



Builders Direct

Commercial Combined Policy Wording



Important Notice

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

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

Claims Procedure

If you wish to make a claim, please contact the insurance broker who arranged the insurance or contact the following directly:

Telephone:
0845 180 0934

Email:
claims@langleysclaimsservices.com

Write to:
Langleys Solicitors LLP t/a Langleys Claims Services
Queens House
Micklegate
York
YO1 6WG

Complaints Procedure

We aim to provide the highest quality of service to our customers at all times but we recognise that complaints may arise as part of the normal course of business. Understanding and acting on the cause of complaints can provide us with an opportunity to improve the service we provide.

If you feel that we have failed to provide you with the best service please let us know immediately. We take all customer complaints seriously and we are committed to resolving your complaint quickly openly and fairly.

How to Complain

If you are dissatisfied with any aspect of the handling of your insurance we would ask you in the first instance to contact the insurance agent or intermediary from whom you purchased your Policy.

Alternatively your complaint may be addressed directly to Builders Direct S.A. We can be reached in the following ways:

Telephone:
+352 266869-1 (hours of operation are 9am-5pm CET, Mondays to Fridays excluding bank holidays. For Our mutual protection and training purposes, calls may be recorded).

Email:
complaints@builders-direct.lu

Write to:
Builders Direct S.A. 8D, rue Collart, L-8414
Steinfort, Luxembourg

How We Will Handle Your Complaint

1. We will try to resolve your complaint immediately:
We will look into your complaint and will aim to resolve your concern immediately.
2. Within 5 working days of receiving your complaint:
If we are unable to resolve the matter immediately, we will send you an acknowledgement letter within 5 working days. The letter will provide the contact details of the person who will be supporting you throughout your complaint.
3. We will provide you with a final response explaining the outcome of their investigation and the next steps within 4 weeks of receiving your complaint, or where an answer cannot be provided within a 4 week period we will inform you of the reasons of the delay and confirm to you a date by which we anticipate we will have concluded our investigation.

If after making a complaint you remain unhappy and feel the matter has not been resolved to your satisfaction, you may be able to refer your complaint to the Financial Ombudsman Service (FOS). You can contact them in one of the following ways:

Telephone:
0300 123 9 123

Email:
complaint.info@financial-ombudsman.org.uk

Write to:
Financial Ombudsman Service Exchange Tower,
Harbour Exchange Square London, E14 9SR

Not all complainants may refer complaints to the FOS, but, for our part we will treat all complainants equally and fairly. The FOS may not be able to consider a complaint if you:

- have not provided us with the opportunity to resolve it
- are a business with 10 or more employees and a group annual turnover of more than €2 million
- are a charity with an annual turnover of more than £1 million
- are a trustee of a trust that has net asset value of more than £1 million

Out-of-court Complaint Resolution Procedure in Luxembourg

If after making a complaint you remain unhappy and feel the matter has not been resolved to your satisfaction you also have the right under this Policy to use the Out-of-court complaint resolution procedure afforded by the Company's insurance regulator, the Commissariat aux Assurances in Luxembourg under CAA Regulation 19/03 (http://www.caa.lu/uploads/documents/files/RCAA_19-03_REL_EN.pdf).

Data Protection Act and EU General Protection Data Regulation

We have collected and may continue to collect certain information about individuals within or connected to your Company and any subsidiaries ("data subjects") in the course of conducting our relationship with you. This information will be processed for the purpose of underwriting your insurance coverage, managing the policy, providing risk management advice and administering claims. We may pass the information to our capacity providers and their reinsurers, legal advisers, loss adjusters or agents for these and other purposes.

This may involve its transfer to countries which do not have data protection laws.

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

Data subjects have a right of access to, and correction of, information we hold about them. If they would like to exercise either of these rights, they should contact our Data Protection Officer at: dpo@builders.lu. Please also refer to our Builders Direct Privacy Notice which can be found at: <https://buildersre.lu/publications/GDPRPrivacy%20Notices%20/>.

Employers' Liability Tracing Office (ELTO)

We are members of the Employers' Liability Tracing (ELTO), an independent industry body who maintains a centralised database that helps those who have suffered injury or disease in the workplace to identify the relevant Employers' Liability insurer quickly and efficiently.

It is important, for the services of ELTO to be fully effective, that you inform us of your ERN (Employer Reference Number also known as the Employer PAYE reference) and all subsidiary company names and their ERNs if applicable.

As members of ELTO we will forward details of your policy if it contains Employers' Liability cover to ELTO together with details of any ERNs you have supplied to us.

Identity of Insurer

Builders Direct S.A. is authorised and regulated by the Commissariat aux Assurances, 7, boulevard Joseph II, L-1840 Luxembourg (www.caa.lu), and also subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.

Contents – Only Insured Sections provided

THE CONTRACT OF INSURANCE	5
GENERAL (TERMS AND CONDITIONS)	6
General Definitions.....	6
General Conditions	9
General Exclusions	15
General Endorsements	17
SECTION A – PROPERTY DAMAGE	23
Definitions.....	23
Cover.....	25
Conditions.....	28
Basis of Settlement	32
Exclusions	34
Endorsements.....	38
Optional Extension Clause – Deterioration of Stock.....	39
SECTION B – GOODS IN TRANSIT	41
Definitions.....	41
Cover.....	41
Exclusions	42
SECTION C – MONEY & PERSONAL ACCIDENT (ASSAULT)	43
Part A – Money	43
Definitions.....	43
Cover.....	43
Conditions.....	44
Exclusion	44
Part B – Personal Accident (Assault).....	45
Definitions.....	45
Cover.....	45
Contingencies.....	46
Condition	46
SECTION D – BUSINESS INTERRUPTION	47
Definitions.....	47
Cover.....	48
Memoranda.....	48
Basis of Settlement	49
Gross Profit.....	49
Declaration Linked Gross Profit.....	50
Gross Profit: Flexible Limit of Loss	52
Additional Increase in Cost of Working: Gross Profit.....	53

Gross Revenue.....	53
Declaration Linked Gross Revenue	54
Gross Revenue: Flexible Limit of Loss.....	56
Additional Increase in Cost of Working: Gross Revenue	56
Rent Receivable.....	57
Declaration Linked Rent Receivable.....	58
Research and Development Expenditure.....	59
Increase in Cost of Working	60
Extensions	60
Optional Extension Clause – Outstanding Debit Balances	63
Exclusions	64
Endorsements.....	67
SECTION E – COMPUTER ALL RISKS.....	68
Definitions.....	68
Cover.....	69
Extensions	70
Additional Cover.....	71
Conditions.....	72
Basis of Settlement	75
Exclusions	76
Endorsement	79
SECTION F – EMPLOYERS’ LIABILITY.....	80
Cover.....	80
Limit of Indemnity.....	82
Conditions.....	82
Exclusions	83
SECTION G – PUBLIC AND PRODUCTS LIABILITY	84
Definitions.....	84
Cover.....	84
Limit of Indemnity.....	88
Condition	88
Exclusions	89
Endorsements.....	90

THE CONTRACT OF INSURANCE

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

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

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

GENERAL (TERMS AND CONDITIONS)

General Definitions

1. Agent

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

2. Ancillary Equipment

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

3. Bodily Injury

The words 'Bodily Injury' shall mean
 (a) death injury disease or illness of any person
 (b) mental injury or mental anguish and shock that results in a recognisable psychiatric injury

4. Business

The word 'Business' shall mean the business described in the Master Schedule carried on by the Named Insured at or from premises within the Territorial Limits and shall include
 (a) the ownership and/or occupancy of the property by the Named Insured
 (b) the provision and management by the Named Insured of catering sports social welfare and educational organisations fire first aid medical dental ambulance and security services

5. Company

The word 'Company' shall mean Builders Direct S.A.

6. Compensation

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

7. Computer and Telecommunication Equipment

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

screens modems personal computers remote terminals interconnection wiring and telecommunication equipment

8. Computer Fraud

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

9. Computer Misuse

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

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

Computer Misuse shall not include Denial of Access and Computer Fraud

10. Computer or Telecommunication System

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

11. Computer Virus

The words 'Computer Virus' shall mean a piece of code that is designed to corrupt and which

has the effect of corrupting (and may destroy alter contaminate or degrade the integrity quality or performance of) data or any computer application software computer network or computer operating system and related software

12. Cybermedia

The word 'Cybermedia' shall mean all media published on or intended to be published on the internet or in cyberspace.

13. Deductible

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

14. Defined Peril

The words 'Defined Peril' shall mean fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikes locked-out workers persons taking part in labour disturbances malicious persons earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

15. Denial of Access

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

- (a) to gain access to the Computer or Telecommunication System and/or
 - (b) to be able to use the Computer or Telecommunication System to communicate with other computers or computer networks
- through the use of Cybermedia in a manner in which the Third Party is legally entitled

16. Employee

The word 'Employee' shall mean any

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

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

17. Event

The word 'Event' shall mean an occurrence or series of occurrences consequent on or

attributable to one source or original cause giving rise to indemnity under this policy

18. Hacking Event

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

19. Inception Date

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

20. Injury

The word 'Injury' shall mean

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

21. Insured

The word 'Insured' shall mean

- (a) the Named Insured
- (b) at the request of the Named Insured
 - (i) any director partner Employee or volunteer worker of the Named Insured in respect of liability for which the Named Insured would have been entitled to indemnification under this insurance if the claim had been made against the Named Insured except under Section J where the Insured is charged under the Corporate Manslaughter and Corporate Homicide Act 2007.
 - (ii) any officers committees or members of the catering sports social welfare health and safety and educational organisations fire first aid medical dental ambulance and security services owned by the Named Insured in their respective capacities as such
 - (iii) any officers or trustees of the Named Insured's pension scheme(s)
- (c) the legal personal representative of any party covered hereunder in accordance with paragraph (b) above

Provided that

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

Schedules as sums insured or limits of indemnity or the amount of any other limit stated in the Policy

22. Money

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

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

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

23. Named Insured

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

24. Offshore Work

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

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

25. Period of Insurance

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

26. Policy

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

27. Premises

The word 'Premises' shall mean the locations of the Property or the Insured Property as specified in the Schedule

28. Proposal

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

29. Renewal Date

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

30. Schedule

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

31. Territorial Limits

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

32. Third Party

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

33. Unoccupied and Unoccupancy

The words 'Unoccupied' and 'Unoccupancy' shall mean any Building or part of any Building which is unfurnished or untenanted or no longer in active use for a period exceeding 30 consecutive days

General Conditions

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

1. Condition Precedent

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

2. Misrepresentation and Fraud

This insurance shall be voidable

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

or

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

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

3. Alteration

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

4. Assignment

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

5. Reasonable Care

The Insured at its own expense shall

(a) take all reasonable precautions to prevent or diminish losses or liability arising in connection with the insured risks

(b) comply with all statutory obligations and regulations imposed by any authority

6. Claims (Duties owed by the Insured)

Special Definition

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

(a) If circumstances should exist and/or on the happening of any Event which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Company

(b) In respect of third party liability claims any pre-action Letter of Claim should be acknowledged within twenty-one days of receipt and a copy of both the pre-action Letter of Claim and the response shall be forwarded to the Company at the same time as the response is sent

(c) Every writ summons or claim form process impending prosecution notice requiring arbitration notice of an inquest or fatal accident inquiry in connection with any such circumstance or event aforesaid shall be immediately forwarded to the Company unacknowledged

(d) Other than as prescribed in (b) within thirty days (seven days in the case of Damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons if insured by this Policy) of any circumstance or Event aforesaid or such further time as the Company may in writing allow the Insured shall give full particulars of the circumstance or event

(e) The Insured if required by the Company shall attend all proceedings and assist the Company in the giving of evidence and the attendance of witnesses and shall give the Company all information and assistance and do and concur in doing whatever the Company may require in connection with any circumstance event or claim

(f) Following receipt by the Insured of a pre-action Letter of Claim the Insured shall within forty five days provide to the Company copies of all documents records and minutes of meetings necessary to consider the claim fully The Insured shall also give to the Company (or the Everest Re TPA in respect of sections A-E

inclusive) all such proofs and information with respect to any claim as the Company may require together with (if demanded) a statutory declaration of the truth of such claim and of any matters relating thereto

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

7. Claims (Company's rights)

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

have sustained by reason of the Company having acted in such way

8. Subrogation

The Company shall be subrogated to all the Insured's rights of recovery against any person or organisation before or after any claims payment under this insurance and the Insured shall provide all relevant information and assistance in this regard Any recovery made shall be applied first to the Company's outlay and then to the Insured's Deductible in priority to any outstanding uninsured loss of the Insured in the absence of agreement to the contrary The Company shall not exercise said rights against any Employee of the Insured unless the claim in question has been brought about or contributed to by the dishonest fraudulent criminal or malicious act error or omission of the Employee

9. Contribution

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

10. Dispute Resolution

Any dispute or difference between the Named Insured and the Company concerning the validity of this Policy, the scope of cover hereunder or the amount to be paid under the Policy should first be referred to mediation and the parties shall attempt in good faith to resolve their dispute or difference. No proceedings in court or arbitration shall be issued by either Part until the mediation process has concluded fully.

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

11. Policy Interpretation

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

12. Cross Liabilities

Where the Named Insured comprises more than one party the Company will indemnify each Named Insured to whom this Policy applies in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount payable shall not exceed the specified amount detailed in the Schedule or elsewhere in the Policy as the Limit of Indemnity regardless of the number of parties claiming to be indemnified

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

13. Contracts (Rights of Third Parties) Act 1999

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

14. Premium Adjustment

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

15. Cancellation

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

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

16. Survey and Resurvey

Where the Company has made it a condition of cover that a Survey or Resurvey is required to be undertaken on behalf of the Company at the Premises of the Named Insured this shall be

carried out within twelve weeks from the Inception Date or Renewal Date unless otherwise agreed by the Company

17. Risk Improvements

Any risk improvements deemed necessary by the Company following the Company's survey or resurvey at the Premises of the Named Insured shall be complied with and implemented within the time specified by the Company. Failure to implement any risk improvements may result in the Company imposing additional terms and condition to the Policy or restricting cover until such time that the risk improvements has been fully implemented

The Company reserves the right to review all the terms and conditions of the Policy including the option of General Condition 15 following the survey or resurvey

18. Jurisdiction

Any indemnity provided by this Policy in respect of legal liability to pay Compensation (including claimants costs and expenses) shall operate in accordance with the law of any country but not in respect of any judgment award payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgment award payment or settlement either in whole or in part)

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

19. Housing Grants Construction and Regeneration Act

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

Notwithstanding the above it is understood and agreed that any indemnity provided by this Policy in respect of legal liability to pay Compensation and claimants' defence costs and expenses shall apply to indemnify for the liability of the Named Insured including any fees payable by the Named Insured as if they were defence costs and expenses as indemnified for under the Policy arising under a decision of an adjudicator relating to claims made against the Named Insured referred to adjudication in accordance with an adjudication clause

contained in a contract (hereafter termed 'the Contract') to comply with the Housing Grants Construction and Regeneration Act 1996 or any other similar adjudication clause

