

TRADERS COMBINED POLICY DOCUMENT



COVER DESIGNED
FOR YOUR BUSINESS

Helpline Services

Available 24 hours each day, 7 days every week, all year round

These helpline services are provided which you may use while your Policy is in force to discuss business problems in the following categories:

Business Legal Advice Helpline

0345 878 5024

Unlimited access to a team of solicitors and other legal experts, for 24 hours confidential legal advice and guidance on any commercial legal problem such as:

- employment
- VAT
- prosecution
- contract disputes
- landlord and tenant disputes.

Please note that advice on motoring matters is not available.

Legal advice can only be offered in respect of matters subject to the laws of and within the jurisdiction of courts or tribunals of:

- England Scotland Wales and Northern Ireland
- the Channel Islands and the Isle of Man
- any other member country of the European Union
- Switzerland and Norway.

This helpline is provided on our behalf by DAS Legal Expenses Insurance Company Limited all calls are recorded.

Business Emergency Assistance Helpline

0345 878 5024

Assistance in the event of an emergency affecting your business, such as:

- burst pipes or blocked drains causing flooding
- complete failure of the gas or electricity supply
- serious damage to the roof
- escape of water or oil from the central heating system.

In the event of emergency assistance being required a reputable local contractor will be contacted but you must pay any call-out or repair charges. One telephone call will bring assistance usually within 2 hours.

As the helpline is available 24 hours a day and seven days a week you may call at any time.

Please ensure your Policy Number is available when telephoning as this will be requested - this appears on your Schedule.

This helpline is provided on our behalf by DAS Legal Expenses Insurance Company Limited all calls are recorded.

Emergency Glazing & Security Assistance Helpline

0345 878 5455

Our glass replacement service provides an efficient replacement service for fixed internal and external glass 24 hours a day, throughout the year. In addition, replacement locks or emergency security measures are also available.

Provided the Damage is covered by your Policy, the cost will be settled by us directly with our service providers. If, however, the Policy requires payment of the first amount of any claim, or if you are V.A.T. registered, our service provider will invoice you direct for this amount.

Note: Using any other repairer will not affect your right to claim.

This helpline is provided on our behalf by Glassolutions and calls may be recorded.

Contents

Opposite	Emergency Assistance Telephone Numbers
1	Contents
2	Introduction
3	General Definitions
5	General Conditions
9	Claims Conditions
11	General Exclusions
15	Section 1 Material Damage
26	Section 2 Business Interruption
33	Section 3 Goods in Transit
36	Section 4 Loss of Business Money
39	Section 5 Personal Accident (Assault)
41	Sections 6, 7 and 8 Employers' Liability Public Liability Products Liability
51	Section 9 Glass Breakage
53	Section 10 All Risks on Machinery/Apparatus
56	Section 11 Deterioration of Refrigerated Foods
57	Section 12 Engineering Damage to Machinery and Plant
63	Section 13 Engineering Business Interruption
69	Section 14 Computer Insurance
79	Section 15 Loss of License
82	Endorsements
84	Important Information

Traders Combined Policy

NIG policies are underwritten by U K Insurance Limited. The Company will provide the insurance described in this Policy (subject to the terms, definitions, conditions, clauses and exclusions) for the Period of Insurance, which consists of individual Sections. The Policy should be read in conjunction with the Schedule which confirms the Sections you are covered for.

General Definitions

These definitions apply to this Policy. In addition other more specific definitions apply under some of the Policy Sections and are stated in those Policy Sections.

Any word or expression to which a particular meaning has been given in the General Definitions in this Policy or in the Definitions within the Sections of this Policy shall have that meaning wherever it appears when commencing with a capital letter in this Policy or the relevant Section respectively.

Average

Whenever an Item is declared to be subject to Average if the property covered thereby at the commencement of any Damage hereby insured against shall be collectively of greater value than its Sum Insured then the Insured shall be considered as his own insurer for the difference and shall bear a rateable share of the loss accordingly.

Business Hours

The period during which the Premises are actually occupied by the Insured and/or his Employees for the purposes of the Business.

The Company

U K Insurance Limited trading as NIG and/or such other authorised Insurer as U K Insurance Limited may contract to underwrite any part of this Policy.

Damage

Loss destruction or damage.

Employee

Any person while working for the Insured in connection with the Business who is

- a** under a contract of service or apprenticeship with the Insured
- b** a person under a contract of service or apprenticeship with some other employer and who is hired to or borrowed by the Insured
- c** a labour master or person supplied by him
- d** a person engaged by a labour only sub-contractor
- e** a self-employed person performing work under a similar degree of control and direction by the Insured as a person under a contract of service or apprenticeship with the Insured
- f** a driver or operator of hired-in plant
- g** a trainee or person undergoing work experience
- h** a voluntary helper.

Index-Linking

Whenever a sum insured is declared to be subject to Index-Linking it is adjusted at monthly intervals as follows:

- a** in respect of Buildings and Tenants Improvements - in accordance with the percentage change in the General Building Cost Information Service
- b** in respect of Plant, Machinery, Trade Fixtures - in accordance with the Durable Goods Section of the Retail Prices Index
- c** in respect of Stock in Trade Gross Profit Gross Revenue and Outstanding Debit Balances - in accordance with the Producer Price Index

At each renewal the premium will be adjusted to apply to the sum insured which then pertains and the Company waives all rights to additional premium arising out of such index adjustments prior to renewal. The Company reserves the right to use alternative suitable indices to those mentioned at any time without prior notice if either index becomes unavailable or inappropriate.

The Insured

The person, persons or Limited or Public Limited Company named in the Schedule.

The Premises

The premises at the address(es) stated in the Schedule occupied by the Insured for the purposes of the Business.

Period of Insurance

- a** The period beginning with the Effective Date and ending with the Expiry Date (both stated in the New Business Schedule or latest effective Renewal Schedule as applicable); and
 - b** any subsequent period,
- for which the Insured shall pay and the Company shall agree to accept the Insured's premium.

General Conditions

These Conditions apply to this Policy. The Insured must comply with these Conditions. Where additional Conditions apply to a specific Section of this Policy, they are stated under that Section.

1 The Policy Document

This Policy and the Sections referred to in the Schedule shall be read together as one contract. Any word or expression to which a particular meaning has been given in the General Definitions in this Policy or in the Definitions within the Sections of this Policy shall have that meaning wherever it appears in the Policy or Section respectively.

2 Fair Presentation of the Risk

- a** The Insured has a duty to make to the Company a fair presentation of the risk before:
 - i** the inception of this Policy;
 - ii** an alteration made to this Policy, concerning changes in the risk which are relevant to the proposed alteration; and
 - iii** the renewal of this Policy; and
- b** In the event of a breach of such duty, if the breach is:
 - i** deliberate or reckless, the Company may:
 - a** in relation to an alteration made to this Policy, (notwithstanding the references to notice period and the refunding of premiums in General Condition 6 2) by notice to the Insured in writing at the Insured's last known address treat this Policy as cancelled with effect from the time when the alteration was made and retain any premiums paid;
 - b** in relation to the inception or renewal of this Policy, avoid this Policy and refuse all claims and retain any premiums paid;
 - ii** neither deliberate nor reckless and the Company would not have:
 - a** in relation to an alteration made to this Policy, agreed to the alteration on any terms, the Company may treat this Policy as if the alteration was never made, but in that event the Company:
 - i** will return any extra premium paid; or
 - ii** may (where the total premium was reduced as a result of the alteration), reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied), based on the total premium actually charged compared to the original premium charged; or
 - b** entered into this Policy on any terms, the Company may avoid this Policy and refuse all claims but will return any premiums paid; or
- iii** neither deliberate nor reckless and the Company:
 - a** would have entered into this Policy or agreed to the alteration made to this Policy, but on different terms (other than terms relating to the premium), this Policy or the alteration (as applicable) will be treated as if it had been entered into on those different terms if the Company so requires; and
 - b** in respect of an alteration made to this Policy:
 - i** would have agreed to the alteration, but would have charged an increased premium by more than the Company did or (in the case of an unchanged premium) would have increased the premium, the Company may reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item **b iii a** above), based on the total premium actually charged compared to the premium that the Company would have charged;

- ii** (where the total premium was reduced as a result of the alteration), would have agreed to the alteration and the Company would have increased the premium, would not have reduced the premium, or would have reduced it by less than it did, the Company may reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item **b iii a** above), based on the total premium actually charged compared to the original premium if the Company would not have changed it, and otherwise the increased or (as the case may be) reduced total premium the Company would have charged.

- c** would have entered into this Policy (whether the terms relating to matters other than the premium would have been the same or different), but would have charged a higher premium, the Company may reduce proportionately the amount to be paid on a claim.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (making provision for any different terms referred to in item **b iii a** above), based on the premium actually charged compared to the higher premium.

- c** The Company shall be entitled to vary the premium and any terms in respect of any ongoing acceptance of cover (where agreed by the Company), in relation to a breach of the duty to make to the Company a fair presentation of the risk.

3 Reasonable Precautions

The Insured must:

- a** take all reasonable precautions to prevent or minimise Damage accident or injury
- b** maintain the business premises machinery equipment and furnishings in a good state of repair
- c** exercise care in the selection and supervision of employees
- d** comply with all relevant statutory requirements manufacturers' recommendations and other regulations relating to the use inspection and safety of property and the safety of persons

4 Change of Risk or Interest

- a** It is a condition precedent to the liability of the Company that the Insured shall immediately notify the Company if any alteration be made either in the Business or at the Premises or in any property therein or in any other circumstances whereby the risk is increased other than in accordance with:

- i** Extensions I Non-Invalidation and M Capital Additions under Section 1: Material Damage;
 - ii** Extension I Non-Invalidation of the Clauses and Extensions applicable under Section 10: All Risks on Machinery and/or Apparatus;
 - iii** Extension A Capital Additions under Section 12: Engineering Damage to Machinery and Plant; or
 - iv** Extension A Additional Property under Section 14: Computer Insurance, of this Policy; or
 - v** General Condition 2,
- at any time after the Effective Date (as stated in the Schedule) of the Period of Insurance.

- b** This Policy shall cease to be in force if:
- i** the Insured's interest in the Business ends, other than by death; or
 - ii** the Business is to be wound up or carried on by a liquidator or receiver or permanently discontinued,
- at any time after the Effective Date (as stated in the Schedule) of the Period of Insurance, unless its continuance be agreed by the Company.

5 Adjustment of Premium

If any part of the premium or renewal premium is based on estimates provided by the Insured the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of each Period of Insurance provide such information as the Company may require. The premium shall then be adjusted and the difference paid by or allowed to the Insured. Should the Insured fail to supply the information required then the Company shall be entitled to charge a reasonable additional premium.

6 Cancellation

1 Cancellation Rights of the Insured

- i** This Policy may be cancelled by the Insured within 14 days of receipt of this Policy (this is known as the "cooling off" period). If the Insured elects to cancel within this period they must return all policy documentation to their broker, intermediary or agent, who must return such documentation to the Company and the Company will refund the full amount of premium paid by the Insured. If a claim has been made or an incident notified to the Company that could give rise to a claim during the "cooling off" period, this Policy will be treated by the Company as in force and no refund of premium will be made.
- ii** If the Insured elects to cancel this Policy after the "cooling off" period has expired but still during any Period of Insurance, they must give 14 days notice to their broker, intermediary or agent. The Insured will be entitled to a proportionate refund of premium based on the number of days remaining in the Period of Insurance, unless a claim has been made (or an incident notified to the Company that could give rise to a claim) during the Period of Insurance when no refund of premium for the Period of Insurance will be made.
- iii** Where the Insured pays premiums by instalments any amount of premium returned under this General Condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

2 Cancellation Rights of the Company

- i** The Company may cancel this Policy (or any Section of it) at any time and in any Period of Insurance by giving a minimum of 14 days' notice to the Insured at the Insured's last known address.
- ii** If the Company cancels this Policy then the Insured will be entitled to a proportionate refund of premium, based on the number of days remaining in the Period of Insurance, unless a claim has been made (or an incident notified to the Company that could give rise to a claim) during the Period of Insurance when no refund of premium will be made.
- iii** Where the Insured pays premiums by instalments, any amount of premium refunded under this General Condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

In relation to cancellation in any of the circumstances outlined above, the Insured shall immediately return to the Company any effective Certificate(s) of Employers' Liability Insurance.

The total amount refunded to the Insured will be calculated by the Company in accordance with the process set out above. The calculation made by the Company will be final and binding.

7 Instalments

Where the premium under this Policy is payable by instalments it is a condition precedent to the Company's liability that each instalment shall be paid when due otherwise all benefit under the Policy shall be forfeited and the Policy shall be cancelled from the date when any unpaid instalment was due and the Insured shall surrender forthwith to the Company any effective Certificate(s) of Insurance.

8 Choice of Law

The parties to an Insurance contract are free to choose the law that will apply. In the absence of a specific agreement between the parties the law applying to this contract is English Law.

We have supplied this Agreement and other information to you in English and we will continue to communicate with you in English.

9 Contracts (Rights of Third Parties) Act 1999

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

Claims Conditions

These Conditions apply to this Policy. The Insured must comply with these Conditions. Where additional Conditions apply to a specific Section of this Policy, they are stated under that Section.

1 Action by the Insured

The Insured shall on the happening of any incident which could result in a claim under this Policy:

- a** immediately notify the Company and deliver to the Company at his own expense a claim in writing with such detailed particulars and proofs as may reasonably be required and (if demanded) a statutory declaration of the truth of the claim and any matters connected therewith within:
 - i** 7 days of the event in the case of Damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons
 - ii** 30 days of the expiry of the Indemnity Period in respect of business interruption claims
 - iii** 30 days of the event in the case of any other claim or such further time as the Company may allow
- b** give immediate notification to the police in respect of
 - i** vandalism
 - ii** theft or any attempt thereat
 - iii** loss of money by any cause whatsoever
- c** make no admission of liability or offer promise or payment without the Company's written consent
- d** inform the Company immediately of any impending prosecution inquest or fatal accident enquiry or civil proceedings and send to the Company immediately every relevant document
- e** take all reasonable action to minimise or check any interruption or interference with the business
- f** produce to the Company such books of account or other business books or documents or such other proofs as may reasonably be required by the Company for investigating or verifying the claim
- g** in respect of Damage to the property insured under Section 14 discontinue use of any damaged property unless the Company authorises otherwise until such property shall have been repaired to the satisfaction of the Company. Any damaged parts that are replaced shall be kept for inspection by the Company.

2 The Rights of the Company

The Company shall be entitled:

- a** on the happening of any Damage in respect of which a claim is made and without thereby incurring any liability or diminishing any of the Company's rights under this Policy to enter take or keep possession of the premises where such Damage has occurred and to take possession of or require to be delivered to the Company any property insured and deal with such property for all reasonable purposes and in a reasonable manner
- b** at its discretion to take over and conduct in the name of the Insured the defence or settlement of any claim and to prosecute at its own expense and for its own benefit any claim for indemnity or damages against any other persons in respect of any event insured by this Policy and the Insured shall give all information and assistance required
- c** to any property for the loss of which a claim is paid hereunder and the Insured shall execute all such assignments and assurances of such property as may be reasonably required but the Insured shall not be entitled to abandon any property to the Company

- d** in the event of any Occurrence resulting in any claim(s) under Sections 6, 7 and 8 to pay to the Insured the amount of the Indemnity Limit for such Occurrence (less any sums already paid as damages in respect of such Occurrence and in respect of Section 6 less costs and expenses incurred before the date of payment) or any lesser amount for which the claim(s) can be settled after which the Company shall have no further responsibility in connection with such claim(s) except in respect of Sections 7 and 8 for costs and expenses incurred before the date of payment.

3 Fraudulent Claims

In the event of any claim under the Policy being submitted which in any respect is intentionally exaggerated or fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on the Insured's behalf to obtain benefit under this Policy, the Company:

- a** shall not be liable to pay the claim;
- b** may recover from the Insured any sums paid by the Company to the Insured in respect of the claim; and
- c** may (notwithstanding the references to notice period and the refunding of premiums in General Condition 6 2) by notice to the Insured in writing at the Insured's last known address treat this Policy as having been cancelled with effect from the time of the fraudulent act and may:
 - i** refuse all liability to the Insured under this Policy in respect of any event that gives rise to the liability of the Company occurring after the time of the fraudulent act; and
 - ii** retain any premiums paid under this Policy.

4 Conditions Precedent

Every condition precedent to which this Policy or any Section or item thereof is, or may be, made subject shall, from the time the condition precedent attaches, apply and continue to be in force during the whole currency of this Policy. Non-compliance with any such condition precedent shall be a bar to any claim under the relevant Section(s) of this Policy, where the subject matter of the claim was caused by the non-compliance or to the extent that it was increased by the non-compliance.

