will not provide indemnity

- (1) where liability arises from

- (a) any agreement unless liability would have existed otherwise.
 - (b) ownership or occupation of land or buildings.
 - (c) the carrying on of any trade or profession.
 - (d) ownership, possession or use of wild animals, firearms (other than sporting guns), mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance policy.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day.
- (2) each Employee is £250 per day.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of

- (1) Personal Injury to any Employee arising out of and in the course of employment by You in The Business.
- (2) the ownership, possession or use by or on behalf of The Insured of any
 - (a) aircraft, aerial device or hovercraft.
 - (b) watercraft exceeding eight metres in length.
 - (c) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation other than

Legal Liabilities Property Owners Liability (continued)

- (i) where described in the Motor Contingent Liability Clause.
 - (ii) the loading or unloading of any such vehicle, trailer or plant where indemnity is not provided by another insurance policy.
- (3) Damage to Property
 - (a) which You own or is loaned, leased, hired or rented to The Insured
 - (b) which is held in trust or in the custody or control of
 - (i) The Insured
 - (ii) any other party who is carrying out work on Your behalf

other than in the circumstances described in the Hired or Rented Premises Clause, the Employees' and Visitors' Personal Belongings Clause or the Buildings Temporarily Occupied Clause.
 - (c) which requires to be insured under the terms of Clause 6.5.1 of the Standard Form of Building Contract issued by the Joint Contracts Tribunal or a clause of similar intent under other contract conditions.
- (4) Damage to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating
 - (a) Products Supplied (other than Products Supplied under a separate contract).
 - (b) The Works.
- (5) recalling or making refunds in respect of
 - (a) Products Supplied.
 - (b) The Works.
- (6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.
- (7)
 - (a) the carrying out of any work
 - (b) any Products Supplied
- (i) the navigation, propulsion or safety of any aircraft or other aerial device.
 - (ii) the safety or operation of nuclear installations.
- (8) Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident will be deemed to have happened at the time such incident takes place.
- (9)
 - (a) work in or on and travel to, from or within
 - (b) Products Supplied to any offshore
 - (i) accommodation, exploration, drilling or production rig or platform.
 - (ii) support vessel.
- (10)
 - (a) liquidated damages.
 - (b) penalty clauses.
 - (c) fines.
 - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (11) liability imposed on You solely by reason of the terms of any contract conditions or agreement in connection with Products Supplied.
- (12) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
 - (a) Terrorism
 - (b) any action taken in controlling, preventing, suppressing or in any way relating to
 - (a) above

except as stated in **Special Provision – Terrorism** below.

Legal Liabilities Property Owners Liability (continued)

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (12)(a) and/or (12)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions is (12)(a) and (12)(b) above shall apply to the Property Owners Liability Section but The Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to

- (a) £5,000,000 in respect of any one event or all events consequent on or attributable to one original cause
- (b) £5,000,000 in respect of all events happening in any one Period of Insurance in respect of Products Supplied

or any other amount specified in the policy for Property Owners Liability whichever is the lower.

- (13) the amount of Compensation, Costs and Expenses shown in The Schedule as applying in respect of each and every event resulting in Damage to Property.

You will reimburse any such amount paid by Us.

- (14) (a) exposure to
- (b) inhalation of
- (c) fears of the consequences of exposure to or inhalation of
- (d) the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of

Asbestos including any product containing Asbestos.

- (15) any liability arising directly or indirectly from, or in connection with, or consisting of any loss, destruction or damage, Failure or Loss of Data resulting directly or indirectly from or in connection with
 - (a) Virus or Similar Mechanism.
 - (b) Denial of Service Attack.
 - (c) unauthorised access to or use of Computer and Electronic Equipment.

However We will not exclude any liability in respect of any ensuing accidental Bodily Injury or accidental Damage to Property which is not otherwise excluded.

- (16) Products Supplied other than
 - (a) the sale or supply of food and drink
 - (b) the disposal of furniture and office equipment previously used in the course of The Business.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Premium Adjustment

- (1) At renewal, where it is stated in The Schedule that index linking applies, the estimates upon which the premium is based will be adjusted for movements in The Average Earnings Index issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.

- (2) Where it is stated in The Schedule that declarations apply
 - (a) You will, within one month after the Expiry Date shown in The Schedule, supply the information We require
 - and
 - (b) We will adjust the premium for the expired period subject to any minimum premium(s) applying.

Legal Liabilities Property Owners Liability (continued)

Suspension of Cover

We may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

Unoccupancy

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that in connection with any building You own, hire or rent which is Unoccupied

- (1) all mains services are isolated and tanks drained unless required for the maintenance of alarms, fire detection systems or sprinklers
- (2) all flammable and combustible materials are removed
- (3) all external doors and windows are closed and securely locked and other similar precautions taken to prevent unauthorised access
- (4) arrangements are in force to check the unoccupied building internally and externally at least every seven days for evidence of unauthorised access
- (5) in respect of a Residential Unit the period of the Unoccupied definition is extended to 26 weeks provided sufficient heating to The Premises is provided to prevent freezing unless otherwise agreed by Us in writing to the contrary.

where they can be reasonably and practically implemented without frustrating or invalidating the lease.

Endorsements

This Section is subject to the following Endorsement and any Endorsements which are stated in The Schedule as applying, in addition to the Policy Conditions at the back of this policy.