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

A. Policy Conditions

- (i) to give written notice to the Company within 72 hours upon receipt of a 'notice of adjudication' and/or a 'referral notice' pursuant to the Scheme For Construction Contracts Regulations 1997 and/or any adjudication notice pursuant to contract
- (ii) to promptly supply the Company with all details relating to any references to adjudication including copies of all documentation made available to the Named Insured or subsequently by the Named Insured to the adjudicator
- (iii) to meet any request direction or timetable of the adjudicator
- (iv) to permit the Company to pursue legal arbitration or other proceedings in the name and on behalf of the Named Insured in respect of any decision direction award or the exercise of any power of the adjudicator and the Named Insured shall give all such assistance as may be reasonably required from the Company in relation to such proceedings and the cost of any such proceedings shall be indemnified for as if they were defence costs and expenses as indemnified for under the Policy
- (v) not to agree to accept the decision of the adjudicator as finally determining the dispute without the prior written consent of the Company
- (vi) to satisfy the Company that any liability incurred by an adjudicator's decision for which indemnity is sought would otherwise be the subject of indemnity under this Policy
- (vii) to undertake that should indemnity be provided in relation to an adjudication such indemnity shall not be treated as a waiver of the rights of the Company under the Policy and where subsequent investigation of the circumstances reveal material facts that would have entitled the Company to decline an indemnity then in these circumstances the Company shall be entitled to a full recovery of all payments made in

connection with such indemnity from the Named Insured

B. Conditions relating to the Contract

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

20. Unoccupied Buildings

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

- (a) Underwriters are notified within 7 working days of the commencement of any Unoccupancy as the Company has the right to vary the terms or cancel cover as appropriate
- (b) mains services shall be switched off and the water system drained unless
 - (i) electricity is needed to maintain any fire or intruder alarm system in operation
 - (ii) mains services are needed to maintain any sprinkler system(s) in full working order In these circumstances heating must be maintained at a minimum temperature of five (5) degrees Centigrade
- (c) the Buildings shall be inspected thoroughly both internally and externally at least weekly by the Insured or employees of the Insured and
 - (i) a record maintained of such inspections
 - (ii) all defects in security and maintenance are rectified immediately
- (d) accumulations of combustible materials shall be removed during inspection
- (e) the Buildings shall comply with the security level requirements stated on the Schedule and be secured against unlawful entry including the setting of all security locking and other security mechanisms in operation

21. Waste Condition

The Insured must ensure that

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

22. Stillage Condition

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

23. Change of Risk

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

24. Other Insurances

If at the time of any Damage there is any other insurance covering such incidents the Company will only pay their rateable proportion of such loss assessed by applying the ratio of the limits of this Policy and the other insurance to the Damage

25. Fraudulent Claims

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

- (a) The Company shall not be liable to make any payment in relation to that claim or circumstance;
- (b) The Company may recover all previous payments made in respect of that claim or circumstance from the Insured; and
- (c) The Company may, upon notice to the Insured, treat the Policy as terminated with effect from the time of the fraudulent act and in such circumstances:
 - (i) The Company shall have no liability for any matter subsequently arising which might otherwise have given rise to a liability under this Policy; and
 - (ii) The Company shall be entitled to retain the Premium

Termination of the Policy in accordance with clause (c) shall not affect the Company's liability

for Claims and/or any circumstances notified prior to the fraudulent act

26. Warranty Amendment

Whenever the words 'Warranties', 'Warranty' or 'It is warranted that' appear in this Policy or attached Endorsements they are deemed to be deleted and replaced by 'Conditions Precedent to Liability', 'Conditions Precedent to Liability' or 'It is a Condition Precedent to Liability that' respectively

27. Fair presentation of the risk

The Named Insured must make a fair presentation of the risk to the Company at inception, renewal and variation of the Policy.

The Company may avoid the Policy and refuse to pay any claims where any failure to make a fair presentation is:

- (a) deliberate or reckless; or
- (b) of such other nature that, if the Named Insured had made a fair presentation, the Company would not have issued the Policy.

The Company will return the premium paid by the Named Insured unless the failure to make a fair presentation is deliberate or reckless.

If the Company would have issued the Policy on different terms had the Named Insured made a fair presentation, the Company will not avoid the Policy (except where the failure is deliberate or reckless) but the Company may instead:

- (c) reduce proportionately the amount paid or payable on any claim, the proportion for which the Company is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Company would have charged had the Named Insured made a fair presentation;

and/or

- (d) treat the Policy as if it had included such additional terms (other than those requiring payment of premium) as the Company would have imposed had the Named Insured made a fair presentation.

For the purposes of this condition references to:

- (e) avoiding a Policy means treating the Policy as if it had not existed from the Inception Date (where the failure to make a fair presentation of the risk occurs before or at the inception of the Policy), the Renewal Date (where the failure occurs at renewal of the Policy), or the variation date (where the failure occurs when the Policy is varied);
- (f) refunds of premium should be treated as refunds of premium back to the Inception

Date, Renewal Date or variation date as the context requires;

- (g) issuing a Policy should be treated as references to issuing the Policy at inception, renewing or varying the Policy as the context requires

28. Brexit Contract Continuity Clause

- (a) This clause shall only apply following the withdrawal from the European Union by the United Kingdom, including where a transition agreement has been effected ("Brexit Event")

- (b) The Company and Builders Direct SA (hereinafter "Insurer B") (and collectively "the Insurers") and the Insured agree this clause forms a binding part of the Policy between the Insured and the Insurers and it is hereby agreed by the Insurers that premium will be divided between them for the period on which they are on risk and Insurer B shall be entitled to a minimum premium of £1 from inception of the Policy, receipt of which is hereby acknowledged

- (c) Except as set out in this Clause and notwithstanding any other provision in this Policy, a Brexit Event shall not have the effect of:

- (i) terminating this Policy; or
- (ii) altering or invalidating any term of, or discharging or excusing performance under, this Policy; or
- (iii) giving any party a unilateral right to alter or terminate this Policy

- (d) Subject to paragraphs (e) and (f) and to the extent that the Company as a consequence of a Brexit Event is:

- (i) not permitted by applicable law or regulation to perform this Policy (or any part thereof); and/or
- (ii) would become exposed to any legal or regulatory sanction as a consequence of performing this Policy (or any part thereof)

this Policy or such part that cannot be performed (as per sub-paragraphs (d) (i) or (d) (ii)) shall instead be performed by Insurer B to the extent that Insurer B is permitted to do so by applicable laws and regulations and without exposing Insurer B to any legal or regulatory sanction

- (e) If and from such time as paragraph 4 applies:

- (i) The Company shall no longer be obliged to perform the Policy or such part that cannot be performed (as per sub-paragraphs (d) (i) or (d) (ii)) and shall have no liability whatsoever for such non-performance

- (ii) Insurer B will only perform the Policy to the extent to which the Company would have been obliged to do so and only to the extent that the Company is no longer obliged to do so pursuant to sub-paragraph (e) (i)

- (iii) Accordingly, this Policy will be performed as if only one of the Insurers were obligated to do so, including (but not limited to) the following respects:

- a. All limits of indemnity, aggregate limits of indemnity (including the overall aggregate limit) and deductibles/excesses; and
- b. The Insured's obligations in respect of the premium will be fully discharged by making payment to the Company or Insurer B

- (f) If, as a consequence of a Brexit Event, neither the Company nor Insurer B:

- (i) are permitted by applicable law or regulation to perform this Policy (or part thereof); or
- (ii) can perform this Policy (or part thereof) without exposure to any legal or regulatory sanction

then this Policy (or such part which is not permitted by applicable law or regulation to be performed or the performance of which would expose the Company or Insurer B to any legal or regulatory sanction) shall be terminated with effect from 23:59:59 GMT / BST on the date immediately before a Brexit Event. The Company will serve notice of cancellation in respect of the part of the Policy which cannot be performed as soon as reasonably practicable after it becomes aware that sub-paragraph (f) (i) or (f) (ii) apply

- (g) In the event that the Insurers are unable to perform a part of the Policy as per sub-paragraphs (f) (i) or (f) (ii) the Insured shall have the option to cancel the remaining part of this Policy upon the serving of written notice to either the Company and / or Insurer B

- (h) Within 14 days of the termination of this Policy (or part thereof) the Company shall return to the Insured any paid but unearned premium which shall be calculated as provided in the cancellation provisions of this Policy or if there are no such provisions on a pro-rata basis for the time on risk or where not applicable as otherwise agreed by the parties to this Policy

General Exclusions

The Company shall not be liable

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

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

- (a) war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection uprising military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority This exclusion does not apply to the Employer's Liability Section
- (b) any action taken in controlling preventing suppressing or in any way relating to (a) above
- (c) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (d) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or any other nuclear assembly or nuclear component thereof
- (e) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter but the exclusion in this paragraph shall not extend to radioactive isotopes other than nuclear fuel when such isotopes are being prepared carried stored or used for commercial agricultural medical scientific or other similar peaceful purposes
- (f) any chemical biological or electromagnetic weapon

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

Note

General Exclusion 1 shall not apply to the extent required to satisfy the Road Traffic Acts

2. Property Coverages – Civil Commotion in Northern Ireland

under the

- (a) Property Damage Section
- (b) Goods in Transit Section

(c) Money & Personal Accident Section

(d) Business Interruption Section

(e) Computer All Risks Section

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

3. Terrorism Exclusion

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

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

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

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

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

4. Deductible

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

irrespective of whether an indemnity is subsequently provided to the Insured

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

- (a) in respect of the Public and Products Liability Section where insured all claims attributable to
- (i) the same act or omission
 - (ii) a series of acts or omissions consequent upon or attributable to the same original cause or source will be regarded as one claim for which the Company's liability shall not exceed any of the specified amounts detailed in the Schedules as limits of indemnity or the amount of any other limit stated in the Policy
- the amount of the Deductible shall form part of such limit of indemnity and for the avoidance of doubt the limit of indemnity shall not apply in excess of the amounts stated as Deductible
- (b) in respect of the Property Damage Section and Business Interruption and Computer All Risks Section where insured
- (i) loss or damage arising from one Event which affects one or more Premises of the Insured
 - (ii) loss or damage to insured property arising during any one period of 72 consecutive hours and caused by storm tempest flooding or escape of water from tanks apparatus or pipes shall be deemed a single Event and be treated as one claim

5. Punitive and other non-compensatory Damages

in respect of

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

6. Liability Coverages – Asbestos

In so far as indemnity would otherwise be provided under the Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to

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

7. Liability Coverages – Silica

In so far as indemnity would otherwise be provided the Company shall not be liable to indemnify the Insured under the Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses arising out of an Event occurring within the United States of America its territories and possessions Puerto Rico and Canada directly or indirectly resulting from caused by contributed to attributed to or in any way related to

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

8. Liability Coverage – Mould

in so far as indemnity would otherwise be provided under the Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to

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

For the Purpose of this Exclusion 'Mould' shall mean mould mildew fungus spores or other micro-organism of any type nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health

9. Liability Coverages – Offshore Work

In so far as indemnity would otherwise be provided under the Employers' Liability Section and Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching

thereto in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to Offshore Work

10. Sanction Limitation and Exclusion Clause

To pay, or be deemed to provide cover in respect of, any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company, or any other entity of the Company, or its employees to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America

11. Named Insured Exclusion

In respect of any claim or proceeding brought by a Named Insured against another Named Insured alleging liability for property damage, breach of contract or duty, fraud, compensatory and non-compensatory damages

General Endorsements

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

A. INFRASTRUCTURE EQUIPMENT BREAKDOWN

Insuring Agreement

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

Definitions

1. Accident

The word 'Accident' shall mean direct physical loss as follows:

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

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

2. Breakdown

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

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

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

3. Collapse

The World 'Collapse' shall mean the sudden and dangerous distortion (whether or not attended by rupture) of any part of the Covered Equipment caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

4. Computer Equipment

The word 'Computer Equipment' shall mean

- (a) Electronic, Computer and other data processing equipment.
- (b) Peripherals used in conjunction with (a)
- (c) Software and programs licensed to the insured and installed on (a)

5. Covered Equipment

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

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

- (k) domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters.
- (l) equipment owned by tenants of the Insured

6. Explosion

The word 'Explosion' shall mean the sudden and violent rending of the Covered Equipment by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the Covered Equipment together with forcible ejection of the contents

7. Manufacturing Production or Process Equipment

The words 'Manufacturing Production or Process Equipment' shall mean any machine or apparatus which takes in processes, forms, cuts, shapes, grinds or conveys raw materials, materials undergoing the process or the finished product, including any equipment forming a part of the dedicated power supply, driving or controlling mechanism for such machine or apparatus

8. Media

The word 'Media' shall mean all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment

9. Verified

The word 'Verified' shall mean checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

Additional Coverage

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

1. Hazardous Substances

The Company shall be liable for the additional cost to repair or replace Covered Equipment because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property.

Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would have been required had no hazardous substance been involved.

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

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

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

In addition the Company shall be liable for costs incurred in reinstating data lost or damaged in consequence of an Accident to Computer Equipment up to the amount for such cost stated in the Schedule

Provided that

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

In addition the Company will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the Insured. The total liability of The Company in any one Period of Insurance shall not exceed £25,000 in respect of such additional costs

3. Business Interruption

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

4. Public Authorities/Law or Ordinance

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

additional costs to comply with such ordinance or law:

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

The Company shall not be liable for:

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

5. Expediting Expenses

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

6. Hire of Substitute Item

If Covered Equipment is damaged as a result of an accident the Company will also indemnify The Insured against the cost of hire charges actually incurred by The Insured during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The Company shall not be liable in any one Period of Insurance for more than £5,000 under this coverage

7. Storage Tanks and Loss Of Contents

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

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

- (c) including cleaning costs incurred as a result of such loss

This Additional Coverage excludes

- (d) loss caused by fire howsoever the fire may have been caused
- (e) loss resulting from corrosion erosion or wasting
- (f) contamination of the contents resulting from
 - (i) the natural settling separation or accumulation of fluids or materials constituting the normal contents
 - (ii) the deliberate use of fluids or materials in the oil storage for cleaning flushing or similar purposes
- (g) loss sustained whilst oil storage tanks are in transit between premises
- (h) costs or expenses arising from pollution or contamination of property not covered by this Additional Cover

The Company shall not be liable for more than £5,000 under this coverage in respect of any one Accident. The Company shall not be liable for loss or liability resulting from the transportation of oil, howsoever arising

8. Loss Avoidance Measures

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

Provided that:

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

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

Equipment Breakdown – Memorandum

Reinstatement basis of settlement in the event of a claim

Applicable unless stated otherwise in the Schedule

Subject to the following special conditions the basis upon which the amount payable in respect of covered equipment is to be calculated shall be the reinstatement of the covered equipment that is the subject of an accident

For this purpose “reinstatement” means

- (a) the replacement of covered equipment that is the subject of an accident which provided the Company’s liability is not increased may be carried out
 - (i) in any manner suitable to the Insured’s requirements
 - (ii) upon another site
- (b) the repair or restoration of covered equipment that is the subject of an accident in the case of (a) or (b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special conditions

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

Additional Conditions

1. Precautions

The Insured shall exercise due diligence in

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

2. Back Up Records

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

Exclusions

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

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

B. FULL EQUIPMENT BREAKDOWN

Insuring Agreement

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

The following sections of Infrastructure Equipment Breakdown are removed and replaced with the following in respect of this extension

Definitions

1. Accident

The word 'Accident' shall mean direct physical loss as follows:

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

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

5. Covered Equipment

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

- (a) supporting structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
- (b) insulating or refractory material;
- (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (d) water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment), aircraft or floating vessel;
- (f) mobile plant and equipment (other than fork lift trucks used by the Insured at their premises) dragline, excavation or construction equipment;
- (g) equipment manufactured by the Insured for sale;
- (h) tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic

- linings, driving belts or bands or any part requiring periodic renewal.
- (i) any electronic equipment, (other than Computer Equipment), that is used for research, diagnostic, treatment, experimental or other medical or scientific purposes
 - (j) domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters.
 - (k) equipment owned by tenants of the Insured