5 Subrogation

Any claimant under this policy shall at the request and expense of the Company take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Company.

6 Other Insurances

If at the time of any Occurrence (as defined in Sections 6, 7 and 8 of this Policy) incident or Damage which gives rise to a claim there be any other insurance effected by or on behalf of the Insured applicable to such event the liability of the Company shall be limited to its rateable proportion thereof.

If any other such insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy whether in whole or in part or from contributing rateably then the liability of the Company hereunder shall be limited to any excess beyond the amount which would have been payable under such other insurance had this Policy not been effected.

7 Arbitration

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions regarding arbitration in force at the time. Where any difference is so referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company.

General Exclusions

These General Exclusions set out what is not covered under this Policy. Where additional exclusions apply to a specific Section of this Policy, they are set out in that Section.

This Policy does not cover

1 War, Government Action and Terrorism

- a** Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - i** War, Government Action or Terrorism
 - ii** civil commotion in Northern Ireland
- b** legal liability of whatsoever nature or any costs or expenses whatsoever directly or indirectly caused by or contributed to by or arising from War Government Action or Terrorism except to the extent stated in the Liability Provisions

For the purpose of this Exclusion and its Liability Provisions –

War shall mean war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, or military or usurped power

Government Action shall mean martial law, confiscation, nationalisation, requisition or destruction of property by or under the order of any government or public or local authority or any action taken in controlling preventing suppressing or in any way relating to War

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

In any action suit or other proceedings where the Company alleges that by reason of this Exclusion as far as it relates to Terrorism any Damage or resulting loss or expense or consequential loss is not covered by this insurance the burden of proving that such Damage loss expense or consequential loss is covered shall be upon the Insured.

Liability Provisions

Subject otherwise to the terms definitions exclusions exceptions provisions and conditions of this Policy

- 1** the Company will indemnify the Insured under the Employers' Liability Section provided that in respect of any one Occurrence or series of Occurrences arising out of any one original cause the Company's liability in respect of all legal liability costs and expenses directly or indirectly caused by or contributed to by or arising from Terrorism shall not exceed £5,000,000
- 2** the Company will indemnify the Insured under the Public Liability and Products Liability Sections against legal liability costs and expenses directly or indirectly caused by or contributed to by or arising from Terrorism provided that the Company's liability for all damages (including interest thereon) shall not exceed
 - a** under the Public Liability Section in respect of any one Occurrence or series of Occurrences arising out of any one event £2,000,000 or the amount of the Indemnity Limit stated in the Schedule for that Section whichever is the lower
 - b** under the Products Liability Section in respect of all Occurrences during any one Period of Insurance £2,000,000 or the amount of the Indemnity Limit stated in the Schedule for that Section whichever is the lower
 - c** in respect of all Pollution or Contamination consequent upon Terrorism and which is deemed to have occurred during any one Period of Insurance £2,000,000 in the aggregate or the amount of the Indemnity Limit stated in the Schedule for the Public Liability Section whichever is the lower

2 Sonic Bangs

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

3 Radioactive Contamination

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a** ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b** the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

NOTE: As far as concerns Bodily Injury caused to any Employee of the Insured if such Bodily Injury arises out of and in the course of employment or engagement of such person by the Insured this Exclusion shall apply only in respect of

- i** the liability of any Principal
- ii** liability assumed by the Insured under agreement and which would not have attached in the absence of such agreement

4 Pollution or Contamination

Damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by

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

This Exclusion shall not apply to Section 6 - Employers' Liability Section 7 - Public Liability and Section 8 - Products Liability

NOTE: Defined Perils

The Defined Perils are:

fire lightning explosion earthquake aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons other than thieves storm flood escape of water or oil from any tank apparatus or pipe sprinkler leakage theft or impact by any vehicle or animal

5 Date Recognition

Damage accident or liability directly or indirectly caused by or consisting of or arising from the failure of any computer data processing equipment or media microchip integrated circuit or similar device or other equipment or system for processing storing or receiving data or any computer software whether the property of the Insured or not and whether occurring before during or after the year 2000

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

In respect of Section 1 - Material Damage Section 2 - Business Interruption Section 4 - Loss of Business Money and Section 10 - All Risks on Machinery and Apparatus this Exclusion shall not exclude subsequent Damage not otherwise excluded which itself results from fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water from any tank apparatus or pipe theft or impact by any vehicle or animal

NOTE: General Exclusion 6 shall not apply to Section 6 - Employers Liability

6 Date Recognition Computer Equipment

the expected cost which would have been incurred in modifying any computer data processing equipment or media microchip integrated circuit or similar device or other equipment or system for processing storing or receiving data or any computer software so as to be able correctly to recognise save retain manipulate interpret or process any date after December 31st 1999 where such computer or other property is unable to do so at the time of any Damage insured by this Policy

7 Marine Policies

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

8 Computer Virus and Hacking

- a** Damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Insured or not, where such Damage is caused by Virus or Similar Mechanism or Hacking
- b** financial loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking

but this shall not exclude Damage or financial loss which is not otherwise excluded from this Policy and which results from fire lightning explosion earthquake aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances the acts of malicious persons (including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence) storm flood escape of water or oil from any tank apparatus or pipe sprinkler leakage or impact by any vehicle or animal

For the purpose of this Exclusion –

Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs

Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data whether the property of the Insured or not

General Exclusion 8 shall not apply to Section 6 - Employers' Liability Section 7 - Public Liability and Section 8 - Products Liability.

Section 1: Material Damage

In the event of any of the property insured suffering Damage at the Premises by any of The Perils insured the Company will subject to the provisions of the insurance pay to the Insured the value of the Property or the amount of the Damage at the time of such Damage or at its own option reinstate or replace such property

Provided that the liability of the Company in any one Period of Insurance shall in no case exceed the total sum insured or in respect of any item its sum insured or any other stated limit of liability.

Definitions

The Buildings

- a** Structures on the site of the Premises (being built mainly of brick stone concrete or other non-combustible materials unless otherwise advised to the Company)
- b** landlords fixtures and fittings in and on the structures
- c** internal and external fixed glass sanitary ware and signs
- d** central heating systems
- e** small outside buildings extensions annexes and gangways
- f** concrete paved or asphalt forecourts yards terraces drives and footpaths
- g** walls gates and fences.

Tenants' Improvements

Structural fixtures and fittings the property of the Insured as occupier of the Premises.

Stock in Trade

Stock and materials in trade work in progress and finished goods all the property of the Insured or held by them in trust for which they are responsible.

Plant, Machinery, Trade Fixtures

- a** Machinery plant fixtures fittings and other trade equipment
- b** all office equipment and other contents
- c** money and stamps (excluding Damage by theft or any attempt thereat) not exceeding £2500 in total
- d** patterns models moulds plans and designs
- e** documents manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein
- f** computer systems records for an amount not exceeding £25,000 in total but only for the value of the materials together with reproduction costs including the cost of gathering information but excluding the value to the Insured of the information
- g** directors' partners' visitors' and Employees' personal effects in so far they are not otherwise insured including clothing pedal cycles tools instruments and the like for an amount not exceeding £500 per person but any cover granted under this Insurance for Damage by theft shall not apply to personal effects partly or wholly of precious metal jewellery furs money and securities of any description
- h** wines spirits cigarettes and tobacco held for entertainment purposes for an amount not exceeding £250 in total in respect of Damage by theft or any attempt thereat (if insured)
- i** to the extent that they are not otherwise insured motor vehicles motor chassis and their contents

all the property of the Insured or held by them in trust for which they are responsible BUT excluding any property which is more specifically insured.

Stock at Exhibitions

Stock in Trade whilst at any indoor exhibition (including in transit thereto and therefrom) or in any building used for storage purposes all in Great Britain and Northern Ireland.

Rent

The money paid or payable to or by the Insured in respect of accommodation and services provided at the Premises.

Specified Perils

Cover defined hereunder by The Perils numbered 1 to 12 (inclusive).

All Risks

Cover defined hereunder by The Perils numbered 1 to 13 (inclusive).

The Perils

1 a Fire but excluding Damage caused by:

- i** explosion resulting from fire
- ii** earthquake or subterranean fire
- iii a** its own spontaneous fermentation or heating or
- b** its undergoing any heating process or any process involving the application of heat

b Lightning.

2 Explosion

- a** of boilers or of gas used for domestic purposes only but excluding Damage caused by earthquake or subterranean fire
- b** otherwise but excluding Damage caused by or consisting of the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured.

3 Aircraft and/or other aerial devices and/or articles dropped therefrom.

4 Earthquake, Subterranean Fire.

5 Riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation

excluding Damage resulting from cessation of work or due to confiscation requisition or destruction by order of the government or any public authority.

6 Malicious Persons or vandals not acting on behalf of or in connection with any political organisation excluding Damage

- a** resulting from cessation of work or due to confiscation requisition or destruction by order of the government or any public authority
- b** caused by Theft
- c** when the Premises are left vacant or become disused.

- 7 Theft or any attempt thereat** involving
- a** entry to or exit from the buildings at the Premises by forcible and violent means excluding any such loss from any structure which is incapable of being locked
 - b** violence or threat of violence to the Insured or any director partner or Employee or their families
- excluding Damage
- i** in respect of property in the open unless agreed otherwise in writing by the Company
 - ii** when the Premises are left vacant or become disused
 - iii** in respect of Stock at Exhibitions that is not contained in an indoor exhibition hall which is locked and/or guarded outside Business Hours
 - iv** in respect of jewellery precious stones precious metals bullion or furs except where specifically mentioned in the Schedule as being insured.
- 8 Storm, Tempest** excluding Damage
- a** caused by the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - b** caused by inundation from the sea whether resulting from storm or otherwise
 - c** caused by frost subsidence ground heave or landslip
 - d** attributable solely to change in the water table level
 - e** to fences gates and moveable property in the open or in open sided buildings.
- 9 Flood** excluding Damage
- a** caused by storm or tempest
 - b** caused by escape of water from any tank apparatus or pipe
 - c** caused by frost subsidence ground heave or landslip
 - d** attributable solely to change in the water table level
 - e** to fences gates and moveable property in the open or in open sided buildings.
- 10 Escape of Water** from any tank apparatus or pipe or escape of oil from any fixed oil-fired heating installation excluding Damage
- a** caused by water discharged or leaking from any automatic sprinkler installations
 - b** when the Premises are left vacant or become disused.
- 11 Impact** by
- a** falling trees or boughs excluding Damage caused by lopping pruning or felling
 - b** collapse or breakage of television or radio receiving aerials or satellite dishes
 - c** vehicles or animals.
- 12 Accidental Discharge or Leakage of Automatic Sprinkler Installations** excluding Damage occasioned by or attributable to
- a** heat caused by fire
 - b** freezing when the Premises are left vacant or become disused
 - c** repairs alterations or extensions to the buildings and/or sprinkler installations
 - d** defects in construction or condition of which the Insured is aware.

13 Any Accidental Cause excluding

- 1** Damage
 - a** caused by or specifically excluded in The Perils 1-12
 - b** caused by theft or any attempt thereat not involving
 - i** entry to or exit from the buildings at the Premises by forcible and violent means
 - ii** violence or threat of violence to the Insured or any director partner or Employee or their families
- 2** Damage to the property insured caused by or consisting of
 - a** inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b** faulty or defective workmanship operational error or omission on the part of the Insured or any of his Employees

but this shall not exclude subsequent Damage which results from a cause not otherwise excluded
- 3** Damage caused by or consisting of
 - a** corrosion rust wet or dry rot shrinkage evaporation leakage loss of weight dampness contamination fermentation dryness marring scratching vermin or insects
 - b** change in temperature colour flavour texture or finish, action of light

Damage consisting of

 - c** joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - d** mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

 - i** such Damage not otherwise excluded which itself results from any other accidental Damage
 - ii** subsequent Damage which itself results from a cause not otherwise excluded
- 4** Damage caused by or consisting of
 - a** subsidence ground heave or landslip
 - b** normal settlement or bedding down of new structures
 - c** acts of fraud or dishonesty
 - d** disappearance unexplained or inventory shortage misfiling or misplacing of information
 - e** electrical or magnetic injury disturbance or erasure of electronic records
- 5** Destruction of or damage to a building or structure caused by its own collapse or cracking
- 6** Damage in respect of movable property in the open or in open-sided buildings fences and gates caused by wind rain hail sleet snow flood or dust

- 7** Damage to the property insured
- a** caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b** (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair

- 8** Damage
- a** caused by freezing
 - b** to fixed glass and sanitary ware

in respect of any building which is left vacant or becomes disused

- 9** Damage in respect of
- a** jewellery precious stones precious metals bullion or furs
 - b** property in transit
 - c** money cheques stamps bonds credit cards or securities of any description
 - d** fixed glass and sanitary ware
 - i** due to repairs and alterations being carried out at the Premises
 - ii** during installation or removal of such glass or sanitary ware
 - iii** which was broken or cracked prior to the inception of this Policy

- 10** Damage in respect of
- a** vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - b** property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - c** land roads piers jetties bridges culverts or excavations
 - d** livestock growing crops or trees

unless specifically mentioned as insured by this Section

- 11** Damage occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority.

Extensions

The Insurance provided by this Section is extended to include the following:

A Professional Fees

The insurance by each item on Buildings Tenants' Improvements and Plant Machinery and Trade Fixtures includes an amount for architects' surveyors' consulting engineers' and legal fees necessarily and reasonably incurred in the reinstatement or repair of the property consequent on its Damage but not for preparing any claim. The total amount payable under this Extension and the Section for any item will not exceed its sum insured.

B Public Authorities

The insurance by each item on Buildings Tenants' Improvements and Plant Machinery and Trade Fixtures extends to include the additional cost of reinstatement of any Damage to the property insured and undamaged portions thereof incurred solely by reason of the necessity to comply with European Union legislation regulations under Acts of Parliament or local authority bye-laws provided that:

- a the Insured receives the notice to comply after the Damage occurs
- b the work of reinstatement is completed within twelve months of the date of the Damage or within such further time as the Company may in writing allow
- c the total amount recoverable under any item of this Section in respect of this Extension shall not exceed
 - i in respect of the Damaged property its sum insured
 - ii in respect of undamaged portions of the property (other than foundations) 15% of the total amount for which the Company would have been liable had the property been wholly destroyed
- d the total amount recoverable under any item of this Section shall not exceed its sum insured.

C Theft Damage to Buildings

The cost of repairing Damage by theft or any attempt thereat to the Buildings of the Premises (whether or not the Buildings are insured hereunder) if the Insured are responsible for the repairs and the Damage is not otherwise insured.

D Damage to Framework (Glass)

Any cover granted under this insurance in respect of Damage to fixed glass includes the reasonable costs of any necessary boarding up or temporary glazing pending replacement of broken glass and of removing and refixing window fittings and other obstacles to replacement.

E Underground Services

Accidental Damage for which the Insured is legally liable to underground pipes cables drains (and their relevant inspection covers) supplying services to and carrying waste from the Premises to the point of junction with public supply lines mains and sewers.

F Clearing of Drains

The insurance in respect of Buildings extends to cover expenses necessarily and reasonably incurred in cleaning clearing and/or repairing drains gutters sewers and the like in consequence of Damage by any of The Perils insured against at the Premises.

G Loss of Metered Water

Cover against Damage caused by escape of water from any tank apparatus or pipe not being automatic sprinkler installations includes up to £10,000 for the cost of water (calculated at the current rate per cubic metre) consumed as a direct result of the escape.

H Other Interests

Interests of third parties which the Insured is required to include herein under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically deemed to be held covered hereunder subject to notification by the Insured to the Company as soon as is reasonably practicable.

I Non-Invalidation

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Insured provided that the Insured immediately they become aware thereof shall give notice to the Company and pay an additional premium if required.

J Contracting Purchaser's Interest

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

K Mortgagees etc.

The act or neglect of any mortgagor leaseholder lessee or occupier of any building hereby insured whereby the risk of Damage is increased without the knowledge of any mortgagee freeholder or lessor shall not prejudice the interest of the latter parties in this insurance provided they shall notify the Company immediately on becoming aware of such increased risk and pay additional premium if required.

L Subrogation Waiver

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

- a** any Company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or Companies (NI) Order as appropriate current at the time of the Damage
- b** any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a subsidiary in each case within the meaning of the Companies Act or Companies (NI) Order as appropriate, current at the time of the Damage.