Libel/Slander

- (1) We will, in respect of any claim made against The Insured while this endorsement is in force or within

12 months of its cancellation provided the cause of the claim occurred while the endorsement was in force, indemnify The Insured in respect of

- (a) Compensation
- (b) Costs and Expenses

as a result of

- (i) libels in any Publication.
 - (ii) slanders made in the course of The Business.
 - (iii) infringement of any trade mark, registered design, copyright or patent right arising from the contents of any Publication.
 - (iv) slander of title to goods.
- (2) All claims arising out of one cause, whether or not all such claims are made against The Insured in the same Period of Insurance, will be treated as one claim.
 - (3) The maximum We will pay, inclusive of Costs and Expenses, in respect of
 - (a) any one claim
 - and
 - (b) the total of all claims in any one Period of Insuranceis £250,000 or any other amount shown in The Schedule as applying to this endorsement.
 - (4) We will not provide indemnity in respect of
 - (a) withdrawing, recalling or replacing any Publication.
 - (b) liability imposed on The Insured solely by reason of the terms of any contract conditions or agreement.
 - (c) actions brought in a court of law outside The Defined Territories.
 - (d) 10% of each and every claim.

Definition

“Publication” shall mean any written material produced in the course of The Business.

Legal Liabilities Property Owners Liability – Additional Endorsement

Additional Endorsement

This Section extends to include the following Additional Endorsement, only if stated as applying in The Schedule.

Indemnity to Managing Agents

- (1) Paragraph (3) of the definition of The Insured is extended to include (e) Your managing agents in respect of any building owned but not occupied by You.
- (2) We will not pursue subrogation rights against any managing agent.

Legal Liabilities Property Owners Legal Protection

Claims and helpline

As soon as You are aware of an incident, You should get legal advice from the legal helpline on **0345 300 1899** without delay. Please have Your policy number to hand.

If You think that You might need to claim, contact the helpline on **0345 300 1899** and request a claim form. We can only proceed with Your claim once We have received details of the incident in writing. A claim form is available to download at **www.aviva.co.uk/legalprotection**.

Our claims handling is undertaken by DAS Legal Expenses Insurance Company Limited or such other company as We notify You of from time to time.

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Appointed Representative

The lawyer, accountant or other suitably qualified person, who has been appointed by Us to act on behalf of an Insured Person.

Aspect Enquiry

An examination by HM Revenue and Customs which considers one or more specific aspects of Your self-assessment and/or corporation tax return.

Attendance Expenses

- (1) The salary or wages of the Insured Person for the time they are off work
 - (a) to attend any arbitration, court or tribunal hearing at Our request
 - (b) as a defendant or while attending jury service.
- (2) We will pay for each half or whole day that the
 - (a) court
 - (b) tribunal

(c) employer of the Insured Person will not pay for.

- (3) The amount We will pay is based on the following
 - (a) the time the Insured Person is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours.
 - (b) if the Insured Person
 - (i) works full time, the salary or wages for each whole day equals 1/250th of the annual salary or wages of the Insured Person.
 - (ii) works part-time, the salary or wages will be a proportion of the weekly salary or wages of the Insured Person.

Costs and Expenses

- (1) All reasonable and necessary legal or accounting costs charged by the Appointed Representative and agreed by Us.
- (2) Legal costs which an Insured Person has been ordered to pay by a court or other body which We have agreed to authorise.

Date of Occurrence

- (1) In all civil cases, when the cause of action accrued (other than Contingencies 5A, 5B or 5C – Tax).
- (2) In all criminal cases, when the Insured Person broke or is alleged to have broken the criminal law in question.
- (3) Full Enquiries, Aspect Enquiries or Intervention Enquiries, when HM Revenue and Customs first notifies in writing the intention to make enquiries.
- (4) Employers compliance and value added tax disputes, when the relevant authority sends an assessment or written decision to You.
- (5) Licence or registration appeals, when You were first notified of the proposal by the relevant

Legal Liabilities Property Owners Legal Protection (continued)

licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel Your licence, mandatory registration or British Standard Certificate of Registration.

Full Enquiry

An extensive examination by HM Revenue and Customs which considers all aspects of Your tax affairs, excluding those enquiries which are limited to one or more specific aspects of Your self-assessment and/or corporation tax return.

Insured Person

- (1) You
- (2) any director of Yours, or individual partner, or proprietor of The Business
- (3) any Employee of Yours under a contract of employment with You
- (4) any other person agreed with Us.

Intervention Enquiry

An examination by HM Revenue and Customs to measure the level of compliance in Your financial accounting records to highlight areas where errors have occurred or may occur.

Legal Proceedings

Legal action for

- (1) the pursuit or defence of a claim for damages
- (2) the defence of a criminal prosecution
- (3) appeal proceedings
- (4) the pursuit or defence of a claim for specific performance or injunction

dealt with by negotiation or in a court of law, tribunal or arbitration or any other body which We have agreed to or authorised.

Limit of Indemnity

The maximum amount stated in The Schedule which We will pay for Costs and Expenses in respect of any or all claims arising out of one originating cause in connection with The Business as stated in The Schedule.

Prospects of Success

In respect of all civil proceedings, that it is always more likely than not that an Insured Person will

- (1) recover damages or obtain any other legal remedy which We have agreed to
- (2) make a successful defence
- (3) make a successful appeal or defence of an appeal.

Prospects of success will be assessed by Us or an Appointed Representative on Our behalf.

Territorial Limits

For Contingencies 2 Legal Defence (other than Contingencies 2A (in respect of proceedings under the Health and Safety at Work etc. Act 1974) and 2E) and 7 Bodily Injury

The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.

For all other Contingencies

Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

Cover

We will indemnify an Insured Person where specified for any Costs and Expenses and Attendance Expenses incurred in respect of Legal Proceedings following the occurrence of a Contingency stated as applying in The Schedule provided that

- (1) the Contingency occurs within the Territorial Limits and the Date of Occurrence is within the Period of Insurance
- (2) any Legal Proceedings take place within the Territorial Limits
- (3) in the case of a civil Legal Proceedings, Prospects of Success exist for the duration of the claim
- (4) in respect of any appeal or defence of an appeal, it has been reported to Us at least 10 working days prior to the deadline for any appeal

Legal Liabilities Property Owners Legal Protection (continued)

(5) the maximum We will pay is the Limit of Indemnity.