SECTION A PROPERTY DAMAGE

Definitions

In this Section the following terms shall have the following meanings

1. Buildings

The word 'Buildings' - all buildings of brick stone or concrete or other non-combustible materials and roofing concrete slate tile or metal on sheets or slabs composed entirely of non-combustible mineral ingredients and on permanent foundations below ground level - shall mean the buildings at the Business Premises and includes

- (a) landlord's fixtures and fittings therein and thereon
- (b) outbuildings annexes and extensions
- (c) walls gates fences canopies and signs
- (d) car parks yards and pavements
- (e) telephone gas water and electric installations oil tanks piping ducting cable wires and associated control gear and accessories on the Business Premises and extending to the public mains but only to the extent of the Named Insured's responsibility
- (f) foundations
- (g) drains and sewers within the perimeter of the Business Premises but only to the extent of the Named Insured's responsibility
- (h) all Glass including framework alarm strips or fittings and lettering thereon

2. Damage or Damaged

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

3. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

4. Fixed Media

The words 'Fixed Media' shall mean Media integral to Computer and Telecommunication Equipment

5. Glass and Sanitary Ware

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

The words 'Sanitary Ware' shall mean wash basins lavatory pans or other sanitary fittings at the Business Premises

6. In Transit

The words 'In Transit' shall mean whilst in the course of a journey by any means including the process of

- (a) loading and unloading
- (b) temporarily housing during transit for a period of no more than thirty calendar days (excluding storage at rental or under contract for storage packing and/or distribution)

and concluding when the Property has either been placed at the Premises or receipt acknowledged by consignee

7. Machinery Plant and All Other Contents

The words 'Machinery Plant and All Other Contents' shall include

- (a) fixtures and fittings other than landlord's fixtures and fittings
- (b) tenants improvements alterations and decorations
- (c) office equipment other than as described in (g) and (h) below
- (d) deeds plans designs documents manuscripts business books and records (other than property and Programs and/or Data described in (g) and (h) below) but only for their value as materials together with the cost of clerical labour expended in reproducing them and not for the value to the Named Insured of the information contained therein
- (e) patterns models and moulds up to the value as materials and the cost of labour to reinstate them in so far as they are not otherwise insured
- (f) directors' partners' Employees' and visitors' pedal cycles tools instruments and other personal effects up to a limit of £500 per person

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

Additionally where there is not a Computer All Risks Section forming part of this Policy the words 'Machinery Plant and All Other Contents' shall include

- (g) Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media for their value as materials but not Programs or Data) and Ancillary Equipment
- (h) additionally in the event of accidental loss distortion corruption or erasure of Programs and/or Data recorded on Fixed Media

and/or Unfixed Media insured by this Section the Company will pay the costs necessarily and reasonably incurred by the Named Insured in

(i) the Reinstatement of Programs and/or the Reinstatement of Data but not for the value to the Named Insured of the Data contained therein

and

(ii) associated documentation and source materials excluding the value to the Named Insured of the information contained therein

for an amount not exceeding £25,000 in respect of any one claim or claims arising from and Event within the Buildings but not Stock or other Property Insured specified in the Schedule

8. Media

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

9. Premises and Business Premises

The word 'Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy

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

10. Programs

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

11. Property and Property Insured

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

12. Reinstatement of Data

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

13. Reinstatement of Programs

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

14. Rent

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

15. Stock

The word 'Stock' shall mean stock merchandise goods held in trust materials of trade and finished goods which the Named Insured owns or for which the Named Insured is responsible

16. Unfixed Media

The words 'Unfixed Media' shall mean Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured

17. Working Hours

The words 'Working Hours' shall mean the whole period during which the premises occupied is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

Cover

1. General

If during the Period of Insurance the Property Insured described in the Schedule or any part thereof shall be Damaged (other than by an excluded cause) the Company will pay to the Named Insured the value of the Property or the amount of the Damage at the time of the happening of such Damage in accordance with the Basis of Settlement (or as otherwise provided for herein) or at the Company's option reinstate replace or repair such Property or any part thereof provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole of Total Sum Insured

2. Temporary Removal

Subject to the limit specified in the Schedule the insurance on Property Insured by this Section at the Premises is covered whilst temporarily away from the Premises within the Territorial Limits during the Period of Insurance for the purposes of renovation repair service or cleaning

This clause does not cover

- (a) Damage to explosives goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
- (b) Damage to Property resulting from dishonesty fraudulent actions trick or device or other false pretence of any Employee of the Named Insured
- (c) Property more specifically insured under the Goods in Transit Section

3. Mortgage/Freeholder/Lessor

The interest of the mortgagee/freeholder/lessor in the insurance by this Section shall not be prejudiced by any act or neglect of the Named Insured or occupier of any Building hereby insured whereby the risk of Damage is increased without the authority or knowledge of the mortgagee/freeholder/lessor provided the mortgagee/freeholder/lessor shall immediately on becoming aware thereof give notice in writing to the Company and pay an additional premium if required

4. Non-invalidating

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

Insured becomes aware thereof shall give notice to the Company and pay an additional premium if required

5. Workmen

Workmen are allowed in or about any of the Premises for the purpose of carrying out minor alterations minor repairs decorations and maintenance without prejudice to this insurance

6. Architects' Surveyors' Legal and Other Fees

The insurance in respect of Property Insured as specified in the Schedule unless insured by a separate item includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon Damage thereto but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such reinstatement and provided that

- (a) unless (b) below applies the Company's liability for Damage and fees shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (b) where there is a specific item in the Schedule for architects' surveyors' legal and other professional fees the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one claim or claims arising from an Event

7. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within thirty calendar days of notification of any loss then in consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

8. Capital Additions

The insurance on items specified in the Schedule in respect of Buildings and or Landlord's Contents extends to include

- (a) alterations additions and improvements to Property Insured (but not appreciation in value thereof)
- (b) newly acquired and/or occupied property insofar as the same are not otherwise insured anywhere within the Territorial Limits

Provided that

- (c) at any one situation this cover shall not exceed 15% of the Sum Insured under the

relevant item or £500,000 in the aggregate whichever is the less

- (d) the Named Insured shall advise the Company as soon as practicable and in any event within 3 months of any such newly acquired and/or occupied property
- (e) the Named Insured shall pay to the Company any additional premium due

9. Removal of Debris

Sums insured and/or Declared Values for Buildings, Contents and Stock include an amount in respect of removal of debris costs, other than where an item covering such costs is specifically described in the Schedule Cover applies only to those costs necessarily and reasonably incurred in consequence of Damage in

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

The Company will not pay for any costs or expenses

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

10. European Community and Public Authorities Clause (including Undamaged Property)

Subject to the following special conditions the insurance in respect of Property as specified in the Schedule extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of

- (a) European Community Legislation or
- (b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority or the Company's Requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to 28th Edition rules or conformed to the 29th Edition of the LPC rules when installed but fails to conform to subsequent amendments to those rules

(hereinafter referred to as the Stipulations) in respect of

- (c) the Damaged Property thereby insured
- (d) undamaged portions thereof excluding
- (e) the cost incurred in complying with the Stipulations

- (i) in respect of Damage occurring prior to the granting of this extension
- (ii) in respect of loss destruction or damage not insured by the Section
- (iii) under which notice has been served upon the Named Insured prior to the happening of the Damage
- (iv) for which there is an existing requirement which has to be implemented within a given period
- (v) in respect of Property entirely undamaged by any peril hereby insured against
- (f) the additional cost that would have been required to make good the Property Damage to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (g) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by the owner thereof by reason of compliance with the Stipulations

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may in writing allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this extension not being thereby increased
2. If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of this Section then the liability of the Company under the extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of this Section in respect of this extension shall not exceed
 - (a) in respect of the Damaged Property
 - (i) 15% of its Sum Insured
 - (ii) where the Sum Insured by the item applies to Property at more than one Premises 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Premises where the Damage has occurred been wholly destroyed

- (b) in respect of undamaged portions of Property (other than foundations) 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Premises where the Damage has occurred been wholly destroyed
- 4. The total amount recoverable under any item of this Section shall not exceed its Sum Insured
- 5. All the terms and conditions of this Section except in so far as they are varied hereby shall apply as if they had been incorporated herein

11. Fixed Glass

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

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

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

12. Loss of Metered Water

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

Provided that

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

13. Fire Extinguishing Expenses

The insurance by this Section extends to include the costs incurred by the Named Insured in recharging replenishing or replacing fire extinguishing appliances and replacing sprinkler heads in automatic sprinkler installations rendered necessary as a result of fire at the Business Premises for which liability is admitted under this Section

14. Key Clause

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

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

15. Theft Damage to Buildings

When Buildings are not insured by this Section cover extends to include the cost of repairing Damage to the Buildings caused by theft or attempted theft provided the Named Insured is legally liable for such cost and the Damage aforesaid is not otherwise insured

16. Outdoor Property

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

- (a) outdoor trees shrubs and plants
- (b) signs other than those attached to Buildings

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

17. Inadvertent Omission

The Named Insured having intended to insure all Property (other than Stock) within the Territorial Limits in which the Named Insured is interested and the Named Insured's belief is that all such Property is insured if hereafter any such Property shall be found to have been inadvertently omitted the Company will deem it to be insured within the terms of this Section subject to payment of the premium on all such Property as from the inception of this Section or from the date of the Named Insured's interest in such Property if erected or purchased after the inception of this Section

Provided that

- (a) at any one situation the Company's limit of liability under this cover clause shall not exceed £500,000 any one claim or claims arising from and Event
- (b) at any one situation the limit of liability under this cover clause shall for the purpose of the Underinsurance Condition be added to the Sum Insured on the item to which the Property relates or in the case of Reinstatement Day One Basis to the Declared Value
- (c) the insurance under this cover clause shall not apply in respect of Property situate outside of the Territorial Limits

18. Temporary Removal (Deeds and Documents) Clause

This Section insofar as it applies to deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) and Unfixed Media on which Data and/or Programs are recorded at the Premises extends to cover such property whilst temporarily removed from the Premises anywhere within the Territorial Limits provided that the Company's limit of liability under this cover clause shall not exceed £25,000 any one claim or claims arising from an Event

19. Other Interested Parties

The interest of other parties in this insurance is noted it being understood that in the event of loss the nature and extent of such other interest will be disclosed to the Company by the Named Insured in the event of a claim against this Section

It is agreed that where work is carried out at any Business Premises insured by this Section under Clause 22(c) of the JCT Standard form of Building Contract or any similar contract then the contractor and others named in the contract are deemed to be joint insured under this section to the extent required by the contract provided that the Named Insured shall inform the Company as soon as practicable and accept additional terms as the Company may require

20. Services

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

Conditions

- 1. Fire Precautions** (applicable only if the devices described therein are installed at the Business Premises)

The Named Insured shall ensure that in respect of

(a) Fire Break Doors and Shutters

all fire break doors and shutters will be kept closed (except during Working Hours) and will be maintained in efficient working order

(b) Fire Extinguishing Appliances

all fire extinguishing appliances will be regularly inspected and maintained in efficient working order

(c) Fire Alarm Installations and Automatic Sprinkler Installations

The Named Insured shall

- (i) take all reasonable steps to
 - a. prevent frost and other damage to the installations
 - b. subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
 - c. maintain ready access to the water supply control facilities
- (ii) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (iii) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (iv) make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open
- (v) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (vi) make a test at least once a week for the purpose of ascertaining the condition of
 - a. Brigade connection and
 - b. the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 – As regards a. where the Fire Brigade has given a written undertaking to carry out this test the Insured's responsibility will be confined to requirement b.

N.B. 2 – Where the circuit concerned in a. is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (vii) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 – Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) this test need not be made

- (viii) remedy promptly any defect revealed by the above tests
- (ix) give notice to the Company in relation to any automatic sprinkler installation if
 - a. its water supply be turned off
 - b. it becomes inoperative from any cause except for the purpose of testing maintenance or repair
- (j) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies
 - a. the description of the goods which may be stored
 - b. the maximum height of storage
 - c. the minimum permitted clearance between goods stored and the sprinkler deflectors and comply with the terms of the notice

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by escape of water from said installation until the alterations or repairs have been carried out and approved by the Company

2. Theft Precautions – Premises

The Named Insured shall ensure that

- (a) The Company will require all risks to have the Minimum Security:
 - (i) all doors to be secured by mortise deadlocks which conform to British Standard 3621: 1980 Specification for thief resistance locks or local Irish equivalent.
 - (ii) the first closing leaf of double leaf doors to be fitted with bolts top and bottom
 - (iii) all aluminium framed doors to be fitted with a swing bolt type mortise lock

- (iv) windows - all opening sections of external ground floor windows and all other windows which are accessible from roofs fire escapes or downpipes to be fitted with key operated locks.

- (b) when the premises are closed for business all other external doors and internal doors leading to common areas or other premises, are secured as follows
 - (i) By the means set out in 1 above, or
 - (ii) by key operated security bolts fitted top and bottom

any door or window designated a fire exit by any fire authority is excluded from this condition

- (c) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to the Business Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business
- (d) where the Company have required an Intruder Alarm to be installed or if the Intruder Alarm is already installed on the Business Premises
 - (i) the Intruder Alarm must be maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company
 - (ii) a maintenance service contract with the installation Company or as otherwise approved by the Company must be in force and the maintenance Company immediately advised of any apparent defect in the Intruder Alarm or its signalling
 - (iii) the Intruder Alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
 - a. the Intruder Alarm is put into full and effective operation including where the equipment permits any central station to which the Intruder Alarm is connected acknowledging the setting signal
 - b. the Intruder Alarm is regularly tested and is in full and efficient working order
 - (iv) immediate written notice shall be given to the Company if the Named Insured receives from the Police or security organisation warning of a possible or intended withdrawal of response to calls from the Intruder Alarm or of a reduced response level

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or attempted robbery where Police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

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

3. Theft Precautions – Third Party Premises

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

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

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

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

4. Underinsurance

The Sum Insured by each item of this Section is declared to be separately subject to an

Underinsurance Condition The Underinsurance Condition applicable is dependent upon which Basis of Settlement applies and is detailed therein

5. Unoccupancy

The Named Insured shall notify the Company in writing within 14 days when any Building or part thereof becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company and comply with General Condition 19. Further the Named Insured shall notify the Company when an unoccupied Building or part thereof becomes occupied

6. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which he is responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service that complies with the Statutory Regulations applying in respect of such vessel machinery or apparatus

7. Claims Conditions

(a) Contracting Purchaser's Interest

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

(b) Subrogation Waiver

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

- (i) any Company standing in the relation of parent to subsidiary to the Named Insured
- (ii) any Company standing in the relation of subsidiary to parent to the Named Insured
- (iii) any Company which is a subsidiary of a parent Company of which the Named Insured is a subsidiary

in each case as defined by current legislation

(c) Reinstatement

If any Property is to be reinstated or replaced by the Company the Named Insured shall at his own expense provide all such plans documents books and information as may reasonably be required. The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured.

(d) Company's Rights following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner.

No Property may be abandoned to the Company whether taken possession of by the Company or not.

8. Designation

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's book.

9. Other Insurances

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

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

10. Programs and Data

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs and/or Data

- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situated

- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situated

11. Flat Felt Roof Condition

It is a condition precedent to the Company's liability in respect of Damage by storm tempest that any flat felted roof portion of the within at the Business Premises of the Named Insured shall be inspected at least once every two years by a qualified builder or property surveyor and any defects identified by that inspection be rectified immediately a record of such inspections shall be kept which shall be produced to The Company on request.