M Capital Additions

The insurance by this Section on Buildings Tenants' Improvements and Plant Machinery and Trade Fixtures extends to cover:

- a** any such property newly acquired and/or newly erected anywhere in Great Britain the Channel Islands or the Isle of Man in so far as the same is not otherwise insured
- b** alterations, additions and improvements to such property but not appreciation in value

Provided that

- i** at any one situation the limit of the Company's liability shall be 10% of the total sum insured hereby on such property or £250,000 whichever is less
- ii** the Insured undertake to advise such additional insurance as soon as practicable and to pay the additional premium required from its inception date
- iii** the provisions of this Clause shall be fully reinstated following advice of such additional insurance.

N Cost of Debris Removal/Re-erection

The Insurance by each item on Buildings Tenants' Improvements Plant Machinery Trade Fixtures and Stock extends to include costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- a** removing debris
 - b** dismantling and/or demolishing
 - c** shoring up or propping
 - d** re-erecting fitting and fixing (in respect of Plant and Machinery only)
- of the portion of the property which is the subject of a claim under this Section.

The liability of the Company under this Extension and the Section for any item will in no case exceed the Sum Insured for that item.

The Company will not pay for any costs or expenses

- i** incurred in removing debris except from the site of any property which is the subject of a claim under this Section and the area immediately adjacent to such site
- ii** arising from pollution or contamination of property not insured by this Section.

O Temporary Removal

- a** Property other than Stock in Trade is covered whilst such property is temporarily removed from the Premises for the purposes of cleaning renovation repair or other similar purposes to any other premises within the United Kingdom or in transit by road rail or inland waterway

Provided that the maximum liability of the Company hereunder in respect of any one incident of Damage shall not exceed 15% of the sum insured on each Item and in the case of documents manuscripts plans and the like 15% of the total value thereof.

- b** The cover in respect of Plant Machinery Trade Fixtures and Stock in Trade is also extended to include property as therein defined transferred between Premises described in the schedule including transit by road rail or inland waterway between such Premises

Provided that the amount recoverable under this part of the Extension shall not exceed the amount which would have been recoverable had the Damage occurred at the premises from which the property is transferred, or in the aggregate 15% of the sum insured by the said items or £50,000 whichever is the less in respect of any such transfers at any one time

Both **a** and **b** above are subject to

- i** such property not being more specifically insured
- ii** the Excess applying under this Section.

P Fire Brigade Damage to Grounds

The insurance by this Section extends to include Damage caused by the Fire Brigade to the grounds at the Premises as far as the Insured is responsible for the cost of repair provided that the Company's liability for any one claim for such Damage is limited to £10,000.

Q Lock Replacement

The insurance by this Section extends to include the cost of changing locks on doors windows safes and strongrooms at the Premises following Theft (as insured herein) of keys from the Premises or from the home of the Insured or of any partner director or employee entrusted with keys for an amount not exceeding £1000.

R Contract Price

In respect only of goods sold but not delivered for which the Insured is responsible subject to a sale contract which following Damage is cancelled by reason of its conditions wholly or to the extent of the Damage the Company's liability will be based on the contract price. For the purposes of this insurance the value of all goods to which this Extension could apply in the event of Damage will be ascertained similarly.

S Trace and Access

In the event of Damage resulting from Escape of Water or Oil (as insured herein) the Company will pay costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good subject to the Company's liability under this Extension not exceeding £10,000 any one claim.

T Fire Extinguishment Expenses

In the event of Damage to the property insured caused by fire the insurance by this Section is extended to include costs reasonably and necessarily incurred with the consent of the Company in refilling fire extinguishment appliances replacing used sprinkler heads and refilling sprinkler tanks resulting from such Damage subject to the Company's liability under this Extension not exceeding £5,000 any one claim.

Clauses

1 Designation

For the purpose of determining where necessary the item or column heading under which any property is insured the Company agrees to accept the designation under which such property has been entered in the Insured's books.

2 Reinstatement Basis of Settlement

In the event of property other than Stock insured by this Section being lost destroyed or damaged the basis upon which the amount payable under such items is to be calculated shall be the cost of Reinstatement subject to the Provisions set out below.

"Reinstatement" means

A the rebuilding or replacement of property lost or destroyed

B the repair or restoration of property damaged

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

Provisions

1 No payment beyond the amount which would have been payable had this Clause not been operative shall be made

a unless the work of Reinstatement is commenced and carried out with reasonable despatch

b until the cost of Reinstatement has been incurred

c unless any other insurance covering the Insured's interest in the property at the time of Damage is on the same basis of Reinstatement as this Policy

and if no such payment is made then the rights and liabilities of the Company and the Insured shall be those which would have applied had this Clause not been operative.

2 Reinstatement may be carried out at another site and in any manner suitable to the Insured subject to the liability of the Company not being increased as a result.

3 In the event of partial Damage to property insured the Company's liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed.

- 4** Each item insured under this Clause is declared to be separately subject to the following Condition of Average:

If the sum insured on any item at the time of Damage is less than 85% of the cost of reinstating the whole of the property insured by such item at the time of Reinstatement then the liability of the Company shall not exceed that proportion of the amount of the Damage which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time.

3 Workmen

Workmen are allowed in and about any the Premises for the purpose of carrying out new works alterations repairs decoration plant installation or general maintenance and the like without prejudice to the terms and conditions of this Policy.

4 Reinstatement of Losses

Unless written notice to the contrary be given by either the Company or the Insured the insurance by this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of expiry of the Period of Insurance.

5 Rent Insurance

Any insurance on Rent applies only if the said Buildings or any part thereof are unfit for occupation in consequence of their Damage and then the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement bears to the maximum rental period stated in the Schedule.

Special Condition

The following Condition applies to this Section.

1 Theft Protections

It is a condition precedent to the liability of the Company that all fastenings and protections on the Premises and all additional fastenings and protections which have been stipulated by the Company, shall be maintained during the currency of this insurance and put into full and effective operation at all times outside Business Hours.

Excess

This Section does not cover the amount of the Excess as specified in the Schedule being the first part of each and every claim for Damage caused by any of The Perils numbered 6 to 13 inclusive but in respect of Peril no.11 the Excess shall only apply to claims for Damage caused by impact by vehicles or animals under the control of the Insured.

Average

Each Item of this Section is similarly but separately subject to Average as defined in the General Definitions.

Index Linking

The Sums Insured in respect of Buildings Tenants' Improvements Plant Machinery Trade Fixtures and Stock in Trade are subject to Index Linking as defined in the General Definitions.

Exclusions

The Company shall not be liable under this Section for:

- 1** loss of market loss of use monetary devaluation or any other consequential loss (other than loss of Rent when insured as an item under this Section)
- 2** property let out on hire
- 3** loss resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by deception
- 4** Damage to any part of any electrical plant or apparatus directly caused by breakdown, leakage of electricity or excessive pressure therein or by its own short circuiting or overrunning but Damage to any other part of such plant or apparatus or to other property insured by the spread of fire therefrom is not excluded
- 5** showcases automatic or vending machines or their contents situate outside the Buildings of the Premises unless specifically mentioned in the Schedule.

Section 2: Business Interruption

If Damage by any of The Perils insured under Section 1 or by Explosion (as defined in Clause 10 of this Section) occurs to property used by the Insured at the Premises for the purposes of the Business and causes interruption to or interference with the Business at the Premises or if the Insured is unable to trace or establish Outstanding Debit Balances in whole or in part due to them as a result of the Insured's books of account or other business books or records at the Premises being Damaged

Then the Company will pay to the Insured (subject to the provisions of the insurance) the amount of loss resulting from such interruption interference or Damage in accordance with the basis of cover shown in the Schedule and described below

Provided that payment shall have been made or liability admitted for the Damage under an insurance covering the interest of the Insured in the property or payment would have been made or liability admitted for the Damage but for the operation of a proviso in the insurance excluding liability for losses below a specified amount

And that the liability of the Company shall in no case exceed

- 1 133.33% of the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals shown in the Schedule and
- 2 100.00% of the Sum Insured shown in the Schedule for Increase in Cost of Working, Outstanding Debit Balances or any other Item insured hereunder.

Definitions

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

Gross Profit - The amount by which

- a the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed
- b the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses

N.B. For the purpose of this Definition the amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's usual accounting methods due provision being made for depreciation.

Uninsured Working Expenses

- 1 Purchases (net of discounts)
- 2 Bad debts
- 3 Packaging carriage and freight
- 4 Discounts allowed

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

Turnover - The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises.

Gross Revenue - The money paid or payable to the Insured as fees for services rendered in the course of the Business at the Premises.

Estimated Gross Revenue - The amount declared by the Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months).

Gross Rentals - the money paid or payable to the Insured by tenants in respect of accommodation and services provided at the Premises.

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

Indemnity Period - The period beginning with the occurrence of the Damage and ending when the results of the Business shall cease to be affected by the Damage but not exceeding the Maximum Indemnity Period being the number of months stated in the Schedule.

Rate of Gross Profit - The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

Standard Turnover - The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Standard Gross Revenue - The Gross Revenue during the period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

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

Note: To the **Rate of Gross Profit Standard Turnover and Standard Gross Revenue** adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Outstanding Debit Balances - The total last recorded by the Insured under the provisions of the Monthly Records Clause adjusted for:

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

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

Customers Accounts - the Insured's accounts of all customers who are trading with the Insured on a credit or hire purchase basis.

Basis of Cover

Estimated Gross Profit (Declaration Linked Basis)

The insurance in respect of Estimated Gross Profit is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a** In respect of REDUCTION IN TURNOVER: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- b** In respect of INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

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

Estimated Gross Revenue (Declaration Linked Basis)

The insurance in respect of Estimated Gross Revenue is limited to loss of Gross Revenue due to (a) REDUCTION IN GROSS REVENUE and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a** In respect of REDUCTION IN GROSS REVENUE: the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Revenue
- b** In respect of INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction thereby avoided

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

Estimated Gross Rentals (Declaration Linked Basis)

The insurance in respect of Estimated Gross Rentals is limited to loss of Gross Rentals due to (a) LOSS OF GROSS RENTALS and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a** In respect of LOSS OF GROSS RENTALS: the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals
- b** In respect of INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction thereby avoided

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

Increase in Cost of Working

The insurance in respect of Increase in Cost of Working (where insured as a separate item) is limited to the additional expenditure reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period.

Cost of Document Replacement

The insurance under this item is limited to legal clerical and other charges necessarily incurred in consequence of the Damage in the replacement or restoration of deeds and other documents (including stamps thereon) manuscripts plans specifications and writings of every description and books (written and printed) books of account card indexes and other business records including such property if and in so far as it is not otherwise insured whilst temporarily at premises not in the occupation of the Insured or whilst in transit all in Great Britain or Northern Ireland.

Outstanding Debit Balances

The insurance in respect of Outstanding Debit Balances is limited to loss sustained by the Insured directly due to the Damage and the amount payable in respect of any one incident shall not exceed

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

Provided that if the Sum Insured be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

Professional Accountants Charges

Where insurance is arranged on Estimated Gross Profit Gross Revenue or Gross Rentals or Outstanding Debit Balances the Company will also pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs information or evidence as may be required by the Company and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the Company's liability shall not exceed in total the Sum Insured for Estimated Gross Profit Gross Revenue or Gross Rentals or Outstanding Debit Balances (whichever is applicable) shown in the Schedule.

Special Condition (applicable to Outstanding Debit Balances)

It is a condition precedent to the liability of the Company that the Insured's books of account or other business books or records in which Customers Accounts are shown shall be kept in fire resisting cabinets when not in use.

Index Linking

The Sums Insured in respect of Estimated Gross Profit or Gross Revenue and Outstanding Debit Balances are subject to Index Linking as defined in the General Definitions.

Clauses

1 Departmental

If the Business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses **a** and **b** of the Estimated Gross Profit Gross Revenue or Gross Rentals items shall apply separately to each department affected by the Damage.

2 Payments on Account

Payments on account will be made to the Insured during the Indemnity Period if desired.

3 Accumulated Stocks

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of raw materials work in progress or finished goods at the Premises or elsewhere.

4 Renewal Clause (applicable to Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals)

The Insured shall prior to each renewal furnish the Company with the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals for the financial year most nearly concurrent with the ensuing year of insurance.

5 Standing Charges (applicable to Estimated Gross Profit)

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

6 Premium Adjustment Clause (applicable to Estimated Gross Profit Gross Revenue or Gross Rentals)

The first and annual premiums in respect of Estimated Gross Profit Gross Revenue or Gross Rentals are provisional and are based on the Estimated Sum Insured shown.

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

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

If the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- a** is less than the Estimated Gross Profit Gross Revenue or Gross Rentals for the relative Period of Insurance the Company will allow a pro rata return of the premium paid but not exceeding one half of such premium
- b** is greater than the Estimated Gross Profit Gross Revenue or Gross Rentals for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid.

7 Monthly Records (applicable to Outstanding Debit Balances)

The Insured shall at the end of each month record the total amount of debit balances outstanding as set out in Customers Accounts at that date and such record shall be kept at a place other than the Insured's own premises.

If the recorded amount exceeds the Sum Insured applicable at the date of such record then for the purposes of this Clause only the Insured shall be deemed to have recorded such Sum Insured.

8 Reinstatement of Losses

Unless written notice to the contrary be given by either the Company or the Insured the insurance by this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of expiry of the Period of Insurance.

9 Alternative Trading

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

10 Explosion

For the purposes of this Section The Peril Explosion shall be restated as follows:

Explosion

- a** of boilers or of gas used for domestic purposes only but excluding Damage caused by earthquake or subterranean fire
- b** otherwise but excluding Damage caused by the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Premises) in which internal pressure is due to steam only and belonging to or under the control of the Insured.

Extensions

Any loss in respect of Estimated Gross Profit or Gross Revenue as insured by this Section resulting from interruption to or interference with the Business in consequence of Damage at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises:

A Unspecified Suppliers

The premises of the Insured's suppliers manufacturers or processors of components goods or materials but excluding the premises of any supply undertaking from which the Insured obtains electricity gas water or telecommunications services, all in Great Britain or Northern Ireland

B Unspecified Customers

The premises of any of the Insured's customers in Great Britain or Northern Ireland provided that for the purposes of this Extension the term "customers" means those companies organisations or individuals with whom at the time of the Damage the Insured has contracts or trading relationships to supply goods or services

C Storage Sites

Any premises in Great Britain or Northern Ireland not in the occupation of the Insured where property of the Insured is stored

D Property in Transit

Property whilst in transit in Great Britain or Northern Ireland

E Contract Sites

Any situation in Great Britain or Northern Ireland where the Insured is carrying out a contract

F Public Utilities

Property at any:

- a** generating station or sub-station of any public electricity supply undertaking
- b** land based premises of any public gas supply undertaking or of any natural gas producer linked directly therewith
- c** water works or pumping station of any public water supply undertaking
- d** land based premises of any public telecommunications undertaking

from which the Insured obtains electricity gas water or telecommunications services all in Great Britain or Northern Ireland

G Denial of Access

Property in the vicinity of the Premises preventing or hindering access to or use of such Premises whether the Premises or property of the Insured therein shall be damaged or not but excluding the property of any supply undertaking from which the Insured obtains electricity gas water or telecommunications services

Provided that after the application of all the terms conditions and provisions of the Policy the Company's liability shall not exceed

- a** in respect of Extensions A to F the greater of
 - i** the limit stated in the schedule against Extensions A to F
 - or
 - ii** the limit stated in the Schedule against a specific Extension, being the lesser of
 - a** the stated percentage limit of the Estimated Gross Profit or Estimated Gross Revenue limit of liability
 - or
 - b** the stated monetary limit
- b** in respect of Extension G the Estimated Gross Profit or Estimated Gross Revenue limit of liability.

Exclusion

The Company shall not be liable under this Section for loss arising directly or indirectly from:

- a** erasure loss distortion or corruption of information on computer systems or other records programmes or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
- b** other erasure loss distortion or corruption of information on computer systems or other records programmes or software unless resulting from any of The Perils 1 to 12 of Section 1 of this Policy in so far as it is not otherwise excluded.

Section 3: Goods in Transit

In the event of accidental Damage to Property In Transit by the Method of Conveyance shown in the Schedule within the Territorial Limits during the Period of Insurance the Company will subject to the Limit of Liability pay the amount of the Damage or at its option replace or repair such Property.

Definitions

Property

Merchandise and goods (including tools) used in connection with the Business belonging to or the responsibility of the Insured.

Territorial Limits

Great Britain Northern Ireland the Isle of Man the Channel Islands and the Republic of Ireland including sea or air transits between these territories.

Method of Conveyance

- A Vehicles owned or operated by the Insured.
- B Carriers other than the Insured by means of road rail or inland air freight.

In Transit

- a In respect of Method of Conveyance A:
Whilst the Property is being loaded upon carried by temporarily housed upon or being unloaded from the vehicle and concluding when the Property has either been placed at the Premises or receipt acknowledged by the consignee. This shall include a period of temporary garaging not exceeding 30 days during the journey.
- b In respect of Method of Conveyance B:
Whilst the Property is in the custody or control of the carrier until delivered to the consignee's premises and receipt acknowledged or in the case of return transit placed at the Insured's Premises. This shall include a period of temporary garaging not exceeding 30 days during the journey.