Contingencies

1A Property Protection

We will represent an insured person in any Legal Proceedings for civil action relating to physical damage to The Premises which is owned by You, or for which You are responsible following

- (1) any event which causes or could cause physical damage to such physical damage to The Premises
- (2) any nuisance or trespass

provided that in the event of physical damage to The Premises let under either

- (a) an assured shorthold tenancy
- (b) a short assured tenancy
- (c) an assured tenancy

(as defined by the Housing Act 1988 as amended by the Housing Act 1996 or the Housing (Scotland) Act 1988) the amount in dispute exceeds £1,000

and/or

- (3) any nuisance or trespass including the eviction of squatters or any person occupying The Premises owned by You or for which You are responsible.

We will not indemnify You in respect of any claim relating to

- (1) a contract entered into by You other than a leasehold agreement
- (2) goods
 - (a) in transit
 - (b) lent or hired out
 - (c) at premises You do not occupy unless for
 - (i) installation
 - or
 - (ii) use in work to be carried out by You
- (3) mining subsidence

(4) a motor vehicle whilst being driven by an Insured Person.

Contingency Conditions

- (1) You must prepare prior to the grant of the tenancy, a detailed inventory allowing space for comments to be made as a condition of the items in the inventory on check in and comments to be made later on check out of The Premises.
- (2) You must conduct regular inspections of The Premises (by reference to such inventory) at intervals of not less than every six months.
- (3) You must as soon as possible after a tenant has checked out or has otherwise vacated The Premises, prepare a detailed Schedule of Dilapidations.
- (4) The Premises subject to the dispute are insured by the Policy to which this insurance attaches.

1B Residential Repossession

We will indemnify You in respect of

- (1) Legal Proceedings in which You are asserting Your legal rights to get possession of The Premises that You have let under either
 - (a) an assured shorthold tenancy
 - (b) a short assured tenancy
 - (c) an assured tenancy

(as defined by the Housing Act 1988 as amended by the Housing Act 1996 or the Housing (Scotland) Act 1988).

You must be trying to get possession under

- (i) Schedule 2 Part 1
 - ground 1 – Landlords former or intended occupation
 - ground 2 – Landlords Mortgage default
 - ground 3 – Out of season holiday letting
 - ground 4 – Out of term letting by an educational institute
 - ground 5 – Property required for a minister of religion

Legal Liabilities Property Owners Legal Protection (continued)

- ground 6 – Demolition or substantial works to premises
- ground 7 – Death of Tenant
- ground 8 – Statutory minimum rent arrears

of the Housing Act 1988 as amended by the Housing Act 1996

(ii) Part 1, Section 21 of the Housing Act 1988 as amended by the Housing Act 1996 – End of an assured shorthold tenancy; or

(iii) Schedule 5 Part 1

- ground 1 – Landlords former or intended occupation
- ground 2 – Landlord default of a heritable security
- ground 3 – Out of season holiday letting
- ground 4 – Out of term letting by an educational institution
- ground 5 – Property required for a minister of religion
- ground 6 – Demolition or substantial works to premises
- ground 7 – Death of Tenant
- ground 8 – Statutory minimum rent arrears

of the Housing (Scotland) Act 1988

(iv) Part 2, Section 33 End of the Housing (Scotland) Act 1988

Any notice from You to Your tenant telling him or her that You want possession of The Premises, the notices must be correctly issued.

- (2) Legal Proceedings in which You are asserting Your legal rights to get possession of The Premises that You have let within Northern Ireland, the Isle of Man or the Channel Islands.
- (3) Legal Proceedings in which You are asserting Your legal rights to get possession of The Premises if You have let The Premises to a limited company or partnership and The Premises has been let for people to live in.

- (4) Legal Proceedings in which You are asserting Your legal rights to get possession of The Premises if You have let The Premises and You live in The Premises as the landlord.
- (5) Legal Proceedings in which You are asserting Your legal rights to evict anyone in The Premises who has not got Your permission to be there.
- (6) Legal Proceedings in which You are asserting Your legal rights to recover any rent Your tenant owes You for The Premises.
- (7) Reasonable hotel expenses for accommodating You while You try to get a possession order for The Premises so You can live in it.

Provided that The Premises subject to the dispute are insured by the Policy to which this insurance attaches.

We will not indemnify You in respect of

- (1) any dispute with Your tenant where the cause of action arises within the first 90 days of the start of this cover and the tenancy agreement commenced prior to the start of this cover unless You have had continuous cover with Us or another insurer
- (2) any claim relating to registering rents, reviewing rents, buying the freehold of The Premises or any matter that relates to rent tribunals, land tribunals or rent assessment committees unless You are defending an action brought against You by Your tenant
- (3) any claim related to someone legally obtaining The Premises whether You are offered money or not or restrictions or controls placed on The Premises by any government or public or local authority unless the claim is for accidental physical damage caused by any of the above
- (4) any claim relating to work done by any government or public or local authority unless the claim is for accidental physical damage by any of the above.

Legal Liabilities Property Owners Legal Protection (continued)

1C Residential Tenant Default

We will provide an indemnity for any rent Your tenant owes You up to vacant possession under

- (1) an assured shorthold tenancy
- (2) a short assured tenancy
- (3) an assured tenancy

(as defined by the Housing Act 1988 as amended by the Housing Act 1996 or the Housing (Scotland) Act 1988)

provided that such arrears occur during the tenants occupation of The Premises and provided that We have accepted Your claim under Contingency 1B.

We will not indemnify You for

- (1) more than 12 monthly payments
- (2) the first calendar month rent owed to You.

