

# Chubb Real Estate Package Policy

CHUBB®

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# Chubb Real Estate Package Policy

Chubb European Group SE  
The Chubb Building  
40 Leadenhall Street  
London  
EC3A 2BJ

T: 020 7173 7000  
F: 020 7173 7800  
[www.chubb.com/uk](http://www.chubb.com/uk)

## Introduction

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In consideration of the **Insured** named in the **Schedule** hereto having paid or agreed to pay to Chubb European Group SE (CEG) (hereinafter called "the **Company**") the **Premium** mentioned in the said **Schedule**.

The **Company** agrees (subject to the terms, exclusions, extensions, provisions and conditions, both special and general, contained herein or endorsed hereon) to insure in the manner and to the extent provided herein, in respect of any **Section** stated in the **Schedule** as "Insured" and in respect of events happening during the **Period of Insurance**

provided always that the liability of the **Company** shall not exceed the **Sum Insured** or **Limit of Liability** expressed in the **Schedule** nor any **Sub-Limit of Liability** detailed therein.

Certain words and expressions in this **Policy** are defined to have a particular meaning. These have the same meaning wherever they appear in the **Policy** (unless otherwise stated), and are defined in the **General Definitions**.

Other Definitions have meanings particular to the various **Sections**, **Endorsements** and/or **Extensions** in which they appear, and are more expressly defined in the appropriate **Sections**, **Endorsements** and/or **Extensions**.

All Definitions and/or entries referred to in the **Schedule** in this **Policy** with a capital letter are highlighted in bold wherever they appear in the **Policy** wording to help identify them, wherever any similar words which do not start with a capital letter and are not highlighted in bold appear in the **Policy** wording, their literal meaning applies.

This **Policy** together with its **Schedule** and any attached **Endorsements** is a legal contract which shall constitute the entire contract between the parties, and should be examined and if incorrect returned immediately for alteration.

# Schedule

## Policy Number: UKRES56722

<b>Insured:</b>	Bickenhall Mansions Management Limited
<b>Address:</b>	2 Hills Road, Cambridge, CB2 1JP UNITED KINGDOM
<b>Period of Insurance:</b>	From 31 March 2025 LST
	To 30 March 2026 LST
	Both days inclusive. LST (Local Standard Time)
<b>The Business:</b>	Management Of Bickenhall Mansions, Bickenhall Street, London W1.
<b>Premises:</b> (described herein)	means premises (as per details lodged with the Company), anywhere within the Territorial Limits, owned, leased or occupied by the Insured for the purpose of the Business.

The “Insured” Sections (including any Sub-Limits of Liability) of this Policy are indicated in this Schedule. Unless a particular Section and/or a particular Sub-Limit of Liability are identified as being “Insured” (by having the words “insured”, Sum Insured, Limit of Liability, as stated herein or similar and/or with a monetary value noted), it is of no effect and no cover is granted under it.

## Sections 1 and 2:

<b>Territorial Limits:</b>	The United Kingdom of Great Britain and Northern Ireland, the Isle of Man and the Channel Islands.	
<b>Limit of Liability Accumulation:</b>	The maximum liability of the Company under Sections 1 and 2 of this Policy in respect of a single Occurrence regardless of the number of locations or coverages involved shall not exceed the Sum Insured or Limit of Liability as specified herein. However, when a Sub-Limit of Liability for a location or other specified property or coverage is shown, such Sub-limit will be the maximum amount payable for any loss or damage arising from physical loss or damage at such location or involving such other specified property or such coverage.	
	The liability of the Company in respect of any one Occurrence shall not exceed the Sum Insured or Limit of Liability or Sub-Limits of Liability as stated in the Schedule attached hereto in respect of this Master Policy (and in respect of any other Programme Policies (as defined herein)) in respect of any Occurrence with regard to the corresponding peril, type of covered property or location, regardless of the number of locations or coverages involved.	
<b>The Deductible:</b>	All claims under Sections 1 and 2 of this Policy arising out of any one Occurrence shall be adjusted as one loss and from the amount of each such adjusted loss there shall be deducted the sum of: GBP 1,000 in respect of subsidence, heave or landslip; GBP 25,000 in respect of Escape of Water; GBP 25,000 in respect of Flood GBP 250 in respect of all other losses.	
<b>Time Excess (waiting periods)</b>	The following Extensions under Section 2 of this Policy do not apply for the stated first period of interruption of or any interference with the Business.	
	<b>Extension</b>	<b>Time Excess (waiting periods)</b>