Limit of Liability

The liability of the Company in respect of Damage arising out of one single event at any one location to any one load or combination of loads of Property In Transit shall not exceed the sums insured stated in the Schedule.

Excess

The Company shall not be liable for the first amount of each and every claim hereunder as stated in the Schedule.

Average

Each Sum Insured by this Section is similarly but separately subject to Average as defined in the General Definitions.

Specific Conditions

The following Conditions apply to this Section.

- the Insured shall keep their vehicles in a good state of repair and in efficient roadworthy condition.
- in respect of Method of Conveyance B, the Insured shall obtain a receipt from the carrier for all Property sent and if requested by the Company, produce it in the event of any claim.
- It is a condition precedent to the liability of the Company in respect of any vehicle owned or operated by the Insured that whenever the loaded vehicle is left unattended during the Periods set out below then those of the following Security Measures indicated shall apply:

The Periods		Security Measures to Apply
a	Between the hours of 6am and 9pm	1
b	Between the hours of 9pm and 6am	1 and 2

Security Measure 1

All keys must be removed from the vehicle, all doors and similar openings be locked, all windows be tightly closed and any special locking devices, immobilisers or alarms fitted be in operation.

Security Measure 2

The vehicle must be housed in a locked building or in an open vehicle enclosure which is securely locked and/or guarded under constant surveillance.

Extensions

In the event of accidental Damage to Property In Transit by Method of Conveyance A for which the Company has admitted liability under this Section the Company will also pay for

- a** Damage to packing materials protective sheeting ropes chains and toggles belonging to the Insured while being carried on the vehicle
- b** the additional costs necessarily incurred in transferring Property to another vehicle and carrying to original destination consequent upon fire or overturning or collision of the conveying vehicle subject to a limit of £2,500 any one loss
- c** the additional costs necessarily incurred in reloading any Property In Transit which has fallen from the conveying vehicle subject to a limit of £2,500 any one loss
- d** the additional costs necessarily incurred in removing debris consequent upon Damage to the Property In Transit subject to a limit of £2,500 any one loss
- e** Damage to personal effects belonging to the driver and/or attendant whilst carried in any vehicle which is conveying Property In Transit up to an amount not exceeding £500 per person
- f** Damage to Property In Transit arising out of the use of any vehicle substituted by the Insured whilst their own vehicle is undergoing service or repair up to an amount not exceeding the Sum Insured applicable to the vehicle undergoing service or repair.

Reinstatement (Tools) Clause

In the event of tools used by the Insured in connection with the Business and insured by this Section being lost destroyed or damaged the basis upon which the amount payable in respect of such property is to be calculated shall be the cost of Reinstatement subject to the Provisions set out below.

“Reinstatement” means

- A** the replacement of property lost or destroyed
- B** the repair or restoration of property damaged

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

Provisions

- 1** No payment beyond the amount which would have been payable had this Clause not been operative shall be made:
 - a** unless the work of Reinstatement is commenced and carried out with reasonable despatch
 - b** until the cost of Reinstatement has been incurred
 - c** unless any other insurance covering the Insured's interest in the property at the time of Damage is upon the same basis of Reinstatement as this Policyand if no such payment is made then the rights and liabilities of the Company and the Insured shall be those which would have applied had this Clause not been operative.
- 2** In the event of partial Damage to property the Company's liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed.

Exclusions

The Company shall not be liable under this Section for Damage to any property in Transit arising out of or attributable to:

- 1** wear and tear deterioration contamination mildew damp rust corrosion insect or vermin
 - 2** inherent vice latent defect action of light or atmospheric or climatic conditions
 - 3** spillage leakage evaporation loss of weight or shrinkage
 - 4** mechanical and/or electrical derangement or breakdown
 - 5** electrical or magnetic injury disturbance or erasure of electronic records
 - 6** breakdown of refrigeration and/or insufficient insulation
- unless caused by or directly traceable to fire lightning or collision or overturning of the conveying vehicle
- 7** defective or inadequate packing or insufficient addressing
 - 8** delay confiscation requisition embargo or nationalisation by order of the government or any public authority

The Company also shall not be liable hereunder in respect of:

- 9** explosives or other dangerous goods (the term “dangerous goods” means goods specified in the Special Classification of Dangerous Goods issued by the railway authorities or otherwise not accepted for rail transport on the grounds of their dangerous or hazardous nature)
- 10** money and other negotiable instruments of every description securities deeds bonds bills of exchange promissory notes jewellery precious stones and metals and articles made therefrom bullion furs and livestock
- 11** Property carried by the Insured for hire or reward
- 12** Damage to Property in or on soft topped open topped open sided or curtain sided vehicles caused by theft or attempted theft (unless the conveying vehicle is stolen at the same time) or storm
- 13** depreciation loss of market or any other consequential loss.

Section 4: Loss of Business Money

The Company will indemnify the Insured for accidental Damage by any cause not excluded to Money and Non-negotiable Currency as defined below in any of the Situations during the Period of Insurance

Provided that the liability of the Company shall in no case exceed the Maximum Amounts stated in the Schedule.

Definitions

Money

Cash bank and treasury notes cheques and girocheques (other than blank or partly completed cheques and girocheques) travellers cheques bills of exchange bankers drafts giro drafts postal orders money orders premium bonds current postage and revenue stamps trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps gift tokens luncheon vouchers phone cards consumer redemption vouchers and travel tickets all belonging to the Insured or for which responsibility has been accepted by the Insured.

Non-Negotiable Currency

Crossed cheques crossed girocheques crossed bankers drafts crossed giro drafts crossed postal and crossed money orders national savings certificates premium bonds unexpired units in franking machines stamped national insurance cards credit card sales vouchers debit card sales vouchers VAT purchase invoices all belonging to the Insured or for which responsibility has been accepted by the Insured.

Situations

a Transit/Contract Sites

In transit in the custody of the Insured or any authorised person acting on behalf of the Insured or by registered post or at any of the Insured's contract sites while the Insured's Employees are working at such sites.

b Bank Night Safe

In a bank night safe.

c Premises During Business Hours

In the Premises during Business Hours.

d Premises Outside Business Hours In Safe

In a locked safe (details of which are lodged with the Company) in an enclosed building at the Premises outside Business Hours.

e Premises Outside Business Hours Not In Safe

Not in a locked safe or locked till in an enclosed building at the Premises outside Business Hours.

f Travellers/Collectors

In the custody of travellers and collectors for a maximum period of 24 hours but not in private dwellings.

g Private Dwellings

In the private dwelling of the Insured or any authorised Employee of the Insured.

h Non-negotiable Currency

Non-negotiable Currency in any of the Situations described above.

Extensions

The insurance provided by this Section extends to include the following:

1 Damage to Safes

Damage to

- a** any safe strongroom or franking machine
- b** any container or waistcoat whilst being used for carrying Money resulting from theft or attempted theft of Money up to an amount not exceeding the cost of repair or replacement

2 Damage to Clothing

Damage to clothing and personal effects belonging to the Insured or any partner director or Employee of the Insured resulting from theft or attempted theft of Money up to an amount not exceeding £500 any one person.

3 Credit Cards

The Company will indemnify the Insured for any amount for which the Insured becomes liable under the terms of issue of any bank charge credit debit or cash card used only in connection with the Business following fraudulent use by any unauthorised person. The liability of the Company shall not exceed £500 during any one Period of Insurance.

Provided that the Insured reports the loss to the issuing company immediately and to the police within 24 hours of discovering the loss and has complied with the conditions of issue of the card.

Special Conditions

The following Conditions apply to this Section.

1 Intruder Alarm

Also applicable to this Section is Endorsement B - Intruder Alarm Condition as set out in the Endorsements section of this Policy, if such Condition is operative under Section 1, for the Premises concerned.

2 Care and Supervision of Employees

The Insured shall take all reasonable care in the selection and supervision of Employees.

It is a condition precedent to the liability of the Company that:

3 Money Records

a complete record of all Money and Non-negotiable Currency on the Premises be kept in a secure place other than in any safe or other receptacle containing the Money and Non-negotiable Currency.

2 Safe Keys

safe keys be removed from the Premises outside Business Hours

3 Safes

details of the safes used for containing Money be lodged with the Company

4 Transit Limits

Money (other than Non-Negotiable Currency) in transit be accompanied by the following numbers of persons between the ages of 18 and 65:

Amount of Money in transit at any one time	Accompaniment requirement
● Up to £3,000	1 person
● Over £3,000 up to £6,000	2 persons
● Over £6,000 up to £12,000	3 persons
● Over £12,000	Approved security company

5 Theft Protections

all fastenings and protections on the Premises at the commencement of this Insurance and all additional fastenings and protections which have been stipulated by the Company shall be maintained during the currency of this insurance and put into full and effective operation at all times outside Business Hours.

Exclusions

The Company shall not be liable under this Section for loss:

- 1** arising from fraud or dishonesty of any partner director or employee of the Insured and not discovered within fourteen working days of the occurrence of the loss
- 2** insured by a fidelity guarantee insurance except for any excess beyond the amount recoverable thereunder
- 3** from unattended motor vehicles
- 4** arising from the use of any form of payment which proves to be counterfeit false fraudulent invalid uncollectable or irrecoverable for any reason
- 5** occurring outside the United Kingdom or the Republic of Ireland
- 6** due to errors omissions depreciation in value loss of market or consequential loss of any kind.

Section 5: Personal Accident (Assault)

In the event of Injury to any Insured Person whilst engaged on their occupation in the Business which within twenty-four months is the sole cause of any of the Results detailed below the Company will pay the Benefits stated in the Schedule to the Insured or their legal representative.

Definitions

Insured Person

The Insured or any partner director or employee of the Insured aged not less than 16 years nor more than 75 years.

Injury:

Accidental bodily injury caused solely and directly by violence occurring during theft or attempted theft of Money or Non-negotiable Currency at any of the Situations described in Section 4 or of other property from the Premises during Business Hours.

The Results

- 1** Death which shall not be presumed by the disappearance of the Insured Person
- 2** Loss of Limbs and/or Loss of Sight
- 3** Permanent Total Disablement
- 4** Temporary Total Disablement
- 5** Temporary Partial Disablement
- 6** Incurred Medical Expenses

N.B. The following Benefit limitations apply:

- a** No further Benefit shall be payable to the same Insured Person after payment of any Benefit under Results 2 or 3.
- b** Benefit under Result 3 is not payable before 104 weeks from the date of Injury nor following a payment of Benefit under Result 2.
- c** Any Benefit paid under Result 4 shall be deducted from any Benefit thereafter becoming payable under Results 1, 2 or 3.
- d** Benefit under Results 4 or 5 or any combination thereof is payable for a maximum of 104 weeks from the date of commencement of the first of these Results to occur.
- e** Benefit under Result 5 is payable at a rate of 25% of the amount payable as Benefit under Result 4.
- f** Benefit under Result 6 shall be reimbursement up to a sum of £500.

Loss of Limbs

Physical separation of one or more hands or feet or permanent and total loss of use of one or more hands or feet.

Loss of Sight

Total and irrecoverable loss of sight in one or both eyes.

Permanent Total Disablement

Permanent disablement rendering the Insured Person unable to attend to their usual occupation not being disablement following Loss of Limbs or Loss of Sight.

Temporary Total Disablement

Temporary disablement rendering the Insured Person unable to attend to their usual occupation.

Temporary Partial Disablement

Temporary disablement rendering the Insured Person unable to attend to a substantial and essential part of their usual occupation.

Medical Expenses

The cost of medical surgical or other remedial attention treatment or appliances given or prescribed by a qualified member of the medical profession and all hospital nursing home and ambulance charges.

Special Conditions

- 1** In the event of death the Company shall be entitled to have a post-mortem examination at its own expense.
- 2** In the event of disablement the Insured Person must immediately place himself under the care of a qualified medical practitioner and as often as may be required submit to medical examination at the Company's expense.
- 3** Benefit under Results 4 and 5 shall be payable when the total amount has been agreed or at the request of the Insured at intervals of not less than four weeks (but not in advance) commencing four weeks after receipt of written notice of any Injury by the Company.
- 4** All certificates information and evidence required by the Company shall be furnished at the expense of the claimant under this Section and shall be in such form and of such nature as the Company shall prescribe.

Exclusion

The Company shall not be liable under this Section in respect of any death or disablement attributable to or accelerated by pregnancy or pre-existing physical or mental condition.

Sections 6, 7 & 8 Employers' Liability - Public Liability - Products Liability

The Company will subject to the Indemnity Limits stated in Sections 6, 7 and 8 indemnify the Insured against:

- 1 a** all sums which the Insured shall become legally liable to pay as damages (including interest thereon) and
b claimants' costs and expenses
in respect of the Occurrences stated in Sections 6, 7 and 8
- 2** all costs and expenses incurred by the Insured with the Company's written consent in defending any claim
- 3** the solicitor's fees incurred with the Company's written consent for representation at proceedings in any court of summary jurisdiction in respect of any alleged act causing or relating to any Occurrence which may be the subject of indemnity under these Sections or at any coroner's inquest or fatal accident inquiry.

Definitions

Property

Material property.

Territorial Limits

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

Craft

Any vessel or craft made or intended to float on or in or travel through water air or space.

Products Supplied

Any goods (including their containers packaging labelling and instructions for use) manufactured sold supplied hired out repaired renovated serviced altered erected installed or treated by the Insured in connection with the Business and no longer in the charge or control of the Insured.

Pollution or Contamination

- a** All pollution or contamination of buildings or other structures or of water or land or the atmosphere
and
- b** all Damage or Bodily Injury directly or indirectly caused by such pollution or contamination.

Interpretations

The Insured - shall include

- a** personal representatives of the Insured in the event of the death of the Insured but only in respect of liability incurred by the Insured
- b** if the Insured so requests:
 - i** any director partner or Employee of the Insured while acting in connection with the Business provided that the Insured would have been entitled to indemnity under the respective Section if the claim had been made against the Insured
 - ii** any officer or member of the Insured's canteen sports social or welfare organisations and fire security first aid medical and ambulance services in his/her respective capacity as such

Provided that such persons shall observe fulfil and be subject to the terms conditions Exclusions and limits of each Section and the Policy in so far as they can apply.

The Business - shall include

- a** the ownership repair maintenance and decoration of the Premises
- b** private work undertaken by any Employee of the Insured for the Insured or with the Insured's consent for any director partner or other Employee of the Insured
- c** the provision and management of canteen sports social and welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services.

Bodily Injury - shall include death disease illness mental injury mental anguish or nervous shock.

Special Conditions

1 Costs Inclusive in U.S.A. and Canada

Where indemnity is provided by Sections 7 and/or 8 for liability in respect of Occurrences in the United States of America or Canada or their dependencies or trust territories the Indemnity Limit stated in the Schedule shall be the maximum amount payable by the Company inclusive of all costs and expenses.

2 Contractual Liability

In so far as concerns liability assumed by the Insured under agreement which would not have attached in the absence of such agreement Sections 6 and 7 will only apply if the Company retains sole conduct and control of any claim.

Section 8 will not apply to liability assumed by the Insured under agreement other than under any condition or warranty of goods implied by law unless such liability would have attached in the absence of such agreement.

Section 6: Employers' Liability

Occurrence

Bodily Injury caused to any Employee of the Insured occurring anywhere in the Territorial Limits during the Period of Insurance and arising out of and in the course of employment or engagement of such person by the Insured in the Business.

Indemnity Limit

The Company's liability (inclusive of all costs and expenses payable) under this Section in respect of any one Occurrence or series of Occurrences arising out of any one original cause shall not exceed the Indemnity Limit stated in the Schedule.

Special Conditions

- 1 The indemnity provided by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands and the Isle of Man but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.
- 2 If this Policy or Section is cancelled any certificate of Employers' Liability insurance is similarly cancelled from the same date.

Exclusions

The Company shall not be liable under this Section in respect of Bodily Injury

- 1 caused to any Employee (other than the driver) being carried in or upon a vehicle or entering or getting onto or alighting from a vehicle where such Bodily Injury is caused by or arises out of the use by the Insured of a vehicle on a road. For the purpose of this Exclusion the expressions "vehicle", "use" and "road" shall have the same meanings as in Part VI of the Road Traffic Act 1988
- 2 arising in connection with any visits to or work on any offshore rig or platform. A visit to or work on any offshore rig or platform shall be deemed to commence at the time of embarkation onto a conveyance at the point of final departure to such rig or platform and continue until the time of disembarkation from a conveyance onto land on return from an offshore rig or platform.