Conditions to Contingency 1C

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

You shall

- (1) not allow a tenant into possession other than on the basis of an already completed written tenancy agreement duly signed by all parties.
- (2) ensure that all relevant and necessary statutory pre-grant notices are served in the correct form on the tenant prior to the grant of the tenancy.
- (3) prior to the grant of any tenancy make all relevant and necessary searches to reveal county court judgements in the last five years against the proposed tenant by name.
- (4) not allow a tenant into possession with an unsatisfied county court judgement or a sheriff court decree or if they are an undischarged bankrupt or if they have entered into an individual voluntary arrangement or a company voluntary arrangement.
- (5) not let The Premises as student accommodation.

- (6) prior to the grant of any tenancy obtain a minimum of three satisfactory references including one from the tenant's employer (unless retired) and a financial reference (e.g. a bank). If any doubts as to the integrity or financial standing of the tenant are expressed in any reference or there is a lack of response to any enquiry, You must not proceed with letting. On the making of any claim You must be in a position to forward not only copies of the notices to Us but also copies of the letters requesting the same. You must not allow the tenant into occupation until the first month's rent and the dilapidations deposit payment have been cleared in Your or the managing agent's bank account (or alternatively cash has been received).
- (7) ensure that all statutory requirements are complied with regarding the issue and service of notices of intention to take proceedings.
- (8) ensure that all statutory and/or pre-proceeding notices are served personally with the person serving the notice if possible retaining a copy of the notice duly signed and dated by way of receipt by the recipient/s of the notice.
- (9) keep clear, up-to-date rental records.
- (10) ensure that where a tenant makes payment of arrears of rent that such payment is only received on the express understanding that it is being taken on account of the longest outstanding sum of arrears that are then due and that it is received without prejudice to any termination notice and/or to any proceedings. Where the tenant is a limited company, You must seek advice from Our 24 hour legal helpline, before any arrears are accepted.
- (11) ensure that any claim is submitted to Us within 90 days of the rent falling into arrears.
- (12) reply promptly to any request by Us or the Appointed Representative for information and if requested by any of these parties to send the originals of any document.
- (13) send a letter threatening legal action within 45 days of rent falling into arrears.

Legal Liabilities Property Owners Legal Protection (continued)

1D Commercial Lease Cover

We will defend the legal rights of an Insured Person

- (1) in a dispute with a tenant arising from a breach or alleged breach of the tenancy agreement applying to premises which are owned by or are the responsibility of the Insured Person.
- (2) to recover money and interest due from a lease, licence or tenancy of land or buildings including enforcement of judgement provided that
 - (a) the amount in dispute exceeds £250 and
 - (b) the premises which are subject to the dispute are insured by the Policy to which this insurance attaches.

We will not provide indemnity in respect of

- (1) any claim where the cause of action arises within 90 days of the start of this cover or
- (2) a dispute arising from or relating to
 - (a) the renewal of the lease or tenancy agreement.
 - (b) a rent review, or
 - (c) the supply of utilities by or through You.

2 Legal Defence

2A Criminal Prosecution

We will defend an Insured Person

- (1) prior to the issue of Legal Proceedings when dealing with the
 - (a) Police
and/or
 - (b) Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officerwhere it is alleged the Insured Person has or may have committed a criminal offence
- (2) following an event which leads to the Insured Person being prosecuted in a court of criminal jurisdiction

provided that in respect of proceedings under the Health and Safety at Work etc. Act 1974, the Territorial Limits shall be all territories in which the Act applies.

We will not provide indemnity in respect of any claim which leads to the Insured Person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

2B Data Protection

- (1) We will defend the legal rights of an Insured Person following civil action taken against the Insured Person for compensation under Section 13 of the Data Protection Act 1998. (We will also pay any compensation award made against the Insured Person under Section 13 of the Data Protection Act 1998)
- (2) We will represent You in appealing against the refusal of the Information Commissioner to register Your application for registration

provided that in respect of Contingency 2B (1) You are registered with the Information Commissioner at the time of the incident giving rise to the action.

2C Wrongful Arrest

We will defend Your legal rights following civil action taken against You for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the Period of Insurance.

2D Employee Civil Legal Defence

At Your request We will defend the legal rights of an Insured Person (other than You) if

- (1) an event arising from their work as an Insured Person leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of
 - (a) sex
 - (b) sexual orientation
 - (c) race
 - (d) disability
 - (e) age
 - (f) religious belief, or
 - (g) political opinion, or
- (2) civil action is being taken against them as a trustee of a pension fund set up for the benefit of Your employees.

Legal Liabilities Property Owners Legal Protection (continued)

2E Statutory Notice

At Your request We will represent the Insured Person in appealing against the imposition or terms of Statutory Notice issued under legislation affecting The Business.

2F Jury Service

We will pay the Attendance Expenses of an Insured Person for jury service.

2G Disciplinary Hearings

We will defend an Insured Person if an event results in disciplinary case brought against an Insured Person by a regulatory authority or professional body.

We will not provide indemnity in respect of any claim which leads to an Insured Person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

3 Contract Disputes

We will represent You in any Legal Proceedings for civil action relating to a contractual dispute arising from an agreement or alleged agreement which has been entered into by You or on Your behalf for the

- (1) sale,
- (2) provision,
- (3) purchase, or
- (4) hire

of goods or of services provided that

- (a) the amount in dispute exceeds £250
- (b) if the amount in dispute is payable by instalments, the instalments due and payable at the time of making the claim exceed £250
- (c) if the dispute relates to money owed to You, a claim must be made within 90 days of the money becoming due and payable.

We will not provide indemnity in respect of

- (1) any claim relating to
 - (a) the cover, claims process or settlement payable under an insurance policy.

- (b) a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement.
 - (c) a loan, mortgage, pension or any other financial product and choses in action.
- (2) a dispute with an Insured Person or former Insured Person which arises out of or relates to a contract of employment with You.
- (3) a dispute relating to computer hardware, software, systems or services which have been specifically tailored.
- (4) a dispute arising from the breach or alleged breach of professional duty by an Insured Person.
- (5) the recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.