12. Valley Guttering Condition

It is a condition precedent to the Company's liability in respect of Damage by flood and storm tempest that all valley guttering at the Business Premises of the Named Insured is checked for blockages or defects by a competent person at Inception Date or Renewal Date and at six monthly intervals thereafter and any defects identified by that inspection by rectified immediately a record of such inspections shall be kept which shall be produced to The Company on request.

13. Electrical Inspection Condition

It is a condition precedent to the Company's liability in respect of Damage by fire lightning and explosion that the electrical systems at the Business Premises of the Named Insured is inspected every five years by a certified IEE / NIC / EIC electrical contractor and any defects identified by that inspection be rectified immediately a record of such inspections shall be kept which shall be produced to The Company on request.

14. No Smoking Condition

It is a condition precedent to the Company's liability in respect of Damage by fire and explosion that no smoking is allowed within the Buildings of the Business Premises Building of the of the Named Insured.

15. Pipe Lagging Condition

It is a condition precedent to the Company's liability in respect of Damage by escape of water from any tank pipe or apparatus within the Business Premises of the Named Insured that

there is a heating system linked to a frost-stat and a minimum temperature of four degrees Celcius is maintained between 31st October and 31st March or all pipes are adequately lagged

16. Portable Space Heater Condition

It is a condition precedent to the Company's liability in respect of Damage by fire lightning and explosion that Portable Space Heaters within the Business Premises of the Named Insured must be used in conjunction with a base plate of non-combustible material in order to reduce any potential accidental fire risk Portable Space Heaters should only be used when a responsible member of staff is in attendance and a proper check of the appliance must be made when such appliance is turned off to ensure that the appliance is safe all staff in attendance must have been given proper instruction as to the procedures and required checks applicable when using a Portable Space Heater

Basis of Settlement

The amount payable for each Item of Property stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

1. Indemnity

Subject to the following Special Provisions the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

Special Provision

(a) Underinsurance Condition

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Insured considered to be their own Company for the difference

2. Reinstatement

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damage

For this purpose Reinstatement means

- (a) the rebuilding or replacement of Property sustaining Damage which provided the liability of the Company is not increased may be carried out
 - (i) in any manner suitable to the requirements of the Named Insured
 - (ii) upon another site
- (b) the repair or restoration of Property Insured lost or damaged

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

Special Provisions

(a) Repairs and Restoration

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

(b) Underinsurance Condition

If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property Insured covered by any Item to which the Basis applies exceeds its Sum Insured at the commencement of Damage

the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

(c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

3. Day One Reinstatement

Subject to the following Special Provisions the basis on which the amount payable for the Property Insured Damaged will be calculated is the same as the Reinstatement Basis of Settlement except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of Damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the Damage will not exceed that proportion of the Damage which the Declared Value bears to such cost of reinstatement

Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
 - (i) Removal of Debris
 - (ii) Professional Fees
 - (iii) Complying with Public Authority Requirements
- (c) At the commencement of each Period of Insurance the Insured will notify the Company of the Declared Value of the Property Insured by each item In the absence of such declaration the last

amount declare by the Insured will be taken as the Declared Value for the ensuing Period of Insurance

- (d) The Declared Value for each item of Property insured in accordance with this Basis of Settlement is the amount show in the brackets below the Sum Insured in respect of each item on the Property Damage Specification
- (e) In the event of loss the liability of the Company in respect of Property insured in accordance with this Basis of Settlement will not exceed
 - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedules
 or
 - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedules

4. Rent

In respect of Rent of Building which suffer Damage the Company will pay

- (a) if the loss relates to rent receivable by the Named Insured and where insured by the relevant item in the Schedule. The actual reduction in rent received solely in consequence of the Damage but not reduction in rent once the Building or portions of the Building become fit for occupation
- (b) if the loss relates to rent payable by the Named Insured and where insured by the relevant item in the Schedule. The amount of rent which continues to be payable by the Insured in respect of the Building or portions of the Building which are unfit for occupation in consequence of the Damage but the Company's liability will be limited to the loss suffered within the period of rent insured (as specified in the Schedule) which commences from the date of the Damage

Special Provisions

(a) Insurable Amount

For the purpose of the Underinsurance Condition the Insurable Amount is the annual rent receivable or the annual rent payable at the commencement of the Period of Insurance such amount to be proportionately increased to correspond with the period of rent insured where that period exceeds twelve months

(b) Underinsurance Condition

If any Sum Insured to which this Basis of Settlement applies is at the commencement

of Damage less than the Insurable Amount the amount payable by the Company in respect of such Damage will be proportionately reduced

Exclusions

The insurance provided under this Section does not cover

1. Damage caused by or consisting of
 - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - (b) the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
 - (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
 - (d) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees
 - (e) growing vegetationbut this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded

2. (a) Damage caused by or consisting of
 - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity contamination or action of light
 - (ii) change in temperature colour flavour texture or finish
 - (iii) the freezing solidification or inadvertent escape of molten material(b) Damage consisting of
 - (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connection therewith
 - (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originatesbut this shall not exclude
 - (c) such Damage not otherwise excluded which itself results from a Defined Peril or from any other Damage
 - (d) subsequent Damage which itself results from a cause not otherwise excluded

3. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the specification to the Schedule forming part of this Section unless caused by theft or attempted theft of the Property Insured from the buildings (but not grounds) at the Premises where accompanied by forcible and

violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

4. Damage to Property Insured

- (a) away from the Premises (where the insurance on any Property Insured item as stated in the Specification to the Schedule so provides or as provided for under cover clause 2 Temporary Removal) caused by theft or attempted theft of the Property Insured
 - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
 - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
 - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
 - (iv) where Property is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room
- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
 - (i) storm tempest water hail frost or snow
 - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours

5. Loss or damage due to contamination sooting deposition impairment with dust chemical

precipitation poisoning epidemic and disease including but not limited to foot and mouth disease pollution adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health

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

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

6. Damage caused by or consisting of

- (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (b) normal settlement or bedding down of new structures
- (c) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
- (d) disappearance unexplained or inventory shortage misfiling or misplacing of information

7. Damage to Building or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded

8. Damage by wind rain hail sleet snow flood or dust to moveable Property in the open or fences or gates

9. Damage to that part of the Property

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

10. Damage in respect of any Building which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire explosion lightning aircraft or other aerial devices or articles there from subject to the following Special Condition

Special Condition

It is a condition precedent to liability under the Policy that

- (a) the Business Premises are secured against illegal entry All windows and doors shall be fitted with good quality locks
 - (b) all unnecessary services to be disconnected other than limited service required for security guards fire and burglar alarms
 - (c) all letter boxes shall be sealed to prevent insertion of material
 - (d) perimeter fences walls and gates to be kept complete and maintained
 - (e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage
 - (f) vegetation surrounding the building shall be kept down
 - (g) the Business Premises shall be guarded 24 hours a day and patrolled internally and externally at not more than six hour intervals and work required to maintain security shall be carried out immediately A record of these patrols shall be kept which shall be produced to the Company on request
11. Damage in respect of
 - (a) vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (c) land roads piers jetties bridges culverts or excavations
 - (d) livestock growing crops or trees unless specifically mentioned as insured by this Section
 12. Property which at the time of the happening of Damage is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
 13. Damage in respect of
 - (a) Money
 - (b) Stock In Transit unless specifically mentioned as insured by this Section
 14. Any property more specifically insured by or on behalf of the Named Insured
 15. Consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section
 16. Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
 - (a) correctly to recognise any date as its true calendar date
 - (b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (c) to capture save retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or attempted theft where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure
 17. Damage to any Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media) and Ancillary Equipment Programs and Data where there is a Computer All Risks Section forming part of this Policy
 18. (a) Loss damage destruction distortion erasure corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use reduction in functionality cost expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss
Electronic Data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment Computer Virus means a set of corrupting harmful or

otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature Computer Virus includes but is not limited to “Trojan Horses” “worms” and “time or logic bombs”

- (b) However in the event that a peril listed below results from any matters described in paragraph (a) above this insurance subject to all its terms conditions and exclusions will cover physical damage occurring during the original policy period to the property insured by the original policy directly caused by such listed peril
- (i) Listed Perils
 - (ii) Fire
 - (iii) Explosion
- (c) Electronic Data Processing Media Valuation. Should electronic data processing media insured by this policy suffer physical loss or damage insured by this policy then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation These costs will not include research and engineering nor any costs of recreating gathering or assembling such Electronic Data If the media is not repaired replaced or restored the basis of valuation shall be the cost of the blank media However this insurance does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party even if such Electronic Data cannot be recreated gathered or assembled

19. Damage to Property outside the Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America
20. Damage in respect of jewellery precious stones precious metals bullions furs curiosities works of art or rare books
21. Loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded
22. Loss damage claim cost expenses or other sum directly or indirectly arising out of or relating to

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

This exclusion applies regardless of whether there is

- (a) any physical loss or damage to insured property
 - (b) any insured peril or cause whether or not contributing concurrently or in sequence
 - (c) any one loss occupancy or functionality or
 - (d) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns
23. All costs rendered necessary by defects of material workmanship design plan or specification and should damage (which for the purposes of this exclusion shall include any patent detrimental change in the physical condition of the Insured Property) occur to any portion of the Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost incurred to improve the original material workmanship design plan or specification

For the purpose of the policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification

Endorsements

The following endorsements are only operative if shown on the Property Damage Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

1. Subsidence

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

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

Special Condition

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

2. Theft (full theft from Buildings and forcible and violent theft from grounds and outbuildings)

Section Exclusion 3 is deleted and replaced by the following

3. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the specification to the Schedule forming part of this Section unless caused by theft or attempted theft of the Property Insured
 - (a) from the Buildings (but not outbuildings or grounds) at the Premises

- (b) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
- (c) from within the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons
- (d) from or on an unattended soft topped open topped or open sided vehicle or trailer within the grounds unless also involving theft of the vehicle or trailer and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

3. Stock Declaration

Where stated in the Schedule the insurances by item(s) on Stock are subject to the following conditions

- (a) The first and annual premiums for the item(s) are provisional and are subject to adjustment as hereinafter provided
- (b) The separate value of the Property Insured by each such item shall be declared in writing by the Named Insured to the Company either monthly or quarterly as previously agreed and if a declaration be not so given the Named Insured shall be deemed to have declared the Sum Insured by the item(s) on the declaration date as the value
- (c) Unless noted to the contrary in the Schedule the dates on which values are to be calculated shall be
 - (i) monthly declarations – last day of each month
 - (ii) quarterly declaration – last day of March June September and December the declared values to reach the Company within thirty calendar days of the declaration date
- (d) On the expiry of each Period of Insurance the actual premium required shall be calculated by applying the agreed rates per cent per annum to the average amount(s) declared i.e. the total of the sum declared divided by the number of declarations If the actual premium be greater than the first premium (or in the case of the second and subsequent Periods of Insurance the annual premium) the Named Insured shall pay the difference if it be less the difference shall be repaid to the Named Insured
- (e) Any other stock and materials in trade insurance shall be deemed to be on an identical wording with this insurance

4. Medical Facilities

The undernoted cover clauses are hereby added

21. Emergency Evacuation Expense

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

22. Fine Arts

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

23. Replacement of Sanitary and Other Equipment or Property

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

24. Patients Valuables

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

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

Optional Extension Clause – Deterioration of Stock

Definitions

For the purpose of this Optional Extension Clause, the following terms shall have the following meaning:

1. Plant

The word 'Plant' shall mean as described in the Schedule situated at the Premises identified by the Premises Number shown against the item of the Property Insured and detailed in the List Of Insured Premises And Other Locations Schedule.

2. Property and Property Insured

The words 'Property' and 'Property Insured' shall mean as described in the Schedule being the property of the Named Insured or for which they are legally responsible.

Cover

It is agreed that loss as insured by this Section extends to indemnify the Named Insured for Damage to Property Insured described in the Schedule or any part thereof whilst contained in the Plant by deterioration, contamination, putrefaction or howsoever otherwise Damaged caused by:

- (a) rise or fall in temperature in consequence of
 - (i) the failure of the Plant due to its own inherent devices or accidental means
 - (ii) the accidental failure of the public supply of electricity at the terminal end of the electric authority's service feeders at the Premises including (notwithstanding anything herein to the contrary) accidental failure solely due to destruction or damage by fire, lightning, explosion or earthquake elsewhere than at the said Premises
- (b) accidental leakage of refrigerant or refrigerant fumes

The Company will, by payment or at its option by reinstatement, indemnify the Named Insured against such Damage.

Provided that the liability of the Company under this Extension during any one Period of Insurance shall not exceed:

- (c) in respect of any one item of the Property the sum set opposite thereto in the Schedule to this Extension
- (d) in respect of all Damage the Total Sum Insured under this Extension

Exclusions

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

1. consequential loss of any kind

2. Damage occasioned by failure of the public supply of electricity occasioned by the deliberate act of any Electricity Authority or by the exercise by any such Authority of its power to withhold or restrict supply
3. Damage due to failure to comply with the Manufacturers' instructions or the use of components not approved by the Manufacturers
4. Damage occasioned by error in operation of the Plant

Conditions

1. The Named Insured shall take all reasonable precautions for the safety of the Property and immediately upon having knowledge of any event giving rise or likely to give rise to a claim under this Extension shall give immediate notice thereof to the Company and the Company's risk in respect of the Plant shall forthwith cease until the said Plant shall have been repaired to the satisfaction of the Company
2. The Named Insured shall ensure that all Plant is serviced in accordance with the manufacturers' recommended standards

THE TERMS OF THIS OPTIONAL EXTENSION CLAUSE ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS

SECTION B GOODS IN TRANSIT

Definitions

For the purpose of this Section the following terms shall have the following meaning

1. Any One Loss Limit

The words 'Any One Loss Limit' shall mean the maximum amount which the Company will pay in respect of any one claim or claims arising out of an Event

2. Property

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

Cover

Notwithstanding Property Damage Section Exclusions 12 and 13(b) this Section extends to indemnify the Insured subject to the Any One Loss Limit by payment (or at the Company's option by repair reinstatement or replacement) for Damage to the Property whilst In Transit by the method of conveyance shown in the Schedule

1. anywhere in the Geographical Limits shown in the Schedule including sea or air transits between these territories in respect of method of conveyance A and B (other than by parcel post) where insured

and

2. anywhere in the world in respect of the method of conveyance by parcel post where insured

In connection with the Business during the Period of Insurance

In addition the Company will

3. pay costs and expenses necessarily incurred by the Named Insured up to 10% of the Schedule limits in
 - (a) removing or reloading the Property or any part thereof
 - (b) removing debris of such Property
 - (c) dismantling or breaking up such Property following damage to or spillage of the Property from any road vehicle or trailer following an accident to such vehicle or trailer
4. pay salvage or general average costs where applicable
5. indemnify for Damage to tarpaulins chains sheets and ropes belonging to or the responsibility of the Named Insured arising out of an Event which is otherwise the subject of indemnity under this Section subject to a limit of £500 any one claim or claims arising from an Event

Exclusions

- A. The insurance provided under this Section does not cover Damage to
1. explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
 2. jewellery precious stones precious metals bullions furs curiosities works of art or rare books wines spirits or tobacco
 3. Property resulting from dishonesty fraudulent action trick device or other false pretence of any Employee of the Named Insured
 4. Property
 - (a) whilst In Transit by method of conveyance A caused by theft or attempted theft of the Property
 - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
 - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
 - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
 - (iv) where Property is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room
 - (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
 - (i) storm tempest water hail frost or snow
 - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
 5. Property placed on the open deck of a vessel unless packed in a secured container or secured hard topped vehicle or trailer
 6. Property caused by or attributable to defective packing or incorrect insufficient addressing
 7. Property carried by or despatched by the Named Insured for hire or reward
 8. Property stored at rental or under contract for storage packing and/or distribution
 9. Property caused by or arising out of mechanical or electrical breakdown or derangement wear and tear action of light deterioration mildew moth vermin and the like unless external Damage has occurred
 10. Property caused by bruising scratching chipping or denting
 11. furniture glass or other brittle objects unless caused by fire theft or accident to the mode of carriage
- B. The Company will not be liable in respect of
1. mysterious loss or unexplained inventory shortages
 2. loss of market or consequential loss of any kind or description whatsoever
 3. Damage to Property outside the Territorial Limits (where the insurance provided by this Extension so provides) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United State of America