Denial of Access - Damage	24 Hours
Denial of Access - Non-Damage	24 Hours
Loss of Attraction	7 Days
Public Utilities - Damage	24 Hours
Restrictions on the Use of the Premises	7 Days

### Section 1 - Property Damage – INSURED

The liability of the Company shall not exceed in respect of each Item the sum expressed herein to be insured thereon or in the whole the Total Sum Insured by this Section, which is in excess of the Deductibles unless otherwise stated:

The Property Insured:	Item No.	Description	Sum Insured
	1.	The Buildings at the described Premises	GBP 272,583,675 (GBP 209,679,750)
	2.	The Landlords Contents at the described Premises	GBP 1,300,000 (GBP 1,000,000)
	<b>Total Sum Insured</b>		<b>GBP 273,883,675</b>
	subject always to the following Sub-Limits of Liability, which shall be part of and not in addition to the aforesaid Sum Insured not being exceeded.		
	<i>N.B. The figures in brackets represent the Declared Value of the property insured by those items subject to the provisions of the Average and Adjustment Provisions Special Condition</i>		

#### Sub-Limits of Liability:

The liability of the Company shall not exceed the following Sub-Limits of Liability in respect of:

- all claims arising out of any one Occurrence
- and
- all claims arising out of all Occurrences during the Period of Insurance (the Aggregate Limit)
- but subject to the Sum Insured stated herein.

#### Basis of Valuation

	Any one Occurrence (if insured)	Aggregate limit (if applicable)
Buildings and Landlords' Contents	As stated herein	
Obsolete Buildings	As stated herein	

#### Costs, Fees and Expenses

	Any one Occurrence (if insured)	Aggregate limit (if applicable)
Additional Costs of Construction - Energy Efficiency	GBP 25,000	
Business Rates	GBP 50,000	

Debris Removal Costs:-			
	1. Clearing of Drains	GBP 10,000	
	2. Any Other Loss	GBP 1,000,000	
Dilapidation		GBP 25,000	
Eviction of Unauthorised Occupants		GBP 100,000	GBP 100,000
Expediting Expenses		GBP 250,000	GBP 250,000
Extinguishing Expenses		GBP 25,000	
Extra Security Costs		GBP 100,000	
Flood Resilience Expenses		GBP 100,000	
Frustrated Legal Costs		GBP 25,000	
Insurance Premium Costs		GBP 100,000	
Loss Reduction Expenses		GBP 250,000	
Party Walls		As stated in the Policy	
Professional Fees		included within the Buildings Declared Value	
Public Authority Requirements		As stated in the Policy	
Repair Investigation Expenses		GBP 25,000	
Sprinkler Upgrading Costs		As stated in the Policy	
Unexpected Archaeological Discoveries		GBP 100,000	
Waste Disposal Costs		As stated in the Policy	
Welfare Costs		GBP 25,000	

### Extensions

	Any one Occurrence (if insured)	Aggregate limit (if applicable)
Accidental Discharge of Fire Protection Devices	GBP 25,000	
Capital Additions - Newly Acquired / Alterations to Existing Premises (Property Damage and Business Interruption combined):-		
1. Unoccupied premises (newly acquired)	GBP 1,000,000	
2. Recycling premises (newly acquired)	GBP 1,000,000	
3. All other premises	GBP 5,000,000	
Contract Works (at the site of any one contract)	GBP 1,000,000	
Deferred Payments	GBP 25,000	