4 Debt Recovery

We will negotiate for Your legal rights including enforcement of judgement to recover money and interest due from the sale or provision of goods or services provided that

- (1) the amount in dispute exceeds £250
- (2) You have exhausted all reasonable credit control and accounting procedures
- (3) We have the right to select the method of enforcement or to forego enforcing judgement if We are not satisfied that there are, or will be, sufficient assets available to satisfy judgement
- (4) You supply the correct and current name and address of the debtor
- (5) a claim for debt recovery under this Contingency is made within 90 days of the money becoming due and payable.

We will not provide indemnity in respect of

- (1) any claim relating to
 - (a) the settlement payable under an insurance policy
 - (b) a lease, licence or tenancy of land or buildings

Legal Liabilities Property Owners Legal Protection (continued)

- (c) a loan, mortgage, pensions or any other financial product and choses in action
 - (d) a motor vehicle owned by, hire or leased to You other than agreements relating to the sale of motor vehicles where You are engaged in the business of selling motor vehicles.
- (2) a dispute with an Insured Person or former Insured Person which arises out of, or relates to, a contract of employment with You.
 - (3) a dispute relating to computer hardware, software, systems or services which have been specifically tailored.
 - (4) the recovery of money and interest due from another party where the other party intimates that a defence exists.

5A Tax Protection

We will represent You in any investigations and/or appeal proceedings in respect of a Full Enquiry and/or Aspect Enquiry carried out by HM Revenue and Customs, or in any dealings with HM Revenue and Customs in respect of an Intervention Enquiry.

The maximum amount We will pay for Aspect Enquiries and/or Intervention Enquiries in respect of any one claim is £5,000.

5B Employers' Compliance

We will represent You in any appeal proceedings in respect of a dispute concerning Your compliance with

- (1) Pay As You Earn
- or

- (2) Social Security Regulations

following a review by HM Revenue and Customs or the Department for Work and Pensions (or any successor thereto).

5C VAT Disputes

We will represent You in any appeal proceedings following an assessment by HM Revenue and Customs in respect of value added tax due.

Condition to Contingencies 5A, 5B and 5C

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

Reasonable Care

You must have taken reasonable care to ensure that all returns are complete and correct and such returns are submitted within the statutory time limits allowed.

We will not provide indemnity

- (1) in respect of any claim caused by Your failure to register for value added tax.
- (2) in respect of any claim arising from any Investigations Section or Special Civil Investigations or the Revenue and Customs Prosecution Office.
- (3) in respect of any claim arising from any investigations or enquiry by HM Revenue and Customs into any alleged dishonesty or any alleged criminal offences.
- (4) in respect of any claim arising from a tax avoidance scheme.
- (5) for the first 10% of Costs and Expenses for Aspect Enquiries and Intervention Enquiries in respect of any one claim.

6A Employment Disputes

We will represent You in defending Your legal rights

- (1) prior to the issue of Legal Proceedings in a court or tribunal following the dismissal of an Insured Person
- (2) in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme
- (3) in Legal Proceedings in respect of any dispute with
 - (a) an Insured Person
 - (b) a former Insured Person
 - (c) a trade union acting on behalf of an Insured Person or a former Insured Person

Legal Liabilities Property Owners Legal Protection (continued)

which arises out of, or relates to, a contract of employment with You

(4) in Legal Proceedings in respect of any dispute with

- (a) an Insured Person
- (b) a former Insured Person
- (c) a prospective Insured Person

arising from an alleged breach of their statutory rights under employment legislation.

We will not provide indemnity for any claim in respect of damages for personal injury or loss of or physical damage to material property.

6B Compensation Awards

We will indemnify You in respect of

- (1) any basic and compensatory award
- (2) an order for compensation following a breach of Your statutory duties under employment legislation

which You are ordered to pay by a tribunal or through the ACAS Arbitration Scheme, under a judgement made after full argument and approved by Us in writing in respect of a claim We have accepted under Contingency 6A – Employment Disputes.

The maximum amount We will pay in respect of compensation awards in any one Period of Insurance is £1,000,000.

We will not provide indemnity in respect of

- (1) non payment of money due under the relevant contract of employment or related statutory provision.
- (2) any compensation award related to
 - (a) trade union activities, trade union membership or non-membership
 - (b) pregnancy or maternity rights
 - (c) health & safety related dismissals brought under section 44 of the Employment Rights Act 1996

(d) statutory rights in relation to trustees of occupational pension schemes

(e) statutory rights in relation to Sunday shop and betting work.

- (3) any award ordered as a result of a breach of statutory rights in relation to the provision of relevant records to employees under the National Minimum Wage legislation.

Conditions to Contingency 6B

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

- (1) Performance and/or Conduct

In claims relating to performance and/or conduct, You have throughout the dispute either

(a) followed the ACAS Code of Disciplinary and Grievance Procedures in Employment (or any replacement thereof) as prepared by the Advisory Conciliation and Arbitration Service

or

(b) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland

or

(c) sought and followed the advice from Our 24 hour legal helpline (0345 300 1899).

- (2) Unlawful Discrimination

In respect of an order of compensation following a breach of Your statutory duties under employment legislation You must have at all times sought and followed the advice of Our 24 hour legal helpline since the date You knew or should have known about the employment dispute.

Legal Liabilities Property Owners Legal Protection (continued)

(3) Redundancy

In respect of any compensation award for

- (a) redundancy
- (b) alleged redundancy, or
- (c) unfair selection for redundancy

You have sought and followed the advice of Our 24 hour legal helpline (0345 300 1899) prior to serving notice of redundancy.

(4) Compensation Awards

In respect of any compensation awards, such compensation award

- (a) is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgement made after full argument, and
- (b) is approved by Us in writing.