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

SECTION C MONEY & PERSONAL ACCIDENT (ASSAULT)

Part A – Money

Definitions

For the purpose of this Section

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

The term 'Business Hours' shall mean the Named Insured's usual business hours (including overtime) during which the Named Insured his director's partners or Employees entrusted with the Money are on the Business Premises for the purpose of the Business

Cover

Notwithstanding Property Damage Section Exclusion 13(a) this Section extends to indemnify the Named Insured following the undernoted events subject to the limits specified in the Schedule or as hereunder

1. Loss of Money the Property of the Named Insured or for which the Named Insured is responsible in the course of the Business
 - (a) on the Named Insured's Business Premises
 - (b) In Transit
 - (c) deposited in bank night safe until removed by a bank official
 - (d) at the private dwelling houses of the Named Insured's directors partners or authorised Employees
 - (e) in the custody of representatives of the Named Insured for twenty four hours from the time of receipt or until the next working day whichever is the later
 - (f) on sites of contracts or exhibitions whilst the Named Insured's Employees are working thereat
2. Damage to any case bag or waistcoat used for the carriage of Money following theft of Money or any attempt thereat occurring in the course of the Business up to the limit of £500 any one claim or claims arising from an Event
3. Damage to safe(s) strongroom(s) or franking machine(s) resulting from theft of Money or any attempt thereat
4. Damage to clothing and personal effects belonging to the Named Insured or any director partner or Employee of the Named Insured following theft of Money or any attempt thereat occurring in the course of the Business up to a limit of £500 any one claim or claims arising from an Event

Conditions

1. The Insured shall comply with the following
 - (a) a complete record shall be kept of Money In Transit and at the Business Premises
 - (b) such record shall be deposited in a secure place other than in the safe(s) and/or strongroom(s) containing the Money
 - (c) outside Business Hours the safe(s) and/or strongroom(s) shall be kept locked and the keys thereof shall not be left on the Business Premises unless the Business Premises are occupied by the Named Insured or an authorised Employee in which case such keys if left on the Business Premises shall be deposited in a secure place not in the vicinity of the safe(s) and/or strongroom(s)
 - (d) the Named Insured shall maintain the following minimum standards of precaution for the safety of Money In Transit at all times
 - (i) The times of transit routes and conveyances used shall be varied as far as possible
 - (ii) All persons engaged in the transit of Money shall be able-bodied adults
 - (iii) In respect of any one transit the following minimum number of able-bodied adults shall carry the Money which shall be divided equally between them

AMOUNT	NO. OF PERSONS
£1 - £2,500	1
£2,501 - £5,000	2
£5,001 - £7,500	3
£7,501 and over	Specialist Security Company

Exclusion

1. The insurance provided under this Extension does not cover
 - (a) shortages due to clerical or accounting errors
 - (b) loss due to the fraud or dishonesty of any director partner or Employee of the Named Insured
 - (i) not discovered within seven working days of the occurrence
 - (ii) more specifically insured by any other policy or policies except in respect of any excess beyond the amount payable under such other policy or policies
 - (c) loss due to impersonation of an authorised person including a transfer of funds
 - (d) loss or damage arising elsewhere than in Great Britain Northern Ireland the Isle of Man and the Channel Islands
 - (e) loss of Money from
 - (i) vending and/or gaming machines and/or automated money operated machinery
 - (ii) unattended vehicles
 - (e) loss resulting directly or indirectly from forgery fraudulent alteration or substitution or fraudulent use of a computer or electronic transfer or impersonation, electronically or otherwise, of any director, partner or Employee of the Named Insured purporting to give authority to transfer funds to another person or entity
 - (f) notwithstanding exclusion (e) above loss caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude loss not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe
 - (g) loss arising from depreciation in value or due to dishonoured cheques
 - (h) loss suffered as the result of a business transaction

Part B – Personal Accident (Assault)

Definition

For the purpose of this Section the term 'Loss of limb' shall mean loss by physical severance at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg

Cover

The Company shall in addition pay to the Named Insured the amount of the Benefit specified in the Schedule in respect of the Contingencies happening to the insured persons detailed below as a result of theft or attempt thereat arising in the course of the Business

- (a) the Named Insured or any director partner or Employee of the Named Insured
- (b) any person to whom the Named Insured has entrusted money other than an employee of a professional security Company or organisation

Contingencies

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

1. Death
 2. Permanent loss of all sight in one or both eyes
 3. loss of one or more limbs
- Occurring within twenty four months of bodily injury as aforesaid
4. Temporary total disablement from engaging in or giving attention to his profession or occupation commencing within 12 calendar months of bodily injury as aforesaid
 5. Permanent and total disablement (other than loss of limbs or sight) which on the expiration of 104 week from the date of such bodily injury shall permanently and totally disable an insured person from following or engaging in or giving attention to any kind of profession or occupation

Condition

1. (a) This insurance applies only to
 - (i) persons between the ages of 16 and 70 years
 - (ii) contingencies occurring within Great Britain Northern Ireland the Isle of Man and the Channel Islands
- (b) Benefit cannot be paid under more than one of the contingencies 1 to 3 and 5 in connection with the same injury
- (c) Payment of a claim under one of the contingencies 1 to 3 and 5 will end the cover granted in so far as it applies to the insured person concerned
- (d) The benefit under contingency 4 shall not be payable for more than 104 weeks in respect of any one injury calculated from the date of commencement of disablement
- (e) If and when benefit becomes payable under any of contingencies 1 to 3 or 5 weekly benefit being paid in connection with the same injury will cease and any weekly benefit already paid under contingency 4 will be deducted from the Benefit payable under contingencies 1 to 3 or 5
- (f) All certificates information and evidence required by the Company shall be furnished at the expense of the Named Insured and shall be in such form and of such nature as the Company may prescribe An insured person as often as required shall submit to medical examination on behalf of the Company at his own expense in respect of any alleged bodily injury The Company shall in the event of the death of an insured person be entitled to have a post-mortem examination at its own expense

THE TERMS OF THIS SECTION (PART A / PART B) ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND GENERAL POLICY TERMS

SECTION D BUSINESS INTERRUPTION

Definitions

1. Business Premises

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

2. Damage

The word 'Damage' shall mean for the purposes of this Section accidental loss or destruction of or damage

3. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

4. Glass

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

5. In Transit

The words 'In Transit' shall mean whilst in the course of a journey by any means including the process of

- (a) loading and unloading
- (b) temporarily housing during transit for a period of no more than 30 days (excluding storage at rental or under contract for storage packing and/or distribution) and concluding when the property has either been placed at the Premises or receipt acknowledged by a consignee

6. Indemnity Period

The words 'Indemnity Period' shall mean the period beginning when the Damage occurs and ending when the results of the Business cease to be affected by the Damage but not exceeding the Maximum Indemnity Period (as shown in the Schedule)

7. Media

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

8. Programs

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

9. Working Hours

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

Cover

If any building or other property or part thereof used by the Named Insured at the Business Premises identified against each item in the Schedule for the purpose of the Business be the subject of Damage during the Period of Insurance and in consequence the Business at such Business Premises carried on by the Named Insured be interrupted or interfered with either during or after the Period of Insurance then the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in respect of each item in the Schedule in accordance with the Basis of Settlement shown against the item in the Schedule

Provided that

1. at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Named Insured in the property at the Business Premises (or elsewhere where loss as insured hereunder is so extended to apply) against such Damage and that
 - (a) payment shall have been made or liability admitted therefore
 - (b) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the Company under this Section shall not exceed
 - (a) in the whole the Total Sum Insured or in respect of any item its Sum Insured or any other Limit of Liability stated in the Schedule at the time of the Damage
 - (b) the Sum Insured (or Limit) remaining after deduction for any other loss destruction or interference consequent upon Damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such Sum Insured (or Limit)

Memoranda

1. Opening and Closing Stocks

The amounts of the opening and closing stocks and works in progress shall be arrived at in accordance with the Named Insured's normal accountancy methods due provision being made for depreciation

2. Accountants

Any particulars or details in the Named Insured's books of account or other business books or documents which may be required by the Company under General Condition 6 of the Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Named Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company will pay to the Named Insured the reasonable charges payable by the Named Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Company under the terms of General Condition 6 of the Policy and reporting that such particulars or details are in accordance with the Named Insured's books of account or other business books or documents

Provided that the liability of the Company payable under this Clause when aggregated with any amount otherwise payable under the Section shall in no case exceed the Total Sum Insured by this Section

3. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

4. Current Cost Accounting

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

5. Value Added Tax

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

6. Alternative Trading

If goods be sold or services rendered during the Indemnity Period elsewhere than at the Business Premises for the benefit of the Business either by the Named Insured or by others on the Named Insured's behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover or Rent Receivable or Gross Revenue (as insured) during the Indemnity Period

7. Payments on Account

Any claim settlement payments will be made to the Named Insured monthly during the Indemnity Period if desired

8. Accumulated Stock

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on the Named Insured's Business Premises

9. Salvage Stock

If following Damage giving rise to a claim under this Section the Named Insured shall hold a salvage sale during the Indemnity Period the term Reduction in Turnover shall for the purpose of such claim read as follows

'The term Reduction in Turnover means the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the turnover for the period of the salvage sale) shall in consequence of the Damage fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale'

10. Programs and Data

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs and/or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Business Premises where the Media on which the Programs are recorded is situate
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Business Premises where the Media on which the Data is recorded is situate

Basis of Settlement – Gross Profit

The insurance under this item is limited to loss of Gross Profit due to

Reduction in Turnover

and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. 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
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

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

Provided always that if the Sum Insured by this item shall be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the maximum Indemnity Period exceed twelve months) the amount payable shall be proportionately reduced

Special Definitions

1. Gross Profit

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

2. Turnover

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Business Premises

3. Uninsured Working Expenses

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

4. Rate of Gross Profit

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

5. Annual Turnover

The words 'Annual Turnover' shall mean the Turnover during the twelve months immediately before the date of the Damage

6. Standard Turnover

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

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

Basis of Settlement – Declaration Linked Gross Profit

The insurance under this item is limited to loss of Gross Profit due to

Reduction in Turnover

and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. in respect **Reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

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

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Gross Profit 133 1/3% of the Estimated Gross Profit stated herein nor in the whole sum of 133 1/3% of the Estimated Gross Profit and 100% of the Sums Insured by other items or such other amounts as may be substituted therefore by memorandum signed by or on behalf of the Company

Special Definitions

1. Gross Profit

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

2. Estimated Gross Profit

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

Additional Memoranda

1. Uninsured Standing Charges

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

2. Return of Premium

In the event of the Gross Profit (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the such Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this item such return shall be made in respect only of so much of this difference as is not due to the Damage

3. Turnover

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Business Premises

Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance

4. Uninsured Working Expenses

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

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

5. Rate of Gross Profit

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

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

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

6. Annual Turnover

The words 'Annual Turnover' shall mean the Turnover during the twelve months immediately before the date of the Damage

- (a) is less than the Estimated Gross Profit for the relative Period of insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Profit but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Profit for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Period

7. Standard Turnover

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

Additional Memoranda

1. Uninsured Standing Charges

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

2. Renewal

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

3. Premium Adjustment

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Gross Profit for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each

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

The insurance under this item is limited to loss of Gross Profit due to

Reduction in Turnover
and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. 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
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

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

Provided that the maximum amount payable under this item is limited to the Sum Insured stated in the Schedule

Special Definitions

1. Gross Profit

The words 'Gross Profit' shall mean the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

2. Turnover

The word 'Turnover' shall mean the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Business Premises

3. Uninsured Working Expenses

The words 'Uninsured Working Expenses' shall mean packing carriage and freight bad debts purchases less discounts and discounts allowed

4. Rate of Gross Profit

The words 'Rate of Gross Profit' shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

5. Annual Turnover

The words 'Annual Turnover' shall mean the Turnover during the twelve months immediately before the date of the Damage

6. Standard Turnover

The words 'Standard Turnover' shall mean the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months)

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

Additional Memoranda

1. Uninsured Standing Charges

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

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

The insurance under this item is limited to such further Additional Increase in Cost of Working beyond that recoverable under clause (b) 'In Respect of Increase in Cost of Working' of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the reduction in Turnover

Basis of Settlement – Gross Revenue

The insurance under this item is limited to

Loss of Gross Revenue

and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. in respect of **Loss of Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of the Gross Revenue as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured by this item be less than the Annual Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Special Definitions

1. Gross Revenue

The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

2. Standard Revenue

The Gross Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve Months

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

3. Annual Revenue

The Gross Revenue during the twelve months immediately before the date of the Damage

Additional Memorandum**1. Return of Premium**

In the event of the Gross Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceed twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the such Sum Insured for such Period of Insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this item such return shall be made in respect only of so much of this difference as is not due to the Damage

**Basis of Settlement – Declaration
Linked Gross Revenue**

The insurance under this item is limited to

Loss of Gross Revenue

and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. in respect of **Loss of Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Gross Revenue 133 1/3% of the Estimated Gross Revenue stated herein nor in the whole sum of 133 1/3% of the Estimated Gross Revenue and 100% of the Sums Insured by other items or such other amounts as may be substituted therefore by memorandum signed by or on behalf of the Company

Special Definitions**1. Gross Revenue**

The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

2. Estimated Gross Revenue

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

3. Standard Revenue

The Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve Months

4. Annual Revenue

The Revenue during the twelve months immediately before the date of the Damage

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

addition to the premium paid on the Estimated Gross Revenue

Additional Memoranda

1. Renewal

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

2. Premium Adjustment

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Gross Revenue for the financial year most nearly concurrent with the Period of Insurance

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

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

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Gross Revenue for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Revenue but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Revenue for the relative Period of Insurance the Insured shall pay a pro rata

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

The insurance under this item is limited to

Loss of Gross Revenue

and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

1. in respect of **Loss of Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

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

Provided that the maximum amount payable under this item is limited to the Sum Insured stated in the Schedule

Special Definitions

1. Gross Revenue

The money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

2. Standard Revenue

The Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve Months

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

3. Annual Revenue

The Revenue during the twelve months immediately before the date of the Damage

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

The insurance under this item is limited to such further Additional Increase in Cost of Working beyond that recoverable under clause (b) 'In Respect of Increase in Cost of Working' of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the reduction in Gross Revenue

Basis of Settlement – Rent Receivable:

The insurance under this item is limited to

Loss of Rent Receivable

and

Increase in Cost of Working

and the amount payable as indemnity hereunder shall be

1. In respect of **Loss of Rent Receivable** the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable
2. In respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the reduction in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business normally payable out of the Rent Receivable as may cease to be reduced in consequence of the Damage

Provided that if the Sum Insured by this item be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Special Definitions
1. Rent Receivable

The money paid or payable to the Named Insured for accommodation and services provided in respect of the letting of the Business Premises shown in the Schedule including any additional rent which would have been received as a result of an increase in rent following a rent review

2. Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Damage

3. Standard Rent Receivable

The Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

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

Additional Memorandum
1. Return of Premium

In the event of the Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance being less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such Period of Insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this item such return shall be made in respect only of so much of this difference as is not due to the Damage

**Basis of Settlement – Declaration
Linked Rent Receivable:**

The insurance under this item is limited to
Loss of Rent Receivable
and

Increase in Cost of Working

and the amount payable as indemnity hereunder shall be

1. in respect of **Loss of Rent Receivable** the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable
2. in respect of **Increase in Cost of Working** the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the reduction in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business normally payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Rent Receivable 133 1/3% of the Estimated Rent Receivable stated herein nor in the whole the sum of 133 1/3% of the Estimated Rent Receivable and 100% of the Sums Insured by other items or such other amounts as may be substituted therefore by memorandum signed by or on behalf of the Company

Special Definitions

1. Rent Receivable

The money paid or payable to the Named Insured for accommodation and services provided in respect of the letting of the Business Premises shown in the Schedule including any additional rent which would have been received as a result of an increase in rent following a rent review

2. Estimated Rent Receivable

The amount declared by the Named Insured to the Company as representing not less than the Rent Receivable which it is anticipated will be received by the Named Insured during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months)

3. Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Damage

4. Standard Rent Receivable

The Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

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

Additional Memoranda

1. Renewal

The Named Insured shall prior to each renewal furnish the Company with the Estimated Rent Receivable for the financial year most nearly concurrent with the ensuing year of insurance

2. Premium Adjustment

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Rent Receivable for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each Period of Insurance a declaration confirmed by the Insured's auditors of the Rent Received during the financial year most nearly concurrent with the Period of Insurance

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

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated rent Receivable for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Rent receivable but not exceeding 50% of such premium
- (b) is greater than the estimated Rent Receivable for the relative Period of Insurance the Insured shall pay a pro- rata addition to the premium paid on the Estimated Rent Receivable

Basis of Settlement – Research and Development Expenditure:

The indemnity under this item is limited to the loss sustained by the Named Insured in consequence of the Damage in respect of

Research and Development Expenditure and

Increase in Cost of Working

and the amount payable as indemnity thereunder shall be:

1. in respect of **Research and Development Expenditure** for each working week in the Indemnity Period during which the activities of the Business are in consequence of the Damage
 - (a) **Totally Interrupted** or totally given over to the re-working of projects affected by the damage the **Insured Amount** per week
 - (b) **Partially Interrupted** or partially given over to the re-working of projects affected by the Damage – an equitable portion of the **Insured Amount** per week based upon the time rendered ineffective by reason of the Damage
2. in respect of **Increase in Cost of Working** the additional expenditure reasonably and necessarily incurred by the Named Insured solely in consequence of the Damage in order to minimise the interruption but the amount payable under this heading shall not exceed the additional amount payable under 1. for loss of **Research and Development Expenditure** if no such **Increase in Cost of Working** had been incurred

less any sum saved during the Indemnity Period in respect of such Research and Development expenses as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured hereby is less than the Annual Research and Development Expenditure the amount payable under (a) and (b) hereof shall be proportionately reduced

Special Definitions

1. Research and Development Expenditure

The total expenditure on research by the Named Insured at the Business Premises cost of raw materials consumed

2. Insured Amount Per Week

One fiftieth part of the Research and Development Expenditure incurred during the financial year immediately before the date of Damage

3. Annual Research and Development Expenditure

The aggregate amount of the Research and Development Expenditure incurred during the twelve months immediately before the date of the Damage

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

Additional Memorandum

1. Premium Adjustment

In the event of the Research & Development Expenditure during the accounting period of twelve months most nearly concurrent with any period of insurance being less than the respective sum insured thereon a pro-rata return of premium not exceeding 50 per cent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this Section such return shall be made only in respect of so much of the said difference as is not due to such Damage.

Basis of Settlement – Increase in Cost of Working:

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the interruption of or interference with the Business which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage. Additional expenditure would be deemed to include the cost of removal to and from temporary premises and expenses incidental thereto increase in rent rates and taxes salaries of additional staff and overtime payments

The Company's liability shall not exceed in respect of the first three months of the Indemnity Period one half of the Sum Insured and for each of the succeeding months within the Indemnity Period one equal pro-rata part of the balance after deducting the amount payable in respect of the first three months

Extensions

The following extensions are operative only where stated as 'applicable' in the Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

Provided that the limit of the Company's liability under each extension in respect of any one claim or claims arising from an Event shall not exceed the lesser of

(a) the percentage of the total of the Sums Insured by each applicable insured item (or 133 1/3% of the Estimated Sums Insured if the basis of settlement is Declaration Linked)

or

(b) the amount

as specified in the Schedule

1. Prevention of Access

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to the surrounding areas and/or to property in the vicinity of the Business Premises which shall prevent or hinder the use thereof or access thereto whether the premises or property of the Named Insured shall be damaged or not but excluding Damage to property of any supply undertaking from which the Named Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Business Premises

2. Public Utilities – Electricity

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any generating station or sub-station of the public electricity supply undertaking from which the Named Insured obtains electricity

3. Public Utilities – Gas

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the Named Insured obtains gas

4. Public Utilities – Telecommunication

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of any public telecommunications undertaking from which the

Named Insured obtains telecommunications services

5. Public Utilities – Water

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property at any water works or pumping station of the public water supply undertaking from which the Named Insured obtains water

6. Specified Suppliers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's suppliers specified in the Schedule

7. Specified Customers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's customer specified in the Schedule

8. Unspecified Suppliers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of the Named Insured's suppliers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

9. Unspecified Customers

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business caused by Damage at premises of any of the Named Insured's customers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

10. Infectious Diseases etc.

It is agreed that loss as insured by this Section extends to include loss as insured hereunder directly resulting from interruption of or interference with the Business carried on by the Named Insured at the Business Premises in Consequence of

- (a) Infectious Disease manifested by any person whilst at the Business Premises which results in closure of the whole or part of the Business Premises
- (b) an outbreak of an Infectious Disease within 10 miles of the Business Premises
- (c) an outbreak of legionella species at the Business Premises which results in closure of the whole or part of the Business

Premises by the order of a competent local authority

- (d) murder manslaughter or suicide occurring at the Business Premises
- (e) bodily injury occurring at the Business Premises
- (f) closing of the whole or part of the Business Premises by the order of a competent local authority as a result of
 - (i) defects of the drains or other sanitary arrangements at the Business Premises
 - (ii) the Business Premises becoming infested with vermin or pests
 - (iii) or attributable to food or drink supplied from the Business Premises
- (g) or attributable to food or drink supplied from the Business Premises
- (h) **Clause Definitions**

(i) Infectious Disease

The term 'Infectious Disease' shall mean illness sustained by any person resulting from any human infectious or human contagious disease or as defined in the Public Health (Control of Disease) Act 1984 or the Public Health (Infectious Diseases) Regulations 1988

(ii) Indemnity Period

For the purpose of the extension 'Indemnity Period' means the period during which the results of the Business shall be affected in consequence of the matters set out at (a) to (g) above beginning

- a. In the case of (a) (b) (d) (e) and (g) above with the occurrence or discovery of the incident
- b. In the case of (c) and (f) above with the date from which the restrictions on the Business Premises are applied

and ending not later than three months thereafter

11. Transit

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst in Transit by road rail or inland waterway in Great Britain Northern Ireland the Isle of Man or the Channel Islands provided that no liability shall attach in respect of any loss arising from delay or loss of use of the conveying road or rail vehicle or waterborne craft

12. Contract Sites

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured at any situation in Great Britain Northern Ireland the Isle of Man or the Channel Islands not in the occupation of the Named Insured where the Named Insured is carrying out a contract

13. Property Stored

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst stored anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands elsewhere than any premises in the occupation of the Named Insured

14. Loss of Attraction

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property in the vicinity of the Business Premises which shall cause loss of custom to the Named Insured directly due to loss of amenities in the immediate vicinity of the Business Premises whether the Business Premises or the property of the Named Insured therein shall be damaged or not

15. Exhibition Sites

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst at any situation not in the occupation of the Named Insured where the Named Insured is exhibiting his goods for sale

16. Exhibition Loss of Expenses

It is agreed that this Section extends to indemnity for Exhibition Loss of Expenses sustained by the Named Insured as a result of Damage to

- (a) any building stand marquee or similar erection or other property or any part thereof used by the Named Insured at the exhibition premises
- (b) exhibition property of the Named Insured used in connection with the exhibition while in transit to or from the exhibition premises or whilst at the exhibition premises

at which the Named Insured is exhibiting at any time before the advertised public closing time of the exhibition and the exhibition being

abandoned or interfered with in consequence thereof

Definition applying to this extension

The words 'Exhibition Loss of Expenses' shall mean expenses directly incurred in connection with the exhibition including advertising printing stationary charges for space and services hire of stand transport charges and the cost of installing stands and exhibits

17. Fines and Damages

It is agreed that this Section extends to indemnity for fines and damages for breach of contract that the Named Insured shall be legally liable to pay for non-completion or late compliance of orders solely in consequence of the Damage at the Business Premises but the Company shall not be liable of any contractual penalties that are unenforceable as against the Named Insured

18. Bomb (Hoax or Actual)

It is agreed that loss as insured by this Section extends to include loss resulting from interruption to or interference with the Business at the Business Premises directly in consequence of the actual or suspected presence of an incendiary or explosive device

- (a) within the Business Premises or
- (b) in the vicinity of the Business Premises which shall prevent or hinder the use of the Business Premises or access thereto

Provided that

- (c) the liability of the Company shall be limited to providing indemnity in respect of interruption or interference during
 - (i) in respect of (a) above the actual period of closure of the Business Premises
 - (ii) in respect of (b) above the actual period for which the use of the Business Premises is prevented or hindered or access denied
- (d) closure of the Business Premises or surrounding area is made at the request of the appropriate competent authority
- (e) loss resulting from interruption to or interference with the Business not exceeding two hours in duration is excluded
- (f) loss resulting from interruption to or interference with the Business in consequence of any Damage caused by the device (as opposed to its presence or suspected presence) is excluded

Optional Extension Clause – Outstanding Debit Balances

The following extension is only operative if it appears on the Business Interruption Section Schedule with a sum insured and subject otherwise to the terms conditions and exclusions of the Section and the Policy

It is agreed that loss as insured by this Section extends to include untraceable or unestablishable Outstanding Debt Balances in whole or in part due to the Named Insured as a result of the Named Insured's books of account or other business books or records being the subject of Damage as insured by this Section

Then the Company will pay to the Named Insured the amount of loss resulting from such Damage in accordance with the provisions contained herein subject to the Sum Insured specified in the Schedule in respect of any one claim or claims arising from an Event

In respect of Outstanding Debt Balances directly due to such Damage the amount payable in respect of any one occurrence of Damage shall not exceed

- (a) the difference between
 - (i) the Outstanding Debt 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 by this item be less than the Outstanding Debt Balances the amount payable shall be proportionately reduced

The Named Insured shall ensure that the books of account or other business books or records in which customers' accounts are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use

'Outstanding Debit Balances' shall mean the total declared in the statement last given in accordance with the provisions of the Note below adjusted for

- (a) bad debts
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of Damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage
- (c) any abnormal conditions of trade which had or could have had a material effect on the business

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would

have been obtained at the date of the Damage had the Damage not occurred

Note

The Named Insured shall within thirty days of the end of each month prepare and retain a signed statement showing the total amount outstanding in customers' accounts as set out in the Named Insured's accounts as at the end of the said month

On the expiry of the Period of Insurance the actual premium shall be calculated at the rate per cent per annum on the average amount insured i.e. total of the sum declared divided by the number of declarations If the actual premium shall be less than the premium paid for this cover the difference shall be repaid to the Named Insured but such repayment shall not exceed 50% of the said paid premium

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration then for the purposes of this memorandum only the Named Insured shall be deemed to have declared such a sum insured

In consideration of the insurance not being reduced by the amount of any loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance

The burden of proving that any Outstanding Debt Balances are untraceable or unestablishable as a result of Damage shall be upon the Named Insured

Exclusions

The insurance provided under this Section does not cover loss resulting from interruption to or interference with the Business

1. if after the commencement of this insurance
 - (a) the Business be wound up or permanently discontinued or the Named Insured becomes bankrupt or the Business is carried on by the liquidator(s)
 - (b) the interest of the Named Insured ceases other than by death
2. in consequence of Damage to vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
3. in consequence of loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other insured Damage to property used by the Named Insured and is not otherwise excluded
4. in consequence of Damage caused by or consisting of breakdown or derangement of Computer and Telecommunications Equipment Media and Ancillary Equipment but this shall not exclude
 - (a) such Damage which itself results from other Damage and is not otherwise excluded
 - (b) subsequent Damage which itself results from a cause not otherwise excluded
5. in consequence of Damage caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services but this shall not exclude
 - (a) such Damage which itself results from other Damage and is not otherwise excluded
 - (b) subsequent Damage which itself results from a cause not otherwise excluded
6. in consequence of Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
 - (a) correctly to recognise any date as its true calendar date
 - (b) to capture save retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (c) to capture save retain and/or correctly to process any data as a result of the
 - operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date
 - but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or theft or attempted theft where such failure is not the result of wilful misconduct but the Named Insured and the Named Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequence of any such failure
7. in consequence of Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe
8. in consequence of Damage in respect of
 - (a) Money
 - (b) property in Transit unless specifically mentioned as insured by this Section
9. in consequence of Damage caused by or consisting of
 - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - (b) the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Business Premises or a boiler used for domestic purposes only) in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
 - (c) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees
 - (d) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
10. (a) in consequence of Damage caused by or consisting of
 - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness
 - (ii) marring scratching vermin insects humidity contamination or action of light

- (iii) change in temperature colour flavour texture or finish
 - (iv) erasure or distortion of information on computer systems or other records due to the presence of a magnetic flux
 - (v) the freezing solidification or inadvertent escape of molten material
 - (b) in consequence of Damage consisting of
 - (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers super-heaters pressure vessels or any range of steam and feed piping in connection therewith
 - (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
 but this shall not exclude
 - (iii) such Damage not otherwise excluded which itself results from a Defined Peril or from any other Damage
 - (iv) subsequent Damage which itself results from a cause not otherwise excluded
11. in consequence of Damage caused by theft or attempted theft of property from the Business Premises as stated in the Schedule unless caused by theft or attempted theft of the property from the buildings (but not grounds) at the Business Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Business Premises have not been unoccupied for a period of more than thirty consecutive days
12. in consequence of Damage to property of the Named Insured
 - (a) away from the Business Premises (where loss as insured by this Section so provides) caused by theft or attempted theft of the property
 - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and
 - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked
- and alarm (if any) activated and in respect of an unattended vehicle the property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and
- (iii) such vehicle or trailer is garaged in a securely closed and locked building or compound
 - (iv) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
 - (v) where property is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the property) unless contained in a locked building of substantial construction or in a secure locked room
- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
 - (i) storm tempest water hail frost or snow
 - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
13. in consequence of Damage caused by pollution or contamination but this shall not exclude Damage not otherwise excluded caused by
 - (a) pollution or contamination which itself results from a Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination
14. in consequence of Damage caused by or consisting of
 - (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank or apparatus or pipe
 - (b) normal settlement or bedding down of new structures
 - (c) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
 - (d) disappearance unexplained or inventory shortage misfiling or misplacing of information
15. in consequence of Damage to buildings or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded

16. in consequence of Damage by wind rain hail sleet snow flood or dust to movable property in the open or fences or gates
17. in consequence of Damage to that part of the property
 - (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - (b) resulting from its undergoing any process of production packing treatment commissioning servicing or repair
18. in consequence of Damage in respect of any Business Premises which are unoccupied for a period of more than thirty consecutive days other than damage caused by fire explosion aircraft or other aerial devices or articles therefrom subject to the following Special Condition
Special Condition