Section 7: Public Liability

Occurrences

- 1** Accidental Bodily Injury to any person
- 2** accidental Damage to Property
- 3** obstruction trespass nuisance or interference with any easement of air light water or way
- 4** wrongful arrest detention imprisonment or eviction of any person malicious prosecution or invasion of the right of privacy

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business.

Indemnity Limit

The Company's liability under this Section for all damages (including interest thereon) payable in respect of any one Occurrence or series of Occurrences arising out of any one event shall not exceed the Indemnity Limit stated in the Schedule.

Excesses

The Company shall not be liable for the first amount of each and every claim under this Section in respect of the following damage occurring elsewhere than at the Premises:

- a** Damage to Property other than as described in paragraphs **b** and **c** below
 - b** Damage to Property arising out of the application of heat or the heating of bitumen or similar bituminous compounds
 - c** Damage to underground pipes and cables
- shown as Excesses A, B and C respectively in Section 7 of the Schedule.

Exclusions

The Company shall not be liable under this Section in respect of:

- 1** the cost of replacing or making good faulty defective or incorrect
 - a** workmanship
 - b** materials goods or other property supplied installed or erected by or on behalf of the Insured
- 2** liability arising from advice design formula or specification provided by or on behalf of the Insured for a fee or in circumstances where a fee would normally be charged
- 3** liability for Bodily Injury caused to any Employee of the Insured arising out of and in the course of such person's employment or engagement by the Insured in the Business
- 4** liability for Damage to Property belonging to or in the charge or under the control of the Insured but this Exclusion shall not apply to directors' partners' Employees' or visitors' property or any premises (including contents) which are temporarily occupied by the Insured for the purpose of work in connection with the Business (not being buildings which are owned by or leased rented or hired to the Insured)

- 5** liability caused by or arising from the ownership possession or use by or on behalf of the Insured of any:

 - a** Craft other than hand propelled watercraft
 - b** mechanically propelled vehicle (or trailer attached thereto) licensed for road use other than liability caused by or arising from:

 - i** the use of plant as a tool of trade on site or at the Premises
 - ii** the loading or unloading of such vehicle
 - iii** the movement of any such vehicle not the property of the Insured which is interfering with the performance of the Business

but this indemnity shall not apply if in respect of such liability compulsory insurance or security is required under any legislation governing the use of the vehicle
- 6** liability arising out of Products Supplied other than:

 - a** food or drink sold or supplied for consumption by the Insured's directors partners Employees or visitors
 - b** the disposal of furniture and office equipment originally intended solely for use by the Insured in connection with the Business and which is no longer required for that purpose
- 7** liquidated damages fines or penalties
- 8** punitive exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages
- 9** all liability in respect of Pollution or Contamination other than that caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during any one Period of Insurance provided that

 - a** all Pollution or Contamination which arises out of any one incident shall be deemed to have occurred at the time such incident takes place
 - b** the liability of the Company for all damages (including interest thereon) payable in respect of all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance shall not exceed in the aggregate the Indemnity Limit stated in Section 7 of the Schedule
 - c** this Exclusion does not apply to the United States of America and/or Canada and/or their dependencies or trust territories
- 10** all liability in respect of Pollution or Contamination occurring in the United States of America and/or Canada and/or their dependencies or trust territories
- 11** liability arising in connection with any visits to or work on any offshore rig or platform. A visit to or work on any offshore rig or platform shall be deemed to commence at the time of embarkation onto a conveyance at the point of final departure to such rig or platform and continue until the time of disembarkation from a conveyance onto land on return from an offshore rig or platform.

Use of Heat Condition

It is a condition precedent to the liability of the Company that the undernoted precautions shall be complied with whenever the following equipment is used anywhere other than on the Insured's premises.

a Blow Lamps or Blow Torches

- i The area in which the equipment is to be used is cleared of loose combustible material
- ii lighted blow lamps or blow torches are continuously attended and extinguished immediately after use
- iii blow lamps are filled only in the open
- iv a suitable multi-purpose fire extinguisher is kept available for immediate use within close proximity of the area in which the equipment is to be used
- v a thorough examination is made in and about the area in which the work has been undertaken immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.

b Welding or Flame Cutting Equipment

- i The area in which the equipment is to be used is cleared of loose combustible material
- ii other combustible material including floors in the area in which the equipment is to be used is covered with overlapping sheets of incombustible material
- iii lighted welding or flame cutting equipment is continuously attended and extinguished immediately after use
- iv before applying heat to metal work built into or projecting through walls, partitions, ceilings or floors examination is made to ensure that the other side of the metal work is not in hazardous proximity to combustible material which may be ignited by direct or conducted heat
- v a suitable multi-purpose fire extinguisher is kept available for immediate use within close proximity of the area in which the equipment is to be used
- vi a thorough examination is made in and about the area in which the work has been undertaken including behind walls, partitions, ceilings or floors immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.

c Vessels for Heating of Bitumen or Bituminous Compounds

- i Such vessels are continuously attended and used only in the open whilst heating is taking place
- ii if used on a roof or within a building such vessels shall be placed on a flat surface of non-combustible material.

Section 8: Products Liability

Occurrences

- 1 Accidental Bodily Injury to any person
- 2 Accidental Damage to Property

occurring anywhere in the world during the Period of Insurance and caused by any Products Supplied in or from Great Britain Northern Ireland the Channel Islands or the Isle of Man.

Indemnity Limit

The Company's liability under this Section for all damages (including interest thereon) payable in respect of all Occurrences during any one Period of Insurance shall not exceed the Indemnity Limit stated in the Schedule.

Exclusions

The Company shall not be liable under this Section in respect of:

- 1 Damage to or the cost of repair alteration replacement removal or recall of any Products Supplied which give rise to a claim hereunder or any refund for such Products Supplied
- 2 liability arising from advice design formula or specification provided by or on behalf of the Insured for a fee or in circumstances where a fee would normally be charged
- 3 liability for Bodily Injury caused to any Employee of the Insured arising out of and in the course of such person's employment or engagement by the Insured in the Business
- 4 liability caused by or arising from Property in the Insured's charge or control
- 5 Products Supplied which to the knowledge of the Insured are to be used as a critical part in connection with the flying or navigation of any aircraft spacecraft rocket missile or satellite
- 6 liquidated damages fines or penalties
- 7 punitive exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages
- 8 all liability in respect of Pollution or Contamination other than that caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during any one Period of Insurance provided that
 - a all Pollution or Contamination which arises out of any one incident shall be deemed to have occurred at the time such incident takes place
 - b the liability of the Company for all damages (including interest thereon) payable in respect of all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance shall not exceed in the aggregate the Indemnity Limit stated in Section 8 of the Schedule
 - c this Exclusion does not apply to the United States of America and/or Canada and/or their dependencies or trust territories
- 9 all liability in respect of Pollution or Contamination occurring in the United States of America and/or Canada and/or their dependencies or trust territories
- 10 Products Supplied which to the knowledge of the Insured are exported to the United States of America and/or Canada and/or their dependencies or trust territories unless otherwise agreed by the Company.

Extensions applicable to Sections 6, 7 and 8

A Court Attendance Costs

In the event of any of the undernoted persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will pay compensation to the Insured at the following rates per day for each day on which attendance is required:

- a** any director or partner of the Insured £250
- b** any Employee £150

B Health and Safety at Work etc. Act 1974

The Company will indemnify the Insured and at the Insured's request any director or partner of the Insured or any Employee against legal costs and expenses incurred in defending prosecutions for a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the Business during the Period of Insurance. The Company will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgement given

Provided that this indemnity shall not apply to the payment of fines or penalties.

Extensions applicable to Section 6 only

C Unsatisfied Court Judgements

In the event of a judgement for damages being obtained by any Employee or the personal representatives of any Employee in respect of Bodily Injury caused to the Employee during any Period of Insurance and occurring in connection with the Business against any person or company operating from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man in any court situate in these territories and remaining unsatisfied in whole or in part six months after the date of such judgement the Company will at the Insured's request pay to the Employee or the personal representatives of the Employee the amount of such damages and any awarded costs to the extent that they remain unsatisfied

Provided that:

- a** there is no appeal outstanding
- b** if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgement to the Company.

D Work Overseas

The indemnity provided shall extend to apply in respect of liability for Bodily Injury caused to an Employee whilst temporarily engaged in work outside the Territorial Limits.

Provided that such Employee is ordinarily resident within the Territorial Limits.

Extension applicable to Sections 6 and 7 only

E Indemnity to Principals

The Company will at the request of the Insured indemnify any principal to the extent required by the contract between the Insured and the principal in respect of liability arising from the performance of work by the Insured for such principal

Provided that:

- a** the Company shall retain sole conduct and control of any claim
- b** the principal shall observe fulfil and be subject to the terms conditions Exclusions and limits of these Sections and the Policy in so far as they can apply

Extensions applicable to Section 7 only

F Work Overseas

The indemnity provided shall extend to apply

- a** within any member country of the European Union outside the Territorial Limits where any person is temporarily engaged on the Business of the Insured
- b** elsewhere in the world where any person is temporarily engaged in non-manual work in connection with the Business of the Insured.

G Defective Premises Act 1972

The Company will indemnify the Insured under Section 7 of this Policy in respect of liability incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with any business premises or land disposed of by the Insured

Provided that this Extension shall not apply to:

- a** the cost of rectifying any damage or defect in the premises or land disposed of
- b** liability for which the Insured is entitled to indemnity under any other policy.

H Leased or Rented Premises

Exclusion 4 of Section 7 shall not apply to liability for accidental Damage to any premises (including their fixtures and fittings) leased rented or hired to the Insured

Provided that the Company shall not be liable for Damage by any cause against which the lease or tenancy agreement stipulates that insurance shall be effected by the lessee or tenant.

I Member to Member Liability

Section 7 is extended to indemnify any member of the Insured's sports or social organisations in respect of liability for accidental Bodily Injury or Damage to Property sustained by fellow members of such organisations while engaged in the activities of such organisations.

J Motor Contingent Liability

Despite Exclusion 5 of Section 7 the Company will indemnify the Insured in respect of liability arising out of the use of any motor vehicle not belonging to or provided by the Insured and being used in the course of the Business anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man

Provided that this indemnity shall not apply:

- a** in respect of Damage to the vehicle
- b** whilst the vehicle is being driven
 - i** by the Insured
 - ii** with the general consent of the Insured or a representative of the Insured by any person who to the knowledge of the Insured or such representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
 - iii** to liability which is insured or would but for the existence of Section 7 be insured under any other insurance.

K Overseas Personal Liability

Section 7 is extended to indemnify the Insured and at the Insured's request any director or partner of the Insured or any Employee or any family member accompanying them while temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man in connection with the Business against legal liability as defined in this Section incurred in a personal capacity

Provided that this indemnity shall not apply:

- a** to liability arising out of the ownership or tenure of any land or building
- b** where indemnity is provided by any other insurance.

Extensions applicable to Sections 7 and 8 only

L Cross Liabilities

Where the Insured comprises more than one party the Company will treat each party as the Insured as if a separate Policy had been issued to each provided that nothing in this Extension will increase the liability of the Company beyond the amount for which the Company would have been liable had this Extension not applied.

M Data Protection Act 1998

The Company will indemnify the Insured and at the Insured's request any director or partner of the Insured or any Employee against the sums which the Insured or any director or partner of the Insured or any Employee become(s) legally liable to pay as damages under Section 13 of the Data Protection Act 1998 for Damage or distress caused in connection with the Business during the Period of Insurance provided that the Insured is

- a** a registered user in accordance with the terms of the Act
- b** not in business as a computer bureau.

The total amount payable including all costs and expenses under this Extension in respect of all claims occurring during any one Period of Insurance is limited to £250,000.

The indemnity provided by this Extension shall not apply to:

- i** any Damage or distress caused by any deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
- ii** any Damage or distress caused by any act of fraud or dishonesty
- iii** the costs and expenses of rectifying rewriting or erasing data
- iv** liability arising from the recording processing or provision of data for reward or to determine the financial status of any person
- v** the payment of fines or penalties.

Extension applicable to Section 8 only

N Consumer Protection and Food Safety Acts

The Company will indemnify the Insured and at the Insured's request any director partner or Employee of the Insured against legal costs and expenses incurred with the Company's written consent in connection with the defence of any proceedings or an appeal against conviction arising from such proceedings brought for a breach of

- a** Part 2 of the Consumer Protection Act 1987
or
- b** Section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990

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

Provided that this indemnity shall not apply to

- i** payment of fines or penalties
- ii** proceedings or appeals in respect of any deliberate act or omission by the Insured
- iii** costs or expenses insured by any other policy.

Section 9: Glass Breakage

In the event of breakage of Glass or Sanitary Ware for which the Insured is responsible at the Premises the Company will replace such property or at its option pay to the Insured the costs of replacement

The Company shall not be liable to replace or pay for the replacement of such property exactly but only as nearly as circumstances permit

Following breakage of Glass the Company will in addition pay for any boarding up costs reasonably incurred.

Definitions

Glass

All fixed glass including shelves showcases and mirrors

Sanitary Ware

Fixed baths washbasins pedestals bidets shower trays sinks lavatory pans and cisterns

Extensions

The Company will also indemnify the Insured in respect of:

- 1 damage to frames or framework following breakage of Glass
- 2 the cost of removal or replacement of fixtures and fittings necessarily incurred to effect replacement of Glass as a result of breakage
- 3 the cost of replacing alarm foil lettering painting embossing silvering or other ornamental work on Glass following breakage of Glass
- 4 accidental damage to goods incidental to the Insured's business caused by breakage of Glass in display windows

Provided that the liability of the Company under any or all of Extensions 2, 3 and 4 shall not exceed the limit shown in the Schedule in respect of any one incident.

Excess

The Company shall not be liable for the first amount of each and every claim as stated in the Schedule.

Exclusions

The Company shall not be liable under this Section in respect of:

- 1 breakage caused by fire lightning explosion or storm.
- 2 breakage occurring:
 - a when the Premises are left vacant or become disused
 - b during installation or removal of Glass or Sanitary Ware
- 3 breakage of any panes which were cracked or fractured prior to the inception of this insurance
- 4 in signs and light fittings unless the Signs Extension is in force
- 5 in greenhouses or conservatories unless specifically accepted by the Company
- 6 any consequential loss.

Signs Extension

The Company will by payment or at its option by reinstatement or repair indemnify the Insured against accidental Damage to any sign where the inclusion of insurance for such is indicated in the Schedule and a Sum Insured is placed thereon.

The liability of the Company under this Extension during any one Period of Insurance shall not exceed the Sum Insured stated in the Schedule.

Exclusions

The Company shall not be liable in respect of:

- 1** Damage occasioned by or happening through repair removal or erection wear and tear depreciation or deterioration.
- 2** Damage to any part caused by mechanical or electrical defect
- 3** Damage to tubes unless the glass is fractured.

Excess

The Company shall not be liable for the first amount of each and every claim as stated in the Schedule.

Section 10: All Risks on Machinery and/or Apparatus

In the event of accidental Damage by any cause (not hereinafter excluded) happening within the Geographical Limits shown in the Schedule to any Machinery and/or Apparatus described in the Schedule the property of the Insured or for which they are responsible the Company will pay to the Insured the value of such Machinery or Apparatus or the amount of the Damage at the time of such Damage or at its own option reinstate or replace such property

Provided that the liability of the Company in any one Period of Insurance shall in no case exceed the total sum insured or in respect of any item its sum insured or any other stated limit of liability.

Extension

In respect of any vending machine described in the Schedule the insurance provided by this Section extends to include the contents (other than cash) of such machine provided that

- a** Damage thereto occurs at one and the same time as Damage to the machine itself
- b** the liability of the Company hereunder in respect of such contents shall not exceed £100 in respect of any one incident.

Geographical Limits

- A** The Premises.
- B** Anywhere in the United Kingdom (which means Great Britain and Northern Ireland) the Channel Islands and the Isle of Man including the Premises.
- C** Europe which means anywhere in the United Kingdom the Channel Islands the Isle of Man and the countries of the European Union.
- D** Worldwide which means anywhere in the world including the United Kingdom and Europe.

Excess

The Company shall not be liable for the first amount of each and every claim as stated in the Schedule.

Average

Each item of property insured under this Section is similarly but separately Subject to Average as defined in the General Definitions.

Clauses and Extensions

Also applicable to this Section are Clauses 2 and 4 and Extensions B H I K and L as set out in Section 1.