6C Service Occupancy

We will negotiate for Your legal rights against an Insured Person or former Insured Person to recover possession of premises owned by You, or for which You are responsible.

We will not indemnify You in respect of any claim relating to defending Your legal rights other than defending a counter claim.

7 Bodily Injury

We will pursue the legal rights of an Insured Person and/or family member accompanying such Insured Person, following an event which causes the death of, or bodily injury, to such Insured Person and/or family member.

We will not provide indemnity in respect of any claim relating to

- (1) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident.
- (2) the defence of the legal rights of an Insured Person and/or family member other than defending a counter claim.
- (3) a motor vehicle whilst being driven by an Insured Person or their family members.

8 Statutory Licence Protection

We will represent You in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in the relevant licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling Your licence, mandatory registration or British Standard Certificate of Registration.

We will not provide indemnity in respect of

- (1) an original application or application for renewal of a statutory licence, mandatory registration or British Standard Certificate of Registration, or
- (2) any licence appeal relating to the ownership, driving or use of a motor vehicle.

Section Exceptions – Applying to all Contingencies

The following Exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of any claim

- (1) if an Insured Person does not keep to the terms, exceptions and conditions of this Section. The cover will also not apply if an Insured Person can claim under another policy.
- (2) if any Costs and Expenses are incurred prior to Our written acceptance of a claim.
- (3) for any legal action an Insured Person takes which We have not agreed to or where the Insured Person does anything to hinder Us or the Appointed Representative.
- (4) for any fines, penalties, compensation or damages which an Insured Person is ordered to pay by a court or other authority other than compensation awards covered under Contingency 1B (Compensation Awards) and Contingency 2 (Legal Defence).
- (5) relating to
 - (a) patents
 - (b) copyrights

Legal Liabilities Property Owners Legal Protection (continued)

- (c) trademarks
- (d) merchandise marks
- (e) registered designs
- (f) intellectual property
- (g) secrecy and confidentiality agreements.
- (6) relating to rights under a franchise or agency agreement entered into by You.
- (7) deliberately or intentionally caused by an Insured Person.
- (8) in respect of a dispute with Us not catered for in Section Conditions 6 and 7.
- (9) Judicial review.
- (10) relating to any non-contracting party's rights to enforce all or any part of this Section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this policy.
- (11) notified under this policy when, either at the start of or during the course of the claim You
 - (i) are bankrupt
 - (ii) have filed a bankruptcy petition or winding-up petition
 - (iii) have made an arrangement with creditors
 - (iv) have entered into a deed or arrangement
 - (v) are in liquidation
 - (vi) are or part of or all of Your affairs or property are in the care or control of a receiver or administrator.

Section Conditions – Applying to all Contingencies

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Claims – Your duty

You must report an incident to Us as soon as possible and in any event no later than 180 days after the date the Insured Person knew or should have known about the incident.

(2) Claims – legal representation

- (a) On receipt of a claim, if appropriate, We will appoint an Appointed Representative.
- (b) We will choose an Appointed Representative to represent an Insured Person where We are liable to pay compensation. In any other case if it is necessary to start court proceedings or there is a conflict of interest, an Insured Person is free to nominate an alternative Appointed Representative by sending to Us the name and address of the suitably qualified person.
- (c) If We do not agree to the Insured Person's choice of Appointed Representative, an Insured Person may choose another suitably qualified person.
- (d) If there is still a disagreement with regard to the Insured Person's choice of Appointed Representative, We will ask the president of a relevant national law society to choose a suitably qualified person to represent an Insured Person. We and the Insured Person must accept such choice.
- (e) An Appointed Representative will be appointed by Us and represent an Insured Person according to Our standard terms of appointment (which may include a 'no win-no fee' agreement). The Appointed Representative must co-operate with Us at all times.
- (f) Before an Insured Person chooses a lawyer or accountant, We can appoint an Appointed Representative.

(3) Claims – Our rights and Your obligations

- (a) We will have direct access to the Appointed Representative who will, upon request, provide Us with any information or opinion on Your claim.
- (b) An Insured Person must co-operate fully with Us and the Appointed Representative

Legal Liabilities Property Owners Legal Protection (continued)

and must keep Us up-to-date with the progress of the claim.

- (c) At Our request an Insured Person must give the Appointed Representative any instructions that We require.
- (d) An Insured Person must notify Us immediately if anyone offers to settle a claim or makes a payment into court.
- (e) If an Insured Person does not accept the recommendation of the Appointed Representative to accept a reasonable offer or payment into court to settle a claim, We may refuse to pay further costs and expenses.
- (f) No agreement to settle on the basis of both parties paying their own costs is to be made without Our prior approval.

(4) Discontinuance of a claim

If an Insured Person

- (a) settles a claim or withdraws a claim without Our prior agreement
- (b) does not give suitable instructions to the Appointed Representative
- (c) dismisses an Appointed Representative without Our prior consent

the cover We provide will end immediately and We will be entitled to re-claim any Costs and Expenses We have incurred from the Insured Person.

(5) Recoveries

An Insured Person must take every available step to recover Costs and Expenses that We have to pay and must pay Us any Costs and Expenses that are recovered.

(6) Disputes

If any difference arises between Us and an Insured Person in respect of the acceptance, refusal, control or handling of any claim under this Section, You can take the steps outlined

in Our complaints procedure stated under Our Promise of Service.

(7) Appointed Representative

If an Appointed Representative refuses to continue acting for an Insured Person with good reason or if an Insured Person dismisses an Appointed Representative without good reason, the cover We provide will end at once, unless We agree to appoint another Appointed Representative.

(8) Arbitration

You have the right to refer any difference that arises between Us and an Insured Person in respect of the acceptance, refusal, control or handling of any claim under this section to arbitration, which will be decided by counsel chosen jointly by Us and an Insured Person.