It is a condition precedent to liability under the Policy that

 - (a) the Business Premises are secured against illegal entry All windows and doors shall be fitted with good quality locks
 - (b) all unnecessary services to be disconnected other than limited services required for security guards fire and burglar alarms
 - (c) all letter boxes shall be sealed to prevent insertion of material
 - (d) perimeter fences walls and gates to be kept complete and maintained
 - (e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage
 - (f) vegetation surrounding the building shall be kept down
 - (g) the Business Premises shall be guarded 24 hours a day and patrolled internally and externally at not more than six hour intervals and work required to maintain security shall be carried out immediately A record of these patrols shall be kept which shall be produced to The Company on request
19. in consequence of Damage in respect of
 - (a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (b) land roads piers jetties bridges culverts or excavations
 - (c) livestock growing crops or trees unless specifically mentioned as insured by this Section
20. in consequence of Damage to property of the Named Insured outside the Territorial Limits (where loss as insured by this Section so provides) where such property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America
21. in consequence of Damage in respect of jewellery precious stones precious metals bullions furs curiosities works of art or rare books

Endorsements

The following endorsements are only operative if shown on the Business Interruption Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

1. Public Utilities

Loss as insured by each of Section extensions 2 3 4 and 5 where operative is hereby extended to include loss resulting from interruption to or interference with the Business in consequence of Damage to connecting pipes and cables between the premises of the utility undertaking as described in the particular Section extension and the terminal connecting point at the Business Premises

2. Subsidence

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

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

Special Condition

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

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

Section Exclusion 11 is deleted and replaced by the following

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

SECTION E COMPUTER ALL RISKS

Definitions

In this Section the following terms shall have the following meanings

1. Damage or Damaged

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

2. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

3. Fixed Media

The words 'Fixed Media' shall mean Media integral to Computer and Telecommunication Equipment

4. Indemnity Period

The words 'Indemnity Period' shall mean the period beginning with the occurrence of an Insured Incident and ending not later than the last day of the period as specified in the Schedule under the last day of the period as specified in the Schedule under the title of 'Indemnity Period' during which the results of the Business shall be affected in consequence of the Insured Incident

5. Insured Incident

The words 'Insured Incident' shall mean

- (a) Damage insured by this Section
- (b) Reinstatement of Data and Reinstatement of Programs insured by this Section
- (c) Damage recoverable under guarantee or under a maintenance rental hire or lease agreement on the Property and for which there is not in force an insurance covering the interest of the Named Insured in the property for such Damage
- (d) Damage to any item due to its own breakdown or derangement if a maintenance rental hire or lease agreement is not in force on such item
- (e) the accidental failure or fluctuation of the public supply of electricity at the terminal ends of the public supply authority's service feeders at the Premises in which the Property is situated not occasioned by the deliberate act of any supply authority nor the exercise by any such authority of its power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authority's property

- (f) the accidental failure of the electricity supply in the distribution wiring within the Premises in which the Property is situated not occasioned by failures as in (v) above
- (g) the accidental failure of any telecommunications system used in connection with the Property not occasioned by
 - (i) the deliberate act of any telecommunications authority nor the exercise by any such authority of its power to withhold or restrict operation of the system nor the inability of any such authority to maintain the system due to industrial action by any of its employees
 - (ii) the use by the Named Insured of machinery and equipment which is not acceptable to the telecommunications authority as properly installed and compatible with the telecommunications system
- (h) (i) Damage to the Premises in which the property is situated or to any contents thereof or to property in the vicinity of the Premises and/or
 - (ii) the exercise by any public and/or police authority of its powers for the sole purpose of safeguarding life which prevents the Named Insured gaining access to and/or using the Computer and Telecommunication Equipment

6. Media

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

7. Premises and Business Premises

The word 'Premises' shall mean the buildings with their grounds at the address described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it

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

8. Programs

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

9. Property and Property Insured

The words 'Property' and 'Property Insured' shall mean as described in the Schedule

10. Reinstatement of Data

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

11. Reinstatement of Programs

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

12. Stock

The word 'Stock' shall mean stock merchandise goods held in trust materials of trade and finished goods which the Named Insured owns or for which the Named Insured is responsible

13. Unfixed Media

The words 'Unfixed Media' shall mean Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured

14. Working Hours

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

Cover

The Company will indemnify the Named Insured in accordance with the undernoted cover clauses following Damage as insured hereunder occurring during the Period of Insurance provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured

1. Damage to Computer and Telecommunication Equipment Media and Ancillary Equipment

In the event of Damage to the Property Insured described in the Schedule (other than by an excluded cause) the Company will pay to the Named Insured in accordance with the Basis of Settlement

Excluding accidental loss distortion corruption or erasure of Programs and Reinstatement of Programs and Reinstatement of Data or the value to the Named Insured of the Data contained therein

2. Reinstatement of Programs

In the event of accidental loss distortion corruption or erasure of Programs recorded on Media insured by Cover 1 caused by fire or explosion the Company will pay the costs necessarily and reasonably incurred by the Named Insured in the Reinstatement of Programs but not for any Reinstatement of Data or the value to the Named Insured of the Data contained therein

3. Reinstatement of Data

In the event of accidental loss distortion corruption or erasure of Data recorded on Media insured by Cover 1 caused by fire or explosion the Company will pay the costs necessarily and reasonably incurred by the Named Insured in the Reinstatement of Data but excluding the value to the Named Insured of the Data

4. Increase in cost of Working

If the computer operations of the Business at the Premises or elsewhere is identified by the respective Premises Code or Location Code (and detailed in the List of Premises and Other Locations Schedule) shown against the item(s) stated in the Schedule applying to this Cover 4 are interrupted or interfered with due to the occurrence during the Period of Insurance of an Insured Incident the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Named Insured during the Indemnity Period in consequence of such interruption or interference

Extensions

The cover provided by this section shall extend to include the following subject to the liability of the Company not exceeding in respect of each insured extension the limit stated in the Schedule in respect of any one claim or claims arising from an Event

1. Removal of Debris

The Company will pay for costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

following a loss insured by this Section

The Company will not pay for any costs or expenses

- (d) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (e) arising from the pollution or contamination of property not insured by this Section

2. Temporary Repairs and/or Expediting Costs

The Company will pay for costs necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by this Section

3. Incompatibility of Computer Records

The Company will pay for

- (a) costs of modification of Computer and Telecommunication Equipment including Fixed Media

or

- (b) costs of replacement of Unfixed Media together with reinstatement of Programs and/or Data thereon (whichever is less) to achieve compatibility in the event that loss or destruction of Computer and Telecommunication Equipment insured by this Section has resulted in undamaged Unfixed Media being incompatible with the replacement Computer and Telecommunication Equipment

4. Additional Property

The Insurance extends to include Damage to Property acquired after the commencement of the Period of Insurance for the period up to the next renewal date subject to the Company being notified in writing within 28 days of acquisition and the Insured paying or agreeing to pay such additional premium as the Company may reasonably require

5. Additional Rental

In the event of Damage insured by this Section to Property requiring replacement of a lease/hire agreement by a new contract for similar property the Company undertakes to pay any additional rental charges reasonably incurred

6. Accidental Discharge of Gas Flooding Systems

Where such gas flooding systems conform to the requirements of health and safety legislation the Company will pay for the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such systems

Additional Cover

1. Consulting Engineers' Fees / Repair Investigation Costs

The Company will pay said fees/costs incurred with the consent of the Company in conducting investigations and/or tests into possible repair reinstatement (whether or not successful) or replacement consequent upon Damage insured by this Section but not for preparing any claim

The Company's liability for such Damage and fees/costs shall not exceed in the aggregate the appropriate Sum Insured

2. Measures Taken in Avoidance of Impending Loss or Damage

The Company will subject to the Sum Insured on Computer and Telecommunication Equipment Media and Ancillary Equipment pay costs incurred by the Named Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage insured by this Section

Provided that

- (a) the impending Damage does not stem from any reasonable foreseeable cause and that Damage would be the natural outcome to be expected in the absence of such measure
- (b) the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken
- (c) the terms exclusions and conditions of this Section shall apply as if Damage had occurred

3. Automatic Reinstatement

The amounts stated in this Section as Sums Insured will be automatically reinstated from the date of occurrence of any claim at additional premium to be agreed between the Company and the Named Insured except that the Company will not require additional premium if the total cost of the claim does not exceed £10,000

4. Waiver of Subrogation against Authorised Users

Notwithstanding General Condition 8 the Company shall waive any rights of subrogation against any user of the Property provided that

- (a) such user has the authority of the Named Insured to use the Property and
- (b) that such user shall as if he were the Named Insured observe fulfil and be subject to the terms exclusions and conditions of this Section

5. Professional Accountants' Charges

The Company will subject to the Sum Insured shown in the Schedule in respect of Cover 4 Increase in Cost of Working pay to the Named Insured the reasonable charges payable by the named Insured to their professional accountants for producing particulars of any claim for which indemnity is provided by Cover 4 Increase in Cost of Working

6. Fire Extinguishing Expenses

The Insurance by this Section extends to include the costs incurred by the Named Insured in recharging replenishing or replacing fire extinguishing appliances (other than gas flooding systems) and replacing sprinkler heads in automatic sprinkler installations rendered necessary as a result of fire at the Business Premises for which liability is admitted under this Section

Conditions

1. Fire Precautions (applicable only if the devices described therein are installed at the Business Premises)

The Named Insured shall ensure that in respect of

(a) Fire Break Doors and Shutters

all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order

(b) Fire Extinguishing Appliances

all fire extinguishing appliances will be regularly inspected and maintained in efficient working order

(c) Fire Alarm Installations and Automatic Sprinkler Installations

The Named Insured shall

- (i) take all reasonable steps to
 - a. prevent frost and other damage to the installations
 - b. subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
 - c. maintain ready access to the water supply control facilities
- (ii) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (iii) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (iv) make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open
- (v) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (vi) make a test at least once a week for the purpose of ascertaining the conditions of
 - a. Brigade connection and
 - b. the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 – As regards a. where the Fire Brigade has given a written undertaking to carry out this test the Insured's responsibility will be confined to requirement b.

N.B. 2 – Where the circuit concerned in a. is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (vii) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 – Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) the test need not be made

- (viii) remedy promptly any defect revealed by the above tests
- (ix) give notice to the Company in relation to any automatic sprinkler installation if
 - a. its water supply be turned off
 - b. it becomes inoperative from any cause except for the purpose of testing maintenance or repair

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by escape of water from said installation until the alterations or repairs have been carried out and approved by the Company

2. Theft Precautions – Business Premises

The Named Insured shall ensure that

- (a) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to the Business Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business
- (b) where the Company have required an Intruder Alarm to be installed or if an Intruder Alarm is already installed on the Business Premises
 - (i) the Intruder Alarm must be maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company
 - (ii) a maintenance service contract with the installation Company or as otherwise approved by the Company must be in force and the maintenance Company immediately advised of any apparent defect in the Intruder Alarm or its signalling

- (iii) the Intruder Alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended
 - a. the Intruder Alarm is put into full and effective operation including where the equipment permits any central station to which the Intruder Alarm is connected acknowledging the setting signal
 - b. the Intruder Alarm is regularly tested and is in full and efficient working order
- (iv) immediate written notice shall be given to the Company if the Named Insured receives from the Police or security organisation warning of a possible or intended withdrawal of response to calls from the Intruder Alarm or a reduced response level

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or attempted robbery where Police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

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

3. Theft Precautions – Third Party Premises

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

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

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

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

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

4. Underinsurance

The Sum Insured by each item of Computer and Telecommunications Equipment Media and Ancillary Equipment is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependent upon which Basis of Settlement applies and is detailed therein

5. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any Building or part thereof becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied Building or part thereof becomes occupied

6. Claims Conditions

(a) Other Interests

The interests of parties under mortgage hiring leasing or similar agreements with the Named Insured are noted in this insurance provided that the nature and extent of any such interests are disclose to the Company by the Named Insured in the event of a claim against this Section

(b) Subrogation Waiver

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

- (i) any Company standing in the relation of parent to subsidiary to the Named Insured
- (ii) any Company standing in the relation of subsidiary to parent to the Named Insured

(iii) any Company which is a subsidiary of a parent Company of which the Named Insured is a subsidiary in each case as defined by the Companies Act 1985 as amended

(c) Reinstatement

If any Property is to be reinstated or replaced by the Company the Named Insured shall at his own expense provide all such plans documents books and information as may reasonably be required. The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

(d) Company's Rights following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner

No Property may be abandoned to the Company whether taken possession of by the Company or not

7. Reasonable Precautions

The Named Insured shall

- (a) maintain the property in an efficient condition
- (b) take all reasonable precautions to prevent Damage to the Property or accidental loss distortion corruption or erasure of Programs and/or Data
- (c) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situated
- (d) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situated

8. Designation

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's books

9. Non-invalidation

Notwithstanding General Conditions 1. and 2. the insurance by this Section shall not be invalidated by any act or omission or by any alterations in respect of any portion of the Premises hereby insured not occupied by the Named Insured whether constituting an increase in risk or not unknown to or beyond the control of the Named Insured provided that immediately the Named Insured becomes aware thereof shall give notice to the Company and pay an additional premium if required

Basis of Settlement

The amount payable for each item of Computer and Telecommunication Equipment Media and Ancillary Equipment stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that item in the Schedule or the Company as its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

1. Indemnity

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

Special Provision

(a) Underinsurance Condition

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Insured considered to be his own Company for the difference

2. Reinstatement

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For this purpose **Reinstatement** means

- (a) the rebuilding or replacement of Property sustaining Damage which provided the liability of the Company is not increased may be carried out
 - (i) in any manner suitable to the requirements of the Named Insured
 - (ii) upon another site
 - (b) the repair or restoration of Property Insured lost or damaged
- in either case to a condition equivalent to or substantially the same as but not better than or more extensive than its condition when new

Special Provisions

(a) Repairs and Restoration

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

(b) Underinsurance Conditions

If at the time of reinstatement the sum representing 85% of the cost which would

have been incurred in reinstating the whole of the Property Insured covered by any Item to which this Basis applies exceeds its Sum Insured at the commencement of loss or damage the amount payable by the Company will not exceed that proportion of the amount of such loss or damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

(c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

3. Day One Reinstatement

Subject to the following special provisions the basis on which the amount payable for the Property Insured lost destroyed or damaged will be calculated is the same as the Reinstatement Basis except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of loss or damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the loss or damage will not exceed that proportion of the loss or damage which the Declared Value bears to such cost of reinstatement

Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
 - (i) Removal of Debris
 - (ii) Professional Fees
- (c) At the commencement of each Period of Insurance the Insured will notify the

Company of the Declared Value of the Property Insured by each item. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance

- (d) The Declared Value for each item of Computer and Ancillary Equipment is the amount shown on the Schedule in the brackets below the Sum Insured in respect of each such item
- (e) In the event of loss the liability of the Company in respect of Computer and Ancillary Equipment will not exceed
 - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Scheduleor
 - (ii) if special provision 2 (c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedule

Exclusions

This Section does not cover

- 1. Breakdown or Derangement (not applicable to Cover 4 Increase in Cost of Working)**

Damage to any item of Computer and Telecommunication Equipment including Fixed Media due to its own breakdown or derangement unless such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide a minimum service of on-call remedial and/or corrective maintenance at inclusive cost
- 2. Maintenance Agreement**