Exclusions

The Company shall not be liable under this Section in respect of:

- 1** Damage to the property insured caused by or consisting of
 - a** inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b** faulty or defective workmanship operational error or omission on the part of the Insured or any of his Employees
 - c** the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured

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

- 2** Damage caused by or consisting of
 - a** corrosion rust wet or dry rot shrinkage evaporation leakage loss of weight dampness contamination fermentation dryness marring scratching vermin or insects
 - b** change in temperature colour flavour texture or finish, action of light
 - c** theft or attempted theft
 - i** from an unattended vehicle between the hours of 6am and 9pm unless
 - a** all doors windows and other openings are left closed securely locked and properly fastened and
 - b** entry or access to the vehicle has been effected by forcible and violent means
 - ii** from the Premises whenever such premises are closed for business or left unattended unless all locks bolts and other security devices including any intruder alarm system be put into full and effective operation
 - iii** other than from the Premises between the hours of 9pm and 6am unless the property insured is in the personal custody of the Insured or any partner director or Employee of the Insured or in a securely locked or occupied building

Damage consisting of

- d** joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
- e** mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- i** such Damage not otherwise excluded which itself results from any of The Perils Numbers 1-12 within Section 1 of this Policy or from any other accidental Damage
- ii** subsequent Damage which itself results from a cause not otherwise excluded

- 3** Damage caused by or consisting of
 - a** subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
 - b** normal settlement or bedding down of new structures
 - c** acts of fraud or dishonesty
 - d** disappearance unexplained or inventory shortage misfiling or misplacing of information
 - e** electrical or magnetic injury disturbance or erasure of electronic records other than by lightning
- 4** Destruction of or damage to a building or structure caused by its own collapse or cracking unless resulting from any of The Perils 1-12 within Section 1 of this Policy in so far as it is not otherwise excluded
- 5** Damage in respect of movable property in the open or in open-sided buildings fences and gates caused by wind rain hail sleet snow flood or dust
- 6** Damage to the property insured
 - a** caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b** (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair
- 7** Damage
 - a** caused by freezing
 - b** caused by escape of water from any tank apparatus or pipe
 - c** caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation
 - d** caused by theft or attempted theftin respect of any building which is left vacant or becomes disused
- 8** Damage occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- 9** loss of market loss of use monetary devaluation or any other consequential loss
- 10** Damage to any part of any electrical plant or apparatus directly caused by breakdown leakage of electricity or excessive pressure therein or by its own short circuiting or overrunning but damage to any other part of such plant or apparatus or to other property insured by the spread of fire therefrom is not excluded.

Section 11: Deterioration of Refrigerated Foods

In the event of loss of Refrigerated Foods whilst stored only in any proprietary refrigerated food storage installation (not being a cold room or a cabinet with a driving motor exceeding 1.5 hp) contained in the Premises for the purposes of the Business due to deterioration or putrefaction caused by:

- a** breakdown or failure of the installation which means sudden stoppage of refrigeration process by reason of inherent fault or accidental means
- b** escape of refrigerant or refrigeration fumes
- c** accidental failure of the public electricity supply

the Company will pay up to but in no case exceeding the amount stated in the Schedule in respect of such loss.

Definition

Refrigerated Foods

Any perishable food for human consumption which it is normal practice to place into refrigeration for purposes of preservation.

Exclusions

The Company shall not be liable under this Section for:

- 1** loss caused by wear tear deterioration of the cabinet or other gradually operating cause
- 2** loss occurring in any cabinet which is older than 5 years when this insurance commences unless there is in force in respect of such cabinet a maintenance or service agreement either with the manufacturers or suppliers thereof or an approved firm of refrigeration engineers
- 3** loss caused by incorrect setting of thermostats or automatic controlling devices
- 4** any consequential loss
- 5** loss arising from the deliberate act of the public electricity supply authority or the exercise of its power to withhold or restrict supply or from strikes or industrial disputes

Section 12: Engineering Damage to Machinery and Plant

If the Machinery and Plant or any part thereof whilst at in or on the Premises suffer Damage the Company will pay to the Insured the value of the Machinery and Plant at the time of such Damage or at its option reinstate or replace such Machinery and Plant.

Provided that the liability of the Company shall in no case exceed the Limit of Liability stated in the Schedule or such other limits as may be hereafter substituted by endorsement issued by the Company.

Definitions

Machinery and Plant - mechanical and electrical machinery and plant boilers pressure vessels storage tanks electronic equipment used solely or in part for the control or monitoring of any manufacturing repair handling alteration and/or treatment process.

but excluding:

- a** chimneys masonry brickwork foundations supporting structures racking or shelving
- b** any item or any part of equipment sold supplied processed serviced manufactured or stored in the course of the Insured's trade or business
- c** computer or data processing equipment (unless linked and wholly dedicated to the control of any machine or production process) communications or alarm systems vending machines games machines and office equipment including but not limited to typewriters adding machines calculators facsimile machines and equipment for the printing or reproduction of documents or other records
- d** vehicles other than purpose built lifting and handling machinery
- e** exchangeable or detachable tools equipment and appliances or parts requiring renewal in the normal course of operation
- f** Machinery and Plant of a prototypical or experimental or novel nature in use or application.

Explosion - sudden and violent rending of the Machinery and Plant (other than boilers used only for domestic purposes) by force of internal steam pressure or other fluid pressure (other than pressure of chemical action or ignition of flue gasses) causing bodily displacement of any part of the Machinery and Plant together with the forcible ejection of the contents.

Collapse - sudden and dangerous distortion (whether or not attended by rupture) of any part of the Machinery and Plant caused by crushing stress by force of steam or other fluid pressure (other than pressure or ignition of flue gasses).

Breakdown - the actual failure breaking distortion or burning out of any mechanical or electrical machinery whilst in use arising out of:

- 1**
 - a** mechanical or electrical defects in the item
 - b** failure or fluctuation of the electricity supply
 - c** damage caused by the error or omission of the operator(s) of the Machinery and Plant other than in respect of any failure to maintain
- 2** fracturing of any part of the Machinery and Plant by frost when such fracture renders the item inoperative

Boilers and Pressure Vessels - Boilers Machinery and Plant subject to internal steam pressure Machinery and Plant used for storage of fluids under pressure vacuum vessels piping and protective devices associated with any of the aforementioned.

Inspecting Authority - Any Qualified Inspection Service as authorised by NIG on behalf of the Company.

Cover

The Company will indemnify the Insured against:

Cover A - Fragmentation

Damage by impact to surrounding property belonging to the Insured or for which the Insured is responsible resulting from fragmentation of any part of the Machinery and Plant provided that the Company's liability in respect of this cover shall not exceed the Limit of Liability stated in the Schedule.

Cover B - Explosion Collapse and Breakdown

- a** Damage to any boiler or other plant belonging to the Insured directly consequent upon and solely due to Explosion occasioned by the bursting of such plant.
- b** Damage to any boilers and pressure plant and connected pipes and radiators due to:
 - i** collapse or overheating of such plant
 - ii** cracking fracturing or failure of seams giving rise to leakage of the contents or leakage from the joints of sectional boilers
- c** Damage to mechanical and electrical Machinery and Plant due to Breakdown including any resultant loss of cooling lubricating or insulating oil refrigerant or brine.

Provided that the Company's liability in respect of **a**, **b** and **c** shall only apply if a Limit of Liability is stated in the Schedule.

Cover C - Explosion Damage to Own Property

In the event of Damage to any Boiler or Pressure Vessel (as defined in the Policy) for which a limit of liability against Cover B is stated in the Schedule caused by Explosion (as defined) for which indemnity is provided by this insurance the Company will also indemnify the Insured against damage to surrounding property belonging to the Insured or for which the Insured is responsible caused by the Explosion provided that the Company's liability for this Cover shall only apply if a Limit of Liability is stated in the Schedule.

Cover does not include

- a** Damage resulting from lack of heat light power steam refrigeration or air conditioning
- b** Damage arising from fire howsoever the fire may have been caused

Extensions

A Capital Additions

Any item of Machinery and Plant of a similar class or type to the Machinery and Plant described in the Schedule which is purchased by or leased to the Insured shall be deemed to be included in this insurance for a period not exceeding 12 months from the time installation is completed and the item is ready to commence normal working provided that:

- a** such item is as far as the Insured is aware suitable for service free from material defects and in sound working condition
- b** such item shall not be worked until any relevant statutory provisions for inspection and certification have been fulfilled
- c** such item shall be insured to the same extent as similar items of Machinery and Plant described in the Schedule
- d** if any such item proves to be unacceptable to the Company the insurance on the item shall terminate from the date of notification to the Insured.

B Cost of Debris Removal

Subject to the Limit of Liability the Company will pay for costs incurred with the Company's consent in the removal of Machinery and Plant or other insured property consequent upon Damage for which indemnity is provided by this insurance but excluding any costs or expenses arising from pollution or contamination of property not covered by this insurance.

C Temporary Repairs

In respect of each claim for Damage for which indemnity is provided by this insurance the Company will subject to the Limit of Liability pay the reasonable cost (if previously approved by the Company) of effecting temporary repair and of expediting permanent repair of such Damage provided that the Company's liability under this extension shall not exceed £10,000.

D Temporary Removal

The insurance under this section also applies whilst the Machinery and Plant is temporarily located away from the Premises at any other premises or working sites in the European Community or European Free Trade Area for the purpose of repair maintenance overhaul or inspection of the Machinery and Plant including transit between the Premises and temporary locations provided that the Company's liability under this extension shall not exceed £25,000 during transit by sea or air in respect of any one incident of Damage or series of incidents of Damage from a common cause.

E Loss Minimisation

Subject to the Limit of Liability the Company will pay reasonable costs incurred by the Insured in taking exceptional measures to avoid or mitigate impending Damage for which indemnity is provided by this insurance provided that:

- a** the impending Damage does not stem from any defect within any item of Machinery and Plant
- b** Damage would be reasonably expected in the absence of such measures
- c** the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken
- d** the terms and conditions of this insurance shall apply as if Damage had occurred.

Clauses

1 Reinstatement

In the event of:

- a** Damage to Boiler and Pressure Vessels
- b** Damage to Machinery and Plant other than that described in **a** above which at the time of Damage is less than 2 years old
- c** Damage by Explosion of Machinery and Plant to any other property (excluding stock in trade or goods in process of manufacture) belonging to the Insured or for which the Insured is responsible

the amount payable shall be the reinstatement of the Machinery and Plant and such additional cost of reinstatement as may be incurred in complying with Building Regulations or local authority or statutory requirements.

For this purpose 'reinstatement' means:

- i** where the Machinery and Plant or property is lost or destroyed or suffers Damage to the extent that it cannot be economically repaired the cost of replacement by similar Machinery and Plant or property or if a building the cost of rebuilding
- ii** where the Machinery and Plant or property suffers Damage the cost of repairing or restoring the portion of Machinery and Plant suffering Damage

to a condition substantially the same as but not better or more extensive than its condition when new.

2 Indemnity

In the event of Damage other than as described in, **a**, **b** and **c** of Clause 1 above the Company will pay the amount of loss meaning:

- a** where the Machinery and Plant or property is lost or destroyed the value of the Machinery and Plant or property prior to its loss or destruction
- b** where the Machinery and Plant or property suffers Damage the cost of repairing or restoring the portion of Machinery and Plant suffering Damage to a condition substantially the same as but not better or more extensive than its condition prior to the occurrence of the Damage.

3 Special Provisions

The following Special Provisions apply:

- a** where Damage occurs to only part of the Machinery and Plant or property the liability of the Company shall not exceed the amount which the Company would have been liable to pay had the Machinery and Plant or property been wholly destroyed
- b** the Company shall not be liable for:
 - i** the cost of complying with Building Regulations or local authority or statutory requirements relating to property or portions of property which has not suffered Damage and/or under which notice has been served prior to the Damage
 - ii** any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with any of the said regulations or requirements
- c** the work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may allow during the said twelve months and may be carried out wholly or partially upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Company
- d** The Company's liability for the cost of reinstatement shall be limited to the value of the Machinery and Plant or property prior to the occurrence of the Damage until the costs of reinstatement shall have actually been incurred.

4 a Inspection

The Inspecting Authority shall have the right to inspect the insured Machinery and Plant at all reasonable times during the Period of Insurance.

The Inspecting Authority will make periodical inspections of Machinery and Plant described in the Schedule and the Insured agrees to properly repair and make available the Machinery and Plant at no expense to the Company to enable the Inspecting Authority to carry out such inspections and report thereon.

b Date Recognition Exclusion Clause (Inspection)

- i** The scope of the inspection service provided by the Company shall not extend to the testing of any item of Plant described in the Schedule to ensure that it or any part of it meets the definition of Year 2000 compliance (as set out in BSI document DISC PD 2000-1 'Year 2000 Conformity Requirements') or that the Plant (or any part of it) described in the Schedule will not be affected in any way by reason of dates falling on before or after 1st January 2000. Accordingly the Insured agrees that subject to clause (ii) the Company shall in no event be liable whether in contract tort (including negligence) or otherwise howsoever for any loss damage costs claims or expenses whether arising directly or indirectly due to the fact that the Plant described in the Schedule is affected in any way by reason of dates falling on before or after 1st January 2000 or due to any failure of the Plant described in the Schedule to meet the definition of Year 2000 compliance (as set out in BSI document DISC PD 2000-1 'Year 2000 Conformity Requirements') and the Insured agrees to indemnify and keep indemnified the Company against all such claims costs losses damages and expenses howsoever arising.
- ii** Nothing in this Agreement shall exclude or limit the Company's liability for death or personal injury caused by its negligence to the extent that the same is prohibited by United Kingdom statute.

Special Conditions

The following Conditions apply to this Section.

It is a condition precedent to the liability of the Company that:

- a** Machinery and Plant shall be maintained in good working order and that Government or other regulations relating to the condition operation or inspection of such Machinery and Plant shall be observed
- b** Machinery and Plant shall be operated and maintained in accordance with manufacturers recommendations The Insured shall notify the Company of any proposed alteration or additions or modifications to an insured item and any proposed departure from ordinary working conditions

Excess

The Company shall not be liable for the first amount of each and every claim under this Section as stated at (a) in the Schedule.

Exclusions

The Company shall not be liable under this Section for:

1 In respect of Cover A Damage caused by Explosion

In respect of Covers B and C Damage caused by Explosion (other than Explosion as defined under this Cover).

In respect of Covers A, B and C

2 Damage caused by fire howsoever the fire may have been caused

3 Damage caused by lightning aircraft or other aerial device or article dropped therefrom earthquake storm flood water discharged or leaking from any installation or automatic sprinkler system or theft

4 Damage caused by and occurring during testing or intentional overloading of the Machinery and Plant except for Damage caused by and occurring during the checking of the correct working of the Machinery and Plant or of safety installations in connection therewith

5 Damage caused by or arising from hydraulic testing

6 Damage caused by burning or distortion by heat of mechanical parts or furnaces kilns stoking or firing units

7 the cost of remedying:

- a** wear and tear or gradual deterioration whether by wasting grooving rust corrosion erosion or otherwise
- b** gradually developing defects flaws deformation distortion cracks or partial fractures
- c** loose parts or defective joints or seams (other than joints between the sections of sectional heating or hot water supply boilers)

but Insured Damage resulting from the foregoing is not excluded

8 **a** scratching of painted or polished surfaces
b Damage to ropes unless resulting in complete severance
c Damage to non-metallic protective linings batteries flexible pipes or hoses and driving or conveyor belts

unless forming part of other Damage for which indemnity is provided by this insurance

9 Damage to rubber tyres unless such Damage arises out of an accident for which insurance is provided by this section of the policy to other parts of the Machinery and Plant or unless such Damage arises out of a malicious act which necessitates replacement of such tyres repair thereof being impracticable

10 loss of use of the Machinery and Plant or property or consequential loss of any nature whatsoever.

Section 13: Engineering Business Interruption

In the event of the Business being interrupted or interfered with as a result of Machinery or Plant used by the Insured at the Premises suffering Damage as defined in Section 12

Then the Company will pay to the Insured (subject to the provisions of the insurance) the amount of loss resulting from such interruption, interference or Damage in accordance with the Basis of Cover shown in the Schedule and following an Insured Event all as described below

Provided that payment shall have been made or liability admitted by the Company for material loss or damage

And that the liability of the Company shall in no case exceed

- 1 133.33% of the Estimated Gross Profit Sum Insured or Estimated Gross Revenue Sum Insured shown in the Schedule and
- 2 100.00% of the Sum Insured shown in the Schedule for Increase in Cost of Working, Outstanding Debit Balances or any other Item insured hereunder.

Definitions

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

Gross Profit - The amount by which

- a the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed
- b the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

N.B. For the purpose of this Definition the amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's usual accounting methods due provisions being made for depreciation and writing down of stocks.

Uninsured Working Expenses

- 1 Purchases (net of discounts)
- 2 Bad debts
- 3 Packaging carriage and freight.
- 4 Discounts allowed

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

Turnover - The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

Gross Revenue - The money paid or payable to the Insured as fees for services rendered in the course of the Business at the Premises

Estimated Gross Revenue - The amount declared by the Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity period exceeds 12 months).