If there is a disagreement with regard to the choice of counsel, We will ask the president of a relevant national law society to choose a suitably qualified person.

The arbiter's decision shall be final and binding on both parties.

All costs for resolving the difference will be met by the party whom the decision is made against.

(9) Acts of Parliament

All references to Acts of Parliament within this Section wording shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.

Policy Conditions

Policy Conditions

All of the following Policy Conditions apply in addition to the conditions contained in each Section of the policy.

(1) Alteration of Risk

If

- (a) there has been any alteration to the Property Insured and/or The Premises and/or The Business after the effective date of this insurance which increases the risk of loss, destruction, damage, accident or injury

or

- (b) Your interest ceases except by will or operation of law

We will at Our option avoid the policy from the date of such alteration or when Your interest ceases, unless We accept the alteration.

(2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions.

(3) Cancellation

- (a) You may cancel this policy at any time after the date We have received the premium, by providing 30 days notice in writing to Us.
- (b) If there is a default under Your Aviva credit agreement which finances this policy, We may cancel this policy by providing notice in writing to You in accordance with the default termination provisions set out in Your Aviva credit agreement.

If Your policy is cancelled under (a) or (b) above and provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration

- (iii) incident(s) which You are aware of and are likely to give rise to a claim which has yet to be reported to Us

during the current Period of Insurance, We may, at Our discretion, refund to You a proportionate part of the premium paid for the unexpired period.

- (c) Where there is no Aviva credit agreement to finance this policy, We will cancel this policy from the inception date if the premium has not been paid and no return premium will be allowed. Such cancellation will be confirmed in writing by Us to Your last known address.
- (d) We may also cancel this policy at any time by sending not less than 30 days notice in writing to Your last known address.

We will refund a proportionate part of the premium for the unexpired period provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration
- (iii) incident(s) which You are aware of and are likely to give rise to a claim which has yet to be reported to Us

during the current Period of Insurance.

(4) Claims Procedure

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) tell Us immediately of any event or occurrence which may result in a claim.
- (b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.

Policy Conditions (Continued)

- (c) at Your expense, provide Us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury, including the amount of the claim within
 - (i) 30 days
 - or
 - (ii) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious personsof You becoming aware of the event or occurrence, or such further time that We may allow.
- (d) provide Us with all information and help We require in respect of the claim.
- (e) pass to Us unanswered, immediately, all communications from third parties in relation to any event which may result in a claim under this policy.
- (f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.
- (g) allow Us to take over and conduct in Your name the defence or settlement of any claim. You will also allow Us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give Us all information and assistance required.

(5) Contribution

Applicable to Employers' Liability Section and Property Owners Liability Section

- (a) If the insurance provided by these Sections is also covered by another policy (or would but for the existence of these Sections), We will only indemnify You in respect of any excess beyond the amount which would be payable under such other insurance had these Sections not been effected.

Applicable to all other Sections insured by this Policy

- (b) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.
- (c) If the other insurance is subject to a condition of average and this policy is not, this policy will become subject to the same condition of average.
- (d) If the Property Insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the Sum Insured bears to the value of the property.

(6) Discharge of Liability

We may at any time pay

- (a) the Limit of Indemnity
- or
- (b) the Sum Insured
- or
- (c) a smaller amount for which a claim can be settled

after deduction of any sum already paid.

We will not make any further payment except for costs and expenses incurred prior to the payment of the claim.

Policy Conditions (Continued)

(7) Fraud

If a claim made by You or anyone acting on Your behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

- (a) refuse to pay the claim,
- (b) recover from You any sums paid by Us to You in respect of the claim,
- (c) by notice to You cancel the policy with effect from the date of the fraudulent act without any return of premium.

If We cancel the policy under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than You and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

- (a) refuse to pay the claim,
- (b) recover any sums paid by Us in respect of the claim (from You or such person, depending on who received the sums or who benefited from the cover provided),
- (c) by notice to You and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover.

If We cancel a person's cover under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have under such cover occurring before the time of the fraudulent act.

(8) Identification

The policy and The Schedule will be read as one contract.

(9) Non Disclosure, Misrepresentation or Misdescription

Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before this policy was entered into, then:

- where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid;
- where the breach was neither deliberate nor reckless, and but for the breach:
 - We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid
 - We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement, and/or
 - We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

- where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid;

Policy Conditions (Continued)

- where the breach was neither deliberate nor reckless, and but for the breach:
 - We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid
 - We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made, and/or
 - We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

(10) Reasonable Precautions

You must

- (a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.
- (b) take all reasonable precautions to prevent
 - (i) loss, destruction or damage to the Property Insured
 - (ii) accident or injury to any person or loss, destruction or damage to their property.
- (c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.
- (d) keep books with a complete record of purchases and sales.

(11) Reinstatement

When We decide, or are required to reinstate or replace any property, You will at Your expense provide

- (a) plans
- (b) documents
- (c) books
- (d) information

which We require.

We will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount We will pay in respect of one item is the Limit of Indemnity or Sum Insured for that item.

(12) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

- (a) enforce a right or remedy
- or
- (b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

We may require You to carry out such actions before or after We make any admission of or payment of a claim.

(13) Index Linking

- (a) Renewal.

Where it states in The Schedule that index linking applies, the amounts insured will be adjusted for movements in the following indices or any alternative index specified by Us in Our reasonable opinion

Policy Conditions (Continued)

- (i) any buildings and tenants improvements item
The General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.
- (ii) other items
The Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department.

In the event of a negative index We will retain Your existing amounts insured, unless You advise Us otherwise.

- (b) Claims.
These adjustments will continue during the
 - (i) Period of Insurance
 - (ii) period of repair, replacement or reinstatement provided that such work is carried out and completed without undue delay.