Damage recoverable under any guarantee or maintenance rental hire or lease agreement
- 3. Consequential Loss**

consequential loss or damage of any kind or description other than that provided for specifically under this Section and such cover provided under this Section shall not include any consequential loss which is also insured under the Business Interruption Section
- 4. 48 Hour Exclusion Period if No Maintenance**

in respect of Cover 4 Increase in Cost of Working the additional expenditure incurred during the first 48 hours following breakdown or derangement of any item of Computer and Telecommunication Equipment if a maintenance rental hire or lease agreement providing a minimum service of on-call remedial and/or corrective maintenance at inclusive cost is not in force on such item
- 5. Satellite Telecommunications**

Increase in Cost of Working due to

 - (a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
 - (b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- 6. Reinstatement of Data and Reinstatement of Programs**

in respect of Cover 4 Increase in Cost of Working the costs of Reinstatement of Data and Reinstatement of Programs onto Fixed Media and/or Unfixed Media
- 7. Wear and Tear**

Damage caused by or consisting of wear and tear deterioration due to atmospheric or climate conditions rust or corrosion but this exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

8. Theft from the Premises

Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule unless caused by theft or attempted theft of the Property Insured from the buildings (but not grounds) at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

9. Property Insured away from the Premises

Damage to Property Insured

(a) away from the Premises (where the insurance on any Property Insured item as stated in the Schedule so provides) caused by theft or attempted theft of the Property Insured

- (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
- (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
- (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
- (iv) where Property is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room

(b) in or on soft topped open topped or open sided vehicles or trailers if caused by

- (i) storm tempest water hail frost snow

- (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours

10. Stock

Damage in respect of Stock

11. Damage by Defective Packing

Damage to the Property Insured caused by or attributable to defective packing or incorrect or insufficient addressing

12. Date Recognition

Damage to Computer and Telecommunication Equipment Media Ancillary Equipment and/or accidental loss distortion corruption or erasure of Programs and/or Data and/or any Insured Incident as insured under Cover 4 Increase In Cost of Working caused directly or indirectly by or consisting of or other additional expenditure arising directly or indirectly from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000

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

but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or theft or attempted theft where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequence of any such failure

13. Inherent Vice Faulty Workmanship

Damage caused by or consisting of

- (a) inherent vice latent defect gradual deterioration its own faulty or defective design or materials
- (b) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees

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

14. Dishonesty and Disappearance

Damage caused by or consisting of

- (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
- (b) disappearance unexplained or inventory shortage misfiling or misplacing of information

15. Escape of Water

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

16. Marine Policy or Policies

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

17. Property More Specifically Insured

any property more specifically insured by or on behalf of the Named Insured

18. Pollution or Contamination

Damage caused by pollution or contamination but this shall not exclude Damage to Property Insured not otherwise excluded caused by

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined peril which itself results from pollution or contamination

19. Hacking Event or Computer Virus

Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe

20. Erasure of Programs and Data

under Cover 3 and Cover 4 loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded

21. Sanctioned Territories

Damage to Property outside Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situated in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America

Endorsement

The following endorsement is only operative if shown on the Computer All Risks Section Schedule and subject otherwise to the terms conditions and exclusion of the Section and the Policy

1. **Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Section Exclusion 8 is deleted and replaced by the following

8. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule unless caused by theft or attempted theft of the Property Insured
 - (a) from the buildings (but not outbuildings or grounds) at the Premises
 - (b) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
 - (c) from within the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons
 - (d) from or on an unattended soft topped open topped or open sided vehicle or trailer within the grounds unless also involving theft of the vehicle or trailer and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

SECTION F EMPLOYERS' LIABILITY

Cover

1. Bodily Injury

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

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

2. Claimants' Costs and Expenses

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

3. Defence Costs and Expenses

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

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
 - (i) coroner's inquest or other inquiry in respect of any death
 - (ii) proceedings in any court (other than in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings) in respect of any act or omission causing or relating to any occurrence
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter which may be in the subject of indemnity under clause 1 of the Cover

4. Health and Safety at Work Act Prosecution Defence Costs

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

and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar UK health and safety legislation and regulations committed or alleged to have been committed during the Period of Insurance in the course of the Business

Provided that

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

5. Unsatisfied Court Judgments

Where a judgment for damages has been obtained by any Employee or the legal personal representatives of any Employee in respect of Bodily Injury sustained by the Employee and caused during the Period of Insurance arising out of and in the course of employment by the Insured in connection with the Business against any Company or person operating from or resident in premises within Great Britain Northern Ireland the Isle of Man or the Channel Islands in any court situate in the said territories and such judgment remains unsatisfied in whole or in part 6 months after the date of judgment then at the request of the Insured the Company will pay to the Employee or the said legal personal representatives subject to the Limit of Indemnity stated in the Schedule the amount of any such damages and awarded costs that remain unsatisfied

Provided that

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

6. Court Attendance Compensation

If during the Period of Insurance any partner director or Employee of the Insured is required to attend court as a witness at the request of the Company in connection with a claim which

is the subject of indemnity under this Section the Company will pay compensation to the Insured on the following scale for each day that attendance is required

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

7. Indemnity to Principal

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

Provided that

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

8. Private Duties

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

9. Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs

The Company will

- (a) pay the Named Insured in respect of legal costs and expenses and
- (b) indemnify the Named Insured in respect of costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings including appeals against judgment arising from such proceedings brought in respect of a charge and or investigations connected with corporate manslaughter or corporate homicide under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the Period of Insurance in connection with the Business which may be the subject of indemnity under this Policy

Provided that

- (c) the maximum amount payable under this extension shall not exceed £1,000,000 Limit of Indemnity in an one Period of Insurance
- (d) all amounts payable under this extension will form part of and are not in addition to the Limit of Indemnity as stated in the Schedule
- (e) the Company agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment
- (f) legal costs and expenses are incurred only with the prior written consent of the Company (such consent not being unreasonably withheld)

The Company will not pay for

- (g) any fines or penalties imposed on the Named Insured or the cost of implementing any remedial order or publicity order
- (h) legal costs and expenses in connection with an appeal unless solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Named Insured
- (i) costs and expenses provided by another source or any other insurance or where but for the existence of this extension would have been provided by such source or insurance
- (j) costs and expenses in connection with the defence of any criminal proceedings relating to an alleged breach brought in any country outside of the Territorial Limits
- (k) costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by
 - (i) the Named Insured
 - (ii) any partner or director of the Named Insured
 - (iii) any Employee

Limit of Indemnity

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

Conditions

1. Claims (Right of Recovery)

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

2. Personal Protective Equipment

It is a condition precedent to the Company's liability that the use or wearing of Personal Protective Equipment by any Employee is rigorously enforced and that Personal Protective Equipment is supplied to the Employee and that a formal record shall be kept confirming receipt of equipment which shall be produced to the Company on request

Exclusions

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

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

SECTION G PUBLIC AND PRODUCTS LIABILITY INSURANCE

Definitions

In this Section the following terms shall have the following meanings

1. Damage

The word 'Damage' shall mean

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

2. Financial Loss

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

- (a) Injury
- or
- (b) Damage

3. Products

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

Cover

1. Legal Liability

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

2. Claimants' Costs and Expenses

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

3. Defence Costs and Expenses

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

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
 - (i) coroner's inquest or other inquiry in respect of any death
 - (ii) proceedings in any court (other than in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings) in respect of any act or omission causing or relating to any occurrence
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter which may be the subject of indemnity under clause 1 of the Cover

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

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

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

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

Provided that

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

5. Defective Premises Act

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

Provided that

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

6. Vendor's Liability

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

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

Provided that

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

7. Data Protection Act 1998 and EU General Data Protection Regulation ("GDPR")

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

Provided that

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

- (v) liability for which indemnity is provided under any other insurance
- (d) in respect of each and every claim under this extension the Named Insured shall be liable for 10% of the cost of the claim or £500 whichever is the greater
- (e) the Company's liability under this extension is limited to £500,000 in respect of any one claim and in the aggregate during any one Period of Insurance

8. Motor Contingent Liability

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

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

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

9. Compensation for Court Attendance

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

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

10. Indemnity to Principal

If the Named Insured so requests the Company will indemnify any principal for whom the

Insured is carrying out work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

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

11. Private Duties

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

12. Overseas Personal Liability

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

Provided that the Company will not provide indemnity

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

13. Property in the Insured's Custody or Control

Section Exclusion 1(d) will not apply to

- (a) the personal effects (including vehicles and their contents) of any visitor or director partner or Employee of the Named Insured
- (b) premises (including their fixtures fittings and contents) not owned by or leased rented or hired to the Named Insured which are temporarily occupied by the Insured for the purposes of carrying out work therein or thereon
- (c) premises (including their fixtures and fittings) leased rented or hired to the Named

Insured provided that the Company will not provide indemnity in respect of

- (i) liability assumed by the Named Insured under a tenancy or other agreement unless liability would have attached in the absence of such agreement
- (ii) the first £500 of each and every occurrence of loss or damage caused to any such premises fixtures or fittings other than by fire or explosion

14. Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs

The Company will

- (a) pay the Named Insured in respect of legal costs and expenses and
- (b) indemnify the Named Insured in respect of costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings including appeals against judgment arising from such proceedings brought in respect of a charge and or investigations connected with corporate manslaughter or corporate homicide under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been committed during the Period of Insurance in connection with the Business which may be the subject of indemnity under this Policy

Provided that

- (i) the maximum amount payable under this extension shall not exceed £1,000,000 Limit of Indemnity in an one Period of Insurance
- (ii) all amounts payable under this extension will form part of and are not in addition to the Limit of Indemnity as stated in the Schedule
- (iii) the Company agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment
- (iv) legal costs and expenses are incurred only with the prior written consent of the Company (such consent not being unreasonably withheld)

The Company will not pay for

- (c) any fines or penalties imposed on the Named Insured or the cost of implementing any remedial order or publicity order
- legal costs and expenses in connection with an appeal unless solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Named Insured
- (d) costs and expenses provided by another source or any other insurance or where but for the existence of this extension would

have been provided by such source or insurance

- (e) costs and expenses in connection with the defence of any criminal proceedings relating to an alleged breach brought in any country outside of the Territorial Limits
- (f) costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by
 - (i) the Named Insured
 - (ii) any partner or director of the Named Insured
 - (iii) any Employee

Limit of Indemnity

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

Provided that

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

Condition

1. Bona Fide Sub-Contractors Insurance Checks

It is a condition precedent to the Company's liability that whenever work is undertaken on behalf of the Insured by bona fide sub-contractors the Named Insured will establish and follow an administrative procedure for obtaining written evidence that bona fide sub-contractors hold employers liability and public liability insurance that:

- (a) covers the work to be undertaken by the sub-contractor
- (b) is subject to a Limit of Indemnity of not less than £2,000,000
- (c) includes an "indemnity to principal" clause
- (d) is revalidated every twelve months throughout the duration of the contract with the Insured.

This condition does not apply where bona fide subcontractors are engaged to carry out work on behalf of the Insured in an emergency and there is insufficient time to obtain written evidence of insurance, provided that the Insured shall obtain verbal confirmation from such subcontractors that insurance as described above is in force and confirm such conversation in writing and retain a copy as a written record.

In the event any check reveals that insurance meeting the requirements set out above is not in place, then any coverage available to the Insured shall remain in force but the Insured shall notify the Company as soon as reasonably practicable, and no later than 10 business days and the Company reserves the right to charge an additional premium.

Exclusions

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

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

Provided that

 - (a) notwithstanding General Condition 18 or any amendment thereto the Company shall not grant indemnity in respect of any claim brought in the courts of the United States of America its territories and possessions Puerto Rico and Canada or in respect of the enforcement of a judgment obtained in any such courts
 - (b) all Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place
 - (c) the liability of the Company for all Compensation payable in respect of all Pollution or Contamination which has occurred or is deemed to have occurred during the Period of Insurance shall not exceed the Limit of Indemnity in the aggregate

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

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

and

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

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

10. liability in respect of Bodily Injury sustained by an Employee and arising out of and in the course of his employment by the Insured
11. liability for Financial Loss
12. legal liability of any nature directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
 - (a) correctly to recognise any date as its true calendar date
 - (b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (c) to capture save retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date
13. liability for Bodily Injury arising from an act or omission in the provision of or failure to provide Professional Healthcare Services
14. liability arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged

Endorsements

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

1. Heat Work Away Exclusion

The indemnity provided by this Section shall not apply to any work away from premises owned or leased or rented by the Named Insured involving the use of grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns heated tar bitumen or asphalt or any other process involving the application of heat

2. Heat Work Away Extension

Definitions applicable to this endorsement:

The word 'Equipment' shall mean grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns in each case howsoever powered or driven including all gas fuel containers and hose connections

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

The Company shall not be liable to indemnify the Insured in respect of liability arising from or caused by the use of Equipment or Bitumen Heaters away from premises owned by or leased or rented to the Insured unless the following precautions are taken at all times

- (a) a responsible worker is appointed to facilitate compliance with all requirements of these conditions
- (b) prior permission from the occupier/owner of the site has been granted to use the Equipment or Bitumen Heaters and suitable and adequate fire extinguishing appliances are provided at the point of use
Suitable and adequate fire extinguishing appliances shall as a minimum mean a nine litre water or a two kilogram multipurpose fire extinguisher
- (c) all workers are aware of the location of fire alarms and firefighting equipment provided on site which shall be ready for operation at the time the Equipment or Bitumen Heaters are in use
- (d) the item being worked on and the area where the Equipment is to be used including on the other side of any ceiling floor wall or partition and within and on the other side of any tank pipe drum or

apparatus are checked to ensure that no combustible material or inflammable liquid or gas is in danger of ignition directly or through conducted heat

- (e) all combustible materials or inflammable liquid or gases in the vicinity of the work other than gas or fuel connected to the Equipment shall be removed to a point at least eight metres from the area where the Equipment is being used
- (f) Any combustible material or inflammable liquid or gases which cannot be reasonably moved shall be covered and fully protected by overlapping sheets/screens of non-combustible material
Where the nature of materials or liquids or gases cannot be properly verified by a suitably qualified person as non-combustible or non-flammable they must be assumed to be combustible or flammable and all stated precautions be carried out in full
- (g) Equipment and Bitumen Heaters are examined prior to use and any defects found are repaired or replaced prior to use
- (h) Equipment and Bitumen Heaters are attended at all times whilst in operation and only used in accordance with the manufacturers instruction and by a worker who is trained and experienced in its use
- (i) whilst heating is taking place Bitumen Heaters are kept in the open or if within a building or on a roof then placed on a surface of non-combustible material
- (j) the area where the Equipment has been used including on the other side of any floor wall ceiling or partition and within and on the other side of any tank pipe drum or apparatus is to be examined immediately following use of the Equipment and then at regular intervals for at least one hour to ensure that there is no risk of fire

3. Critical Aviation / Military / Naval Products Extension

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

- 8. The indemnity provided by this Section does not apply to liability arising out of Products comprising Critical Aviation/Military/Naval Products
'Critical Aviation/Military/Naval Product' means
 - (a) any complete aircraft spacecraft or military or naval missile
 - (b) any part or equipment (including but not limited to ground support or control equipment) critical to the flight or take-off or landing or navigation of any

aircraft spacecraft or military or naval missile

4. Libel and Slander Extension

Injury is hereby extended under this Section to include

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

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

Provided that

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

Builders Direct S.A. is a private limited company, incorporating and existing under the laws of the Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B175.694 and having its registered office at 253 rue de Beggen, L-1221, Luxembourg (including any of its Affiliates referred to as the Company)