Exclusion Period - Only applicable to Insured Events 1 and 2.

The Period as stated in the Schedule commencing with the occurrence of the Insured Event.

Indemnity Period - The period beginning with the expiry of the Exclusion Period and ending not later than the number of months stated in the Schedule after the occurrence of the Insured Event during which the results of the Business shall be affected in consequence of the Insured Event.

Rate of Gross Profit - The rate of the Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

Standard Turnover - The Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

Standard Gross Revenue - The Gross Revenue during the period in the 12 months immediately before the date of the damage which corresponds with the Indemnity Period.

Note: To the **Rate of Gross Profit, Standard Turnover Revenue and Standard Gross Revenue** adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Insured Events

The following are the Insured Events for which the Company shall provide indemnity subject to the occurrence of the event during the Period of Insurance and as applying to this Insurance as indicated in the Schedule.

- 1** Breakdown of the Machinery and Plant at the Premises meaning:
 - a** the actual breaking distortion or burning out of any part of any item of the Machinery and Plant whilst in use arising from either mechanical or electrical defects in the item causing sudden stoppage of the functions of the item;
 - b** damage to any item of Machinery and Plant caused by frost.
which is sufficient to prevent the Machinery and Plant from undertaking its normal work and necessitates its repair or replacement before working can be resumed.
In the case of a boiler or pressure vessel it shall also include Damage to the item by overheating or cracking or fracturing due to internal pressure low-water hammer action or unequal expansion or contraction provided that such damage gives rise to leakage of the contents of the item.
- 2** Explosion of Machinery and Plant at the Premises meaning:
Sudden and violent rending of the machinery and plant (other than boilers and economisers) by force of internal steam pressure causing bodily displacement of any part of the machinery and plant together with forcible ejection of the contents.
- 3** The accidental failure of the public supply of electricity at the terminal ends of the supply authority's service feeders at the Premises for a period exceeding thirty minutes.
- 4** The accidental failure of the public supply of gas at the supply authority's meters at the Premises for a period exceeding thirty minutes.
- 5** The accidental failure of the public supply of water at the supply authority's main stop cock serving the Premises (other than by drought) for a period exceeding thirty minutes.
- 6** The accidental failure (being outside of the control and responsibility of the Insured) of the fixed public effluent system from the Premises.

Basis of Cover

Estimated Gross Profit (Declaration Linked Basis)

The insurance in respect of Estimated Gross Profit is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a** In respect of REDUCTION IN TURNOVER: the sum produced by applying the rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- b** In respect of INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Special Condition 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

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

Estimated Gross Revenue (Declaration Linked Basis)

The insurance in respect of Estimated Gross Revenue is limited to loss of Gross Revenue due to (a) REDUCTION IN GROSS REVENUE and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a** In respect of REDUCTION IN GROSS REVENUE: the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Revenue
- b** In respect of INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction thereby avoided

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

Increase in Cost of Working

The Insurance in respect of Increase in Cost of Working (where insured as a separate item) is limited to the additional expenditure (including the cost of moving to and from and the additional rent of temporary premises additional rates and taxes thereon and expenses incurred in equipping the said premises to make them suitable for the Insured's Business additional cost in respect of lighting heating and water additional cost in respect of additional staff and overtime and allowances for meals to existing staff) reasonably incurred in order to minimise any interruption or interference, as aforesaid, with the Business during the Indemnity Period.

In the event of loss the Company shall be liable for not more than 50 per cent of the Sum Insured hereunder in respect of such additional expenditure arising in the first three months following the date of the Damage nor in any one month thereafter more than the amount produced by dividing the balance of the Sum Insured by the number of months outstanding under the Indemnity Period.

Professional Accountants Charges

Where insurance is arranged on an Estimated Gross Profit or Estimated Gross Revenue Basis the company will also pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents, provided that the Company's liability shall not exceed in total the Sum Insured for Estimated Gross Profit or Gross Revenue whichever is applicable shown in the Schedule.

Clauses

1 Departmental

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses **a** and **b** of the Estimated Gross Profit or Gross Revenue items shall apply separately to each department affected by the Damage.

2 Payments on Account

Payments on account will be made to the Insured during the Indemnity Period if desired.

3 Accumulated Stocks

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to the Insured Event is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of raw materials work in progress or finished goods at the Premises or elsewhere.

4 Premium Adjustment Clause (applicable to Estimated Gross Profit or Estimated Gross Revenue)

The first and annual premiums in respect of Estimated Gross Profit or Estimated Gross Revenue are provisional and are based on the Estimated Sum Insured shown.

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

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

If the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- a** is less than the Estimated Gross Profit or Gross Revenue for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Profit or Gross Revenue but not exceeding one half of such premium
- b** is greater than the Estimated Gross Profit or Gross Revenue for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit or Gross Revenue.

5 Renewal Clause (applicable to Estimated Gross Profit or Estimated Gross Revenue)

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

6 Material Damage Proviso Waiver

It shall not be a condition precedent to liability in respect of interruption or interference in consequence of Damage that payment shall have been made or liability admitted under the insurance covering the interest of the Insured in the property at the Premises if no such payment shall have been made nor liability admitted solely owing to the operation of a proviso in such insurance excluding liability for losses below a specified amount.

7 Reinstatement of Losses

Unless written notice to the contrary be given by either the Company or the Insured the insurance by this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.

Special Conditions

- 1** If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.
- 2** If any standing charges of the Business be not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.
- 3** It is a condition precedent to the liability of the Company that the Insured's books of accounts or other business books or records in which customers accounts are shown, are kept in fire resistant cabinets when not in use.

Exclusions

This Section does not cover loss resulting from:

- 1** Damage at the Premises by fire or explosion (howsoever caused) lightning earthquake aircraft or other aerial devices or articles dropped therefrom
- 2** Damage to the Machinery and Plant by flood inundation storm tempest bursting or overflowing of water tanks pipes or similar apparatus or the operation of or discharge or leakage from a sprinkler installation
- 3** Damage to:
 - a** computer and ancillary equipment used for the storage and communication of electronically processed data but this exclusion shall not apply to any such equipment controlling any manufacturing process
 - b** masonry brickwork chimneys foundations or other supporting structures
 - c** plant or machinery serviced processed or manufactured as a product of the Business
 - d** exchangeable or detachable tools equipment and appliances or parts requiring renewal in the normal course of operation

- 4 failure of the public supply of electricity gas or water or failure of the public effluent disposal services due to the deliberate act of the authority responsible for such supply or services or the exercise by any such authority of its power to withhold or restrict supply or services other than for the sole purposes of safeguarding life or the authority's property
- 5
 - a Damage caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions rust corrosion deposit of boiler scale or scratching of painted or polished surfaces
 - b slowly developing deformation distortion cracks fractures blisters laminations flaws or grooving or the making good of defective tube joints or other defective joins or seams
- 6 riot, strikes, lock-out or civil commotion.

Section 14: Computer Insurance

Sub-Section 1 - Hardware & Records

In the event of Damage to all categories of Property (other than Damage hereby excluded) whilst such Property is situated or in transit within the Geographical Limits specified in the Schedule the Company will pay to the Insured the value of the Property at the time of its loss or destruction or the amount of the Damage or at its option reinstate or replace such Property

Sub-Section 2 - Loss of Information

In the event of Loss of Information (other than Damage hereby excluded) to Categories **c** and **d** of the Property whilst situated or in transit within the Geographical Limits the Company will pay the costs necessarily and reasonably incurred by the Insured to reinstate such programs and/or information

Limits of Liability

General Policy Cover

The liability of the Company shall not exceed in any Period of Insurance the sum insured set against each Section in the Schedule

Transit or Abroad

The liability of the Company shall not exceed 10% (percent) of the sum insured under Section 1 or £100,000 (AOA) whichever is less whilst the Property is in Transit or located outside the UK or Republic of Ireland

Theft from Unattended Vehicles

The maximum Liability of the Company in respect of theft from unattended vehicles is restricted to £5,000 (AOA)

Physically Restraining Devices/Computer Furniture

The liability of the Company in respect of Physically Restraining Security Devices (which are approved by the Company) including any Computer Furniture to which they are attached is restricted to 10% of the sum insured under Section 1 or £5,000 (AOA) whichever is less

Definition

Property shall mean

Category a	All Computer Equipment (including Interconnecting Wiring Fixed Disks and Telecommunications Equipment) used for the storage and communication of electronically processed data
Category b	Ancillary Equipment solely for use with the Computer Equipment comprising Air Conditioning Equipment Generating Equipment Uninterruptable Power Supply Voltage Regulating Equipment Temperature and Humidity Recording Equipment Electronic Access Equipment Heat Smoke and Water Detection Equipment Lightning and Transient Overvoltage Protection Devices Physically Restraining Security Devices which have been approved by the Insurers Computer Furniture Gas Flooding Cylinders and Pipework and Computer Room Partitioning
Category c	Proprietary Software Programs and/or information stored upon Fixed Disks
Category d	All current and backup Computer Records (excluding Paper Records of any description) incorporating stored programs and/or information thereon

owned by or on deferred purchase leased hired or rented to the Insured or whilst on trial with a view to purchase by the Insured

Damage

For the purposes of this Section Damage shall mean physical loss destruction or damage including loss or damage by theft or attempted theft (unless specifically excluded) but only where theft or attempted theft from premises involves forcible entry to or exit from the premises

Loss of Information

Loss of Information shall mean loss distortion corruption or erasure of programs and/or information from any cause not otherwise excluded

Premises shall mean

- a** Where the Insured is the sole occupier of a building the entire building
- b** Where the Insured is not the sole occupier of a building those parts of the building in the exclusive use and/or occupation of the Insured

Computer Room Partitioning

The words Computer Room Partitioning shall mean any false floors ceilings and walls designed built and used for the sole purpose of creating a designated computer room

Proprietary Software Programs

The words Proprietary Software Programs shall mean the package of software programs purchased by the Insured with the Property at the original date of purchase plus any subsequent upgrades but shall not include any bespoke Computer Software without the prior consent and knowledge of the Company provided that where such cover has been specifically agreed by the Company reference is noted in the Schedule by memorandum

Deferred Purchase

The term Deferred Purchase shall mean an arrangement whereby the Insured enters into an agreement which entitles the Insured to defer payment for Property for a period exceeding 90 days (or a period in excess of usual trade credit)

(AOA)

The term (AOA) within this policy shall mean any one incidence of Damage or series of incidents of Damage arising out of a single occurrence

Value Added Tax

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

Geographical Limits

- A** The Premises
- B** Anywhere in the United Kingdom Channel Islands and the Isle of Man including the Premises
- C** Europe which shall mean anywhere in the United Kingdom Channel Islands Isle of Man and the countries of the European Union
- D** Worldwide which means anywhere in the world including the United Kingdom and Europe

Extensions

A Additional Property

The insurance by Sub-Sections 1 and 2 (if applicable) extends to include additions to the Property occurring after the commencement of the Period of Insurance for the period up to the next renewal date at no additional charge subject to a limit of 20% of the sum insured under Sub-Section 1 or up to £50,000 in total in any one Period of Insurance whichever is less

B Debris Removal Costs

The Insurance by Sub-Sections 1 and 2 (if applicable) extends to include costs necessarily and reasonably incurred with the consent of the Company in the removal of Property consequent upon Damage insured by these Sub-Sections provided that the liability of the Company under this extension shall not exceed 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

C Temporary Repairs and/or Expediting Costs

The Insurance by Sub-Sections 1 and 2 (if applicable) extends to include costs necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by these Sub-Sections (such costs not being recoverable under Sub-Section 3 of this Policy or under any other Policy issued for the benefit of the Insured) provided that the liability of the Company under this Extension shall not exceed

- a** £1,000 if the sum insured under Sub-Section 1 is less than £10,000
- b** otherwise 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

D Consulting Engineers Fees/Repair Investigation Costs

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay for the costs (including consulting engineers' fees) incurred with the prior consent of the Company in conducting investigations and/or tests into possible repair replacement or reinstatement of Property suffering Damage regardless of whether such investigations and/or tests are successful or not

E Incompatibility of Computer Records

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay for the costs of

- a** modification of Computer Equipment
- or
- b** restoration recompilation or replacement of Computer Records together with reinstatement of programs and/or information thereon

(whichever is the less) to achieve compatibility in the event that loss or destruction of Computer Equipment insured by this Policy has resulted in undamaged Computer records being incompatible with the replacement Computer Equipment provided that Sub-Section 2 is insured and provided further that the liability of the Company under this Extension shall not exceed either the sum insured under Sub-Section 2 or £10,000 (AOA) whichever is less

F Measures Taken in Avoidance of Loss

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage subject to the sums insured stated on the Schedule under Sub-Sections 1 and 2 provided that

- a** the impending Damage did not stem from any reasonably foreseeable cause and that Damage would have been the natural outcome to be expected in the absence of such measures
- b** the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken and the amount payable is found by the Company to be no greater than the cost which would have been incurred if no measures had been taken and insured Damage had occurred
- c** the terms exclusions and conditions of this Policy shall apply as if loss or damage had occurred

provided that the liability of the Company in respect of this Extension shall not exceed 10% of the total sum insured under Sub-Sections 1 and 2 or £50,000 whichever is less.

G Accidental Discharge of Gas Flooding Systems

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such system provided always that the liability of the Company hereunder shall not exceed 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

H Computer Virus Seek and Destroy

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs necessarily and reasonably incurred with the consent of the Company in locating and removing detectable computer virus contained in any insured host program or executable disc segment within the Property provided that the amount payable under this Extension shall not exceed 10% of the sum insured under Sub-Section 1 or £5,000 (AOA) whichever is less

I Research and Development Costs

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs of re-writing any data processing research or development project(s) to the stage they had reached immediately prior to the Damage but excluding any benefit to the Insured which would have been obtained from completion of the project(s) had the Damage not occurred provided

- a** that Sub-Section 2 is insured
- b** that the amount payable shall not exceed the sum insured under Sub-Section 2 or £5,000 (AOA) whichever is less
- c** that the insured has fully complied with the Policy conditions detailed under "Special Precautions" regarding back-ups

Clauses

1 Basis of Claims Settlement/Reinstatement

In the event of Damage to the Property which is insured by this Policy the amount payable shall be the reinstatement of the Property

For this purpose "reinstatement" means

- a** where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by new Property of equal performance and/or capacity or if such be impossible replacement by Property having the nearest higher performance and/or capacity to the Property lost destroyed or damaged
- b** where the Property suffers Damage the repair of the Damage and the restoration of the portion of the Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new

Special Provisions

- i** No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a** unless reinstatement commences and proceeds without unreasonable delay
 - b** until reinstatement has been carried out
 - c** if the Property insured at the time of its Damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
 - d** where claims are payable as if this memorandum had not been incorporated
- ii** If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property exceeds the sum insured thereon at the commencement of any Damage the liability of the Company shall not exceed that proportion of the amount of the Damage which the sum insured shall bear to the sum representing 85% of the cost of reinstating the whole of the Property at that time

For the purpose of this provision Property shall not include additional Property for which insurance is provided under Extension A to Sub-Sections 1 and 2

- iii** All terms exclusions and conditions of this Policy shall apply
 - a** in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - b** where claims are payable as if this memorandum had not been incorporated

Exclusions

1 Breakdown or Derangement

Sub-Section 1 of this Section does not cover Damage to any item described under Categories (a) and (b) of the Property due to its own breakdown or derangement unless such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide at inclusive cost a service of at least on-call remedial and/or corrective maintenance with free repair or replacement in the event of breakdown arising out of normal use

2 Maintenance Agreement

Sub-Sections 1 and 2 of this Section do not cover Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Property

3 Consequential Loss

Sub-Sections 1 and 2 of this Section do not cover financial loss loss of profits loss due to delay and/or any consequential loss of any kind whatsoever not specifically insured by this Section

4 Wear and Tear

Sub-Sections 1 and 2 of this Section do not cover Damage caused by or consisting of gradually occurring wear and tear or deterioration which is both predictable and inevitable from the normal operation or usage of the Property but this exclusion shall not apply to Damage to any other part of the Property free from any such condition

5 Lease Hire Rent Loan or Sale

Sub-Sections 1 and 2 of this Section do not cover Damage or loss resulting from Damage to any Property which is

- a** offered or to be offered for lease hire rent or loan by the Insured
- b** leased hired rented or lent by the Insured to others
- c** offered or to be offered for sale or sold by the Insured where the sale of such Property is in the course of the Business of the Insured

6 Property of Others

Sub-Sections 1 and 2 of this Section do not cover Damage or loss resulting from Damage to any Property which is not owned leased rented hired or on loan to the Insured whilst in the custody or control of the Insured for programming repair service adjustment alteration storage or transit purposes

7 Confiscation by Customs

Sub-Sections 1 and 2 of this Section do not cover loss or Damage arising from confiscation detention requisition or destruction by Customs or other Officials or Authorities occurring outside the European Community.