(14) Long Term Undertaking

Where a Section is stated in The Schedule to be subject to a Long Term Undertaking a discount of 5% under that Section is allowed in consideration of You having provided an undertaking with effect from the date stated in The Schedule to offer annually for a period of three years the insurance under the Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premiums annually in advance, it being understood that:

- (a) We will be under no obligation to accept an offer made in accordance with such an undertaking
- (b) the Sums Insured may be reduced at any time to correspond with any reduction in value or reduction in The Business.

The discount does not apply to any inspection fees charged under the Engineering Section of this policy.

The above mentioned undertaking applies to any policy which may be issued by Us in substitution for this policy and the same discount shall be allowed.

(15) Subjectivity

At the inception of or during each Period of Insurance, the insurance provided by this policy may be subject to You

- (a)
 - (i) providing Us with any additional information
 - (ii) completing any actions agreed between You and Us
 - (iii) allowing Us to complete any actions agreed between You and Us.
- (b) If required by Us, allowing Us access to The Premises and/or The Business to carry out survey(s) and Your compliance with any risk improvements identified.

If this is the case, then The Schedule will clearly state the information required and/or the actions to be completed and the dates We require such information or the actions to be completed by.

Upon completion of these requirements (or if they are not completed by the required dates) We may, at Our option:

- (i) modify Your premium,
- (ii) amend the terms and conditions of this policy,
- (iii) require You to make alterations to The Premises and/or to comply with any risk improvements identified,
- (iv) exercise Our right to cancel Your policy under Policy Condition (3) Cancellation,
- (v) leave the policy terms, conditions, and premium unaltered.

If We proceed with any of (i) (ii) and (iii) above, You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.

Policy Exceptions

Exceptions

The following Policy Exceptions apply to all Sections unless otherwise stated and in addition to the Exceptions contained in each Section.

We will not indemnify You in respect of

- (1) any consequence whatsoever which is the direct or indirect result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event
 - (a)
 - (i) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
 - (ii) mutiny or military uprising, martial law
 - (b) nationalisation, confiscation, requisition, seizure, damage or destruction by or by order of any government or any local or public authority, and
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (1) (a) and/or (1) (b) above.

However,

- (1) exception (1) (a) (ii) shall only apply in respect of the following Sections, when insured by this policy
 - (a) Property Damage – Specified Contingencies
 - (b) Property Damage – All Risks
 - (c) Money and Assault
 - (d) Glass
 - (e) Engineering
 - (f) Business Interruption.

- (2) exceptions (1) (a) (b) and (c) do not apply to the following Sections, when insured by this policy
 - (a) Terrorism
 - (b) Employers' Liability
 - (c) Professional Indemnity
 - (d) Directors and Officers Liability
 - (e) Management Liability.
 - (3) exception (1) (b) does not apply to the Property Owners Liability Section, when insured by this policy.
- (2) death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by or arising from
 - (a)
 - (i) ionising radiations or contamination by radioactivity from nuclear fuel or from 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.
 - (b) the use of any weapon or device
 - (i) dispersing radioactive material and/or ionising radiation
or
 - (ii) using atomic or nuclear fission and/or fusion or other like reaction.
 - (c) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply in respect of radioactive isotopes at The Premises (other than nuclear fuel or nuclear waste) used in the course of The Business for the purposes for which they were intended.

Policy Exceptions (Continued)

However,

- (1) exception (2) (b) does not apply to the following Sections, when insured by this policy
 - (a) Employers' Liability
 - (b) Property Owners Liability.
- (2) in relation to the Employers' Liability Section, exception (2) (a) only applies when You under a contract or agreement have undertaken to
 - (a) indemnify another party
or
 - (b) assume the liability of another party.
- (3) exceptions (2) (a) and (2) (b) do not apply to the following Sections, when insured by this policy
 - (a) Terrorism
 - (b) Professional Indemnity
 - (c) Directors and Officers Liability
 - (d) Management Liability.
- (3) (a) Money, negotiable instruments and specie
- (b) securities and bonds
- (c) jewellery
- (d) precious stones
- (e) precious metals
- (f) bullion
- (g) furs
- (h) curios and antiques
- (i) rare books
- (j) works of art
- (k) goods held in trust or on commission
- (l) documents
- (m) manuscripts

- (n) business books
- (o) computer systems records
- (p) explosives and hazardous substances
- (q) property in transit

unless specifically mentioned.

However, exceptions (3)(a) to (q) do not apply to the following Sections, when insured by this policy

- (1) Terrorism
 - (2) Employers' Liability
 - (3) Property Owners Liability
 - (4) Property Owners Legal Protection.
- (4) any claim which arises directly or indirectly from or consists of the failure or inability of any
 - (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
 - (b) media or systems used in connection with anything referred to in (a) abovewhether Your property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of
 - (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
 - (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) and (b) above.

Policy Exceptions (Continued)

However,

- (1) We will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which itself results from a Defined Contingency arising under any of the following Sections, but only to the extent that such claim would otherwise be insured under that Section
 - (a) Property Damage – Specified Contingencies
 - (b) Property Damage – All Risks
 - (c) Money and Assault
 - (d) Engineering
 - (e) Business Interruption.
- (2) exceptions (4) (a) and (4) (b) do not apply to the following Sections, when insured by this policy
 - (a) Terrorism
 - (b) Employers' Liability
 - (c) Professional Indemnity
 - (d) Directors and Officers Liability
 - (e) Management Liability.

Definition

The following definition only applies to this exception

'Defined Contingency'

fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, or theft.



Aviva Insurance Limited
Registered in Scotland No. 2116
Registered Office: Pitheavlis, Perth, Scotland PH2 0NH
Authorised by the Prudential Regulation Authority and regulated by
the Financial Conduct Authority and the Prudential Regulation Authority.