Special Condition

The following Condition applies to this Section.

Unattended Vehicle Security Condition

It is a condition precedent to the liability of the Company that, whilst any item of Property is being carried in a vehicle which is left unattended:

- a** any such vehicle must be protected by an Intruder Alarm system which is in full and efficient working order and which will operate in the event of interference with the vehicle.
- b** the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened
- c** the vehicle must be in a locked garage or locked parking area if left overnight
- d** the property must be concealed from view in a locked boot where such facilities are available or concealed from view by other Secure Means where such facilities are unavailable (Secure means shall mean Physically Restraining Security devices which have been approved by the Company)

Sub-Section 3 - Business Interruption - Increased Cost of Working

If the computer operations of the Business are interrupted or interfered with due to the occurrence during the Period of Insurance of an Insured Event the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Insured (including Loss of Interest) during the Indemnity Period in consequence of such interruption or interference

Limit of Liability

The liability of the Company shall not exceed in any one Period of Insurance

- a** the sum insured stated in the Schedule and/or
- b** in respect of any Loss of Interest 10% of the sum insured stated in the Schedule

Professional Accountants Charges

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required under Claims Condition 1 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company shall pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Insurers under the terms of Claims Condition 1 of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents

provided that the sum of the amount payable under this clause and the amount otherwise payable under the Sub-Section shall in no case exceed the sum of the amounts specified herein as the limits of the Company's liability

Definitions

Current Cost Accounting

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

Loss of Interest

Loss of Interest shall mean

- a** interest payable in respect of loans raised
- b** interest foregone on reduction in investment capital in lieu of loans raised as a direct result of or to minimise the effect of the interruption or interference

Indemnity Period

shall mean the period during which the additional expenditure is incurred beginning with the occurrence of an Insured Event and ending not later than the Maximum Indemnity Period thereafter

Insured Event

shall mean

- a** Damage insured under Sub-Section 1 and/or Sub-Section 2 of this Section
- b** Loss of Information insured under Sub-Section 2 of this Section
- c** Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Property
- d** Damage to any item of Category **a** or **b** of the Property due to its own breakdown or derangement
- e** the accidental failure or fluctuation of the supply of electricity to Categories **a** and **b** of the Property at the Premises in which the Property is situated
- f** the accidental failure of any telecommunications system used in connection with the Property
- g** the Insured being denied access to the Property due to
 - i** Damage to Property at or in the vicinity of the Premises
 - ii** the exercise by any authority of its powers for the sole purpose of safeguarding life or property

Extension

Additional Rentals

In addition to the limit of the Company's liability under this Sub-Section the Insurers will indemnify the Insured against the payment of additional lease or rental charges up to an amount not exceeding £15,000 arising out of the replacement of a lease/hire agreement in respect of the Property by a new contract for similar Property and consequent upon Damage insured under Sub-Section 1 of this Section

Clause

Payments on Account

Where liability under this Sub-Section is admitted the Insured shall be entitled to receive payment(s) as agreed between the Insured and the Company in advance of final settlement

Exclusions (Applying to Sub-Section 3)

Sub-Section 3 of this Section does not cover

1 Costs of Reinstatement of Information

costs of reinstatement of programs and/or information onto Computer Records and/or Fixed Disks

2 Exclusion Periods

Increase in Cost of Working incurred during

- 1** the first 24 hours following breakdown or derangement of any item of Category **a** of the Property if a maintenance rental hire or lease agreement is not in force on such item- Insured Event **c** refers
- 2** the first 30 minutes in respect of failure of the supply of electricity - Insured Event **e** refers
- 3** the first 8 hours in respect of failure of telecommunications equipment - Insured Event **f** refers

3 Deliberate Supply/Service Withdrawal

- a** The deliberate act of the Insured or any supply authority unless for the sole purpose of safeguarding life or protecting a part of the supply
- b** the exercise by any such supply authority of its power to withhold or restrict operation of the supply or system unless necessitated solely by physical damage to a part of the supply authority's system
- c** the inability of the Insured or any such authority to maintain the supply or system due to industrial action by any of its employees

4 Acts of Telecommunications Authorities

The failure of any telecommunications system directly or indirectly due to

- a** the deliberate act of any telecommunications authority or the exercise by any authority of its powers to withhold or restrict operation of the system or the inability of the authority to maintain the system due to industrial action by its employees
- b** the use by the Insured of any equipment which is not approved by the telecommunications authority as properly installed and compatible
- c** failure of any satellite prior to its obtaining its full operating function or whilst in or beyond the final year of its design life
- d** atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite

General Memoranda (applying to all Sub-Sections of this Section)

1 Automatic Reinstatement

The amounts specified in this Section as limits of the Company's liability will be automatically reinstated from the date of an Insured Event at such additional premium as the Company may reasonably require except that no additional premium shall be required where the cost of the claim is less than £10,000

2 Indemnity to Parent/Subsidiary Companies

The Insurance by this Section is extended to indemnify any Company standing in the relation of Parent to Subsidiary (or Subsidiary to Parent) to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case as defined in current legislation provided always that they shall as if they were the Insured observe fulfil and be subject to the terms exclusions and conditions of this Policy

3 Waiver of Subrogation Rights

The Company shall waive any rights of subrogation against any user of the Property provided that

- a** such user has the authority of the Insured to use the Property and
- b** such user shall as if he were the Insured observe fulfil and be subject to the terms exclusions and conditions of this Policy

4 Misuse or Contamination of Computer Systems

Insofar as this Section covers Damage and/or Loss of Information resulting from misuse of the Property the liability of the Company in respect of such Damage and/or Loss of Information shall not exceed £100,000 (or the Sub-Section sum insured or any other stated limit of liability if less) after the application of all the provisions of the Section including any Excess

Misuse of the Property shall mean the deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a** any act executed through accessing the system
- b** any infection of any kind within the system

5 Special Precautions

The Insured shall

- a** maintain the Property in good order and efficient operating condition
- b** observe the manufacturers and/or suppliers instructions for use operation storage transit and inspection of the Property
- c** back-up information at least once every twenty-four hours
- d** verify and store at least one back-up copy of such information together with a set of verified and up to date back-up software programs in a separate location away from the Premises
- e** obtain and keep in force and effect a proper and valid licence in respect of any software in its possession

6 Special Conditions

All of the Special Conditions are conditions precedent to the liability of the Company under this Section.

General Exclusions (applying to all Sub-Sections of this Section)

This Section does not cover

- 1** the amount of the excess as stated in the Schedule being the first part of each and every claim to be borne by the Insured as ascertained after the application of all other terms and conditions of the insurance
- 2** Damage to the Property due to Theft or attempt thereat from any premises unless entry to or exit from such premises is by forcible and violent means

Section 15: Loss of Licence

If the licence for the sale of excisable liquors which has been granted in respect of the Premises is forfeited suspended or withdrawn the Company will pay to the Insured (subject to the provisions of the insurance):

- Cover A** the amount by which the Gross Income during the Indemnity Period falls short of the Gross Income during the equivalent period immediately before the forfeiture suspension or withdrawal of the licence
- Cover B** any reasonable additional expenses incurred in maintaining the Gross Income during the Indemnity Period but not more than the loss avoided under Cover A

less any amount saved during the Indemnity Period in respect of reduced expenses due to the event.

In adjusting the amount paid all variations or special circumstances affecting the Business shall be taken into account in order that the amount paid shall represent as nearly as practicable the results which would have been expected if forfeiture suspension or withdrawal of the licence had not occurred.

If the event occurs in the first trading year the payment under Cover A shall be based on the trading figures immediately before the forfeiture suspension or withdrawal of the licence.

- Cover C** the reduction in value of the Premises if the Insured are unable to obtain a licence for a period of twelve months from the date of the forfeiture suspension or withdrawal of the licence and the Insured sell the Premises
- Cover D** all costs and expenses incurred by the Insured with the written consent of the Company
- Cover E** auditors' or accountants' charges reasonably incurred for producing and certifying details of a claim under this Section.

Definitions

Indemnity Period

The period beginning with the loss of licence and ending not later than twelve months thereafter during which the results of the Business shall be affected in consequence of the loss of licence provided that if the Premises are disposed of within the twelve months after the loss of licence the Indemnity Period shall terminate either:

- a** upon disposal, or
- b** 12 months from the loss of licence whichever is the earlier.

Gross Income

The money paid or payable to the Insured in respect of food drink or accommodation provided and services rendered less the cost of food and drink.

Special Conditions

1 Limit of Liability

The maximum amount payable during any Period of Insurance is the Sum Insured stated in the Schedule plus professional accountants charges.

2 Value Added Tax

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

3 Alternative Trading

If during the Indemnity Period food drink or accommodation shall be supplied or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on their behalf then the money paid or payable in respect of such food drink accommodation or services shall be brought into account in arriving at the reduction in Gross Income during the Indemnity Period.

4 Change in Circumstances

The Insured shall on becoming aware of any:

- a** complaint against the Business
- b** proceedings against or conviction of the licence holder manager tenant or occupier of the Premises for any breach of the licensing law or any other matter whatsoever where the character or reputation of the person concerned is affected or called into question with respect to his honesty moral standing or sobriety
- c** change in the tenancy or management of the Premises
- d** transfer or proposed transfer of the licence
- e** alteration in the purpose for which the Premises are used
- f** objection to renewal or other circumstances which may endanger the licence or its renewal

immediately give notice in writing to the Company and supply such additional information and give such assistance as may reasonably be required.

5 Transfer of Licence

In the event of the Insured's death bankruptcy or incapacity or desertion of the Premises or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect to their honesty moral standing or sobriety) of the tenant manager occupier or licence holder the Insured shall where practicable and at the request of the Company procure a suitable person to replace them and one to whom the justices will transfer the licence or grant the licence by way of renewal.

6 Forfeiture or Refused Renewal

In the event of the licence being forfeited or refused renewal the Insured shall:

- a** give notice in writing to the Company within 48 hours of receiving knowledge of such event stating the grounds upon which the licence was forfeited or refused renewal
- b** give all such assistance as the Company may require for the purpose of an appeal against such forfeiture or refusal to renew and allow the Company and their solicitors full discretion in the conduct of such proceedings
- c** apply if practicable and if required by the Company for the grant of such new licence for the same or alternative premises as may enable the Insured to continue the Business in a similar or alternative form

Exclusions

This Section does not cover any loss if:

- 1** the Insured are entitled to obtain payment of compensation under any legislation or Byelaw in respect of refusal to renew the licence
- 2** alterations to the Premises requiring the consent of the licensing or other authority shall be made without that consent
- 3** the Premises are closed for any period not required by law
- 4** the Premises are not maintained in a good state of sanitary condition or repair
- 5** any direction or requirement of the licensing or other authority is not complied with
- 6** the forfeiture or refusal to renew the licence occurs wholly or partly by or through the misconduct procurement connivance neglect or omission of the Insured
- 7** prior or subsequent to the refusal to renew or forfeiture of the licence the Premises are required for any public purpose or if surrender or refusal to renew or forfeiture arises under or results directly or indirectly from any scheme of town or country planning improvement or redevelopment or surrender reduction or redistribution of licences in connection with reconstruction or from any alteration of the law affecting the grant surrender refusal to renew or forfeiture of licences.

Note Exclusions 2 to 6 inclusive shall not apply where the Insured or any other claimant under this Section prove to the reasonable satisfaction of the Company that the matter was completely beyond their power or control.

Endorsements

The following Endorsements are operative only if the letter against each appears in the respective Section of the Schedule.

Each Endorsement is subject to the terms conditions and limitations of the Section to which it attaches in so far as they can apply.

Endorsement A

Subsidence Ground Heave and Landslip

Section 1

The Perils insured under this Section are extended to include subsidence or ground heave of any part of the site on which the Premises stand and landslip but excluding Damage:

- a** to yards car parks roads pavements swimming pools walls gates and fences unless also affecting a Building insured hereby
- b** caused by or consisting of:
 - i** the normal bedding down or settlement of new structures
 - ii** the settlement or movement of made- up ground
 - iii** coastal or river erosion
 - iv** defective design or workmanship or the use of defective materials
 - v** fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- c** Damage which commenced prior to the inception of this cover
- d** Damage resulting from
 - i** demolition construction structural alteration or repair of any property or
 - ii** groundworks or excavation at the same Premises
- e** the amount of the Excess stated in the Schedule for each and every claim.

Special Condition

The Insured shall notify the Company immediately of any demolition groundworks excavation or construction being carried out on any adjoining site and the Company shall then have the right to vary the terms or cancel this cover.

Endorsement B

Intruder Alarm Condition

Section 1

Definitions

Intruder Alarm System: The component parts including the means of communication used to transmit signals.

Alarmed Premises: The Premises or those portions of the Premises protected by the Intruder Alarm System

Responsible Person: The Insured or any person authorised by the Insured to be responsible for the security of the Premises.

Keyholder: The Insured or any person or keyholding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals relating to the Intruder Alarm System attend and allow access to the Premises.

It is a condition precedent to the liability of the Company in respect of Damage caused by theft or any attempt thereat involving entry to or exit from the Premises by forcible and violent means that:

- 1** the Premises are protected by an Intruder Alarm System installed as agreed with the Company
- 2** the Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the intruder alarm installers or other installers/engineers as agreed with the Company
- 3** no alteration to or substitution of:
 - a** any part of the Intruder Alarm System
 - b** the procedures agreed with the Company for police or any other response to any activation of the Intruder Alarm System
 - c** the maintenance contractshall be made without the written agreement of the Company
- 4** the Alarmed Premises shall not be left without at least one Responsible Person therein without the agreement of the Company:
 - a** unless the Intruder Alarm System is set in its entirety with the means of communication used to transmit signals in full operation
 - b** if the Police have withdrawn their response to alarm calls
- 5** all keys to the Intruder Alarm System are removed from the Premises when they are left unattended
- 6** the Insured maintains secrecy of codes for the operation of the Intruder Alarm System and no details of same are left on the Premises
- 7** the Insured shall appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company and/or police authorities
- 8** in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the Intruder Alarm System is set a Keyholder shall attend the Premises as soon as reasonably possible
- 9** in the event of the Insured receiving any notification
 - a** that police attendance in response to alarm signals/call from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - b** from a local authority or magistrate imposing any requirement for abatement of nuisance
 - c** that the Intruder Alarm System cannot be returned to or maintained in full working order

the Insured shall advise the Company as soon as possible and in any event not later than 10.00a.m. on the Company's next working day and comply with any subsequent requirements stipulated by the Company.

Important Information

The Insured's right to cancel

If this cover does not meet your requirements, please return all your documents and any certificate to the broker, intermediary or agent, who arranged the Policy within 14 days of receipt. The Company will return any premium paid in accordance with General Condition 6 Cancellation.

Cancellation

If you wish to cancel the contract at any other time, please contact the broker, intermediary or agent, who arranged the Policy. Any return of premium will be made in accordance with the General Condition 6 Cancellation.

How to make a claim

Please contact, in the first instance, the Broker, Intermediary or Agent who arranged the Policy. Please quote your policy number.

How to complain

If you have an enquiry or complaint arising from your Policy, please contact the broker, intermediary or agent who arranged the Policy for you. If the broker is unable to resolve your complaint or it is regarding the terms and conditions of the policy they will refer it to NIG.

If your complaint is still outstanding you can write to NIG direct at the following address, quoting your policy number.

The Chief Executive,
NIG
Churchill Court,
Westmoreland Road,
Bromley BR1 1DP.

Once you receive a written response and if you remain dissatisfied, you may refer your complaint to the Financial Ombudsman Service (FOS). Their address is:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Telephone: 0800 023 4567 or 0300 123 9123.

Details about our Regulator

NIG policies are underwritten by U K Insurance Limited who is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration number 202810. The Financial Conduct Authority website, which includes a register of all regulated firms can be visited at www.fca.org.uk, or the Financial Conduct Authority can be contacted on 0800 111 6768. The Prudential Regulation Authority website can be visited at www.bankofengland.co.uk/pru, or the Prudential Regulation Authority can be contacted on 020 7601 4878.

Financial Services Compensation Scheme

Under the Financial Services and Markets Act 2000, should we be unable to meet our liabilities to policyholders, compensation may be available. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Information can be obtained on request, or by visiting the Financial Services Compensation Scheme website at www.fscs.org.uk

Whoever you are contacting, please always quote your Policy Number as it will help your enquiry or complaint to be dealt with promptly.