Diminution in Value	GBP 1,000,000	
Exhibitions (at any one site)	GBP 25,000	
Failure of Third Party Insurance (Property Damage and Business Interruption combined)	GBP 1,000,000	
Fly Tipping	GBP 25,000	GBP 25,000
Greening Reinstatement	GBP 1,000,000	
Hired in Plant	GBP 25,000	
Illegal Cultivation of Drugs	GBP 25,000	
Inadvertent Errors and Omissions (Property Damage and Business Interruption combined)	GBP 1,000,000	
Inadvertent Underinsurance – Professional Valuer	As stated in the Policy	
Involuntary Bailee	GBP 25,000	
Involuntary Betterment	GBP 25,000	
Landscaping	GBP 50,000	
Locks	GBP 25,000	
Loss of Market Value	GBP 1,000,000	
Metered Utilities	GBP 25,000	
Military or Public Authority	As stated in the Policy	
Munitions of War	GBP 50,000	
Option to Repair	As stated in the Policy	
Other Locations – Temporary Removal	GBP 250,000	
Privity of Contract	GBP 1,000,000	GBP 1,000,000
Property in the Open	GBP 25,000	
Reinstatement to Match	GBP 500,000	
Removal of Nests	GBP 1,000	
Residential Property (in respect of alternative accommodation)	As stated in the Policy	
Steam Explosion and Engineering Breakdown (Property Damage and Business Interruption combined)	GBP 1,000,000	
Theft Damage to Buildings (not otherwise insured by this Policy)	GBP 50,000	
Trace and Access	GBP 100,000	
Trees	GBP 1,000	
Unauthorised Use of Electricity, Gas, Oil or Water	GBP 100,000	GBP 100,000
Undamaged Tenants' Improvements and Betterments	GBP 25,000	
Water Table (in respect of changes) (Property Damage and Business Interruption combined)	GBP 100,000	GBP 100,000



**Section 2 – Business Interruption – INSURED**

The Interests Insured:	Item No.	Description	Sum Insured
	1.	On Rent Receivable	GBP 90,770,364
	2.	Service Charge	Included in above
<b>Limit of Liability</b>	<p>The liability of the Company shall not exceed, in respect of all claims arising out of any one Occurrence, in respect of Rent Receivable, 0% of the Rent Sum Insured and 100% in respect of any other item, the Limit of Liability is in excess of the Deductibles unless otherwise stated</p> <p>subject always to the following Sub-Limits of Liability, which shall be part of and not in addition to the aforesaid Sum Insured not being exceeded.</p>		
<b>Maximum Indemnity Period:</b>	48 months		

**Sub-Limits of Liability:**

The liability of the Company shall not exceed the following Sub-Limits of Liability in respect of

- all claims arising out of any one Occurrence

and

- all claims arising out of all Occurrences during the Period of Insurance (the Aggregate Limit)

but subject to the Limit of Liability stated herein.

**The Indemnity**

	Any one Occurrence (if insured)	Aggregate limit (if applicable)
Increase in Cost of Working	GBP 250,000	
Book Debts	GBP 250,000	

**Extensions**

	Any one Occurrence (if insured)	Aggregate limit (if applicable)
Anchor Tenant	GBP 250,000	
Business Rates	GBP 250,000	
Buildings Awaiting Sale	As stated in the Policy	
Capital Additions - Newly Acquired / Alterations to Existing Premises	included in Section 1	
Cost of Reletting	GBP 250,000	
Denial of Access - Damage	GBP 250,000	GBP 500,000
Denial of Access - Non-Damage	GBP 50,000	GBP 50,000
Failure of Third Party Insurance	included in Section 1	
Inadvertent Errors and Omissions	Included in Section 1	

Insurance Premiums (in respect of a cessor clause)	GBP 100,000	
Loss of Advanced Rent	As stated in the Policy	
Loss of Attraction – Leased Premises	GBP 50,000	GBP 100,000
Loss of Attraction – Un-leased Premises	GBP 50,000	GBP 100,000
Loss of Investment Income on Late Payment of Rent	As stated in the Policy	
Loss of Projected Increase in Rent	As stated in the Policy	
Managing Agents	GBP 100,000	
Public Relations Expenses	GBP 50,000	
Public Utilities - Damage	GBP 100,000	
Renewable Energy Income	GBP 25,000	
Rent Free Period	As stated in the Policy	
Restrictions on the Use of the Premises	GBP 50,000	GBP 100,000
Steam Explosion and Engineering Breakdown	included in Section 1	
Turnover Rent	As stated in the Policy	
Water Table (in respect of changes)	included in Section 1	

### Section 3 - Employers' Liability - INSURED

<b>Limit of Liability</b>	GBP 10,000,000 any one claim or series of claims arising out of any one occurrence.
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### Section 4 - Public and Products Liability - NOT INSURED

### Section 4A - Environmental Liability - NOT INSURED

### Section 5 - Terrorism in Great Britain - NOT INSURED

Applicable to Section 1 Property Damage and Section 2 Business Interruption (if stated as Insured hereby)

### Claims Preparation Costs – General Condition

#### Sub-Limits of Liability:

The liability of the Company shall not exceed the following Sub-Limits of Liability:

Sections 1, 2 and 5	GBP 50,000 in respect of all claims arising out of any one Occurrence	GBP 100,000 in respect of all claims arising out of all Occurrences during the Period of Insurance
Sections 3, 4 and 4A	GBP 50,000 in respect of any one claim	GBP 100,000

		in respect of all claims during any one Period of Insurance
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**The Premium:**

Section	Insurance Premium	Taxes	Total
<b>1 and 2 - Property Damage and Business Interruption</b>	GBP 270,409.22	GBP 32,449.11	GBP 302,858.33
<b>3 - Employers' Liability</b>	GBP 933.27	GBP 111.99	GBP 1,045.26
<b>4 - Public and Products Liability</b>	Not Insured		
<b>4A – Environmental Liability</b>	Not Insured		
<b>5 - Terrorism in Great Britain:</b>	Not Insured		
<b>Overall Total:</b>	<b>GBP 271,342.49</b>	<b>GBP 32,561.10</b>	<b>GBP 303,903.59</b>

**Date:** 24 March 2025

### Endorsements attaching to and forming part of this Quote:

IT IS HEREBY DECLARED AND AGREED THAT the following alterations are applicable:

RESPTEX

#### **Specified Territory Exclusion Endorsement (Belarus, Russia and/or Ukraine)**

This **Clause** applies to the following **Sections** (when insured under this **Policy**):

- 1 Property Damage;
- 2 Business Interruption;
- 3 Employers' Liability;
- 4 Public and Products Liability; and
- 4A Environmental Liability.

The **Company** does not provide and the **Sections** do not afford any benefits or cover in respect of any liability, damage, loss, cost, expense (or any item/matter insured, including under any insuring agreement, **Extension** or **Endorsement**):

1. originating from a **Specified Territory**;
2. arising from any event or incident occurring in a **Specified Territory**;
3. arising from any claim or investigation initiated or maintained in a **Specified Territory**; and/or
4. arising from the actions of any government or governmental body or agency or government owned or controlled business of a **Specified Territory**.

For the purposes of this **Exclusion**, **Specified Territory** shall mean either;

- i. The Republic of Belarus, The Russian Federation or Ukraine in respect of **Sections** 1 Property Damage and 2 Business Interruption; or
- ii. Belarus, Russia or Ukraine (including Crimea and the Luhansk and Donetsk regions), including their territories and possessions and any state or political subdivision thereof, in respect of **Sections** 3 Employers' Liability, 4 Public and Products Liability and 4A Environmental Liability.

In the event all or any part of this **Exclusion** conflicts with any other part of the **Policy** in respect of the above territories then this **Exclusion** shall prevail, subject always to the application of any sanctions **Exclusion/Clause**.

References in this **Exclusion** to "event", "incident", "claim" and/or "investigation" shall be interpreted in a manner that is consistent with any same or similar defined words used in the **Policy**.

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#### **Excluded Territory Endorsement**

This **Clause** applies to the following **Sections** (when insured under this **Policy**):

- 3 Employers' Liability;
- 4 Public and Products Liability; and
- 4A Environmental Liability.

These **Sections** do not apply to liability:

1. originating from an **Excluded Territory**;

**Endorsements attaching to and forming part of this Quote:**

2. arising from any event or incident occurring in an **Excluded Territory**;
3. arising from any claim or investigation initiated or maintained in an **Excluded Territory**; and/or
4. arising from the actions of any government or governmental body or agency or government owned or controlled business of an **Excluded Territory**.

For the purposes of this Exclusion, **Excluded Territory** shall mean Cuba, Iran, North Korea, North Sudan, Syria or Venezuela, including their territories and possessions and any state or political subdivision thereof.

In the event all or any part of this Exclusion conflicts with any other part of the **Policy** in respect of the above territories then this Exclusion shall prevail, subject always to the application of any sanctions Exclusion/Clause.

References in this Exclusion to “event”, “incident”, “claim” and/or “investigation” shall be interpreted in a manner that is consistent with any same or similar defined words used in the **Policy**.

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**Asbestos Exclusion**

**Section 3** of this **Policy** does not apply to any loss, demand, claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

The **Company** shall have no duty of any kind with respect to any such loss, demand, claim or suit.

Provided that this **Exclusion** shall only apply in respect of payments of amounts in excess of GBP 5,000,000 for any one claim or series of claims arising out of any one occurrence.

## Data Protection

We use personal information which you supply to us or, where applicable, to your insurance broker in order to write and administer this Policy, including any claims arising from it.

This information will include basic contact details such as your name, address, and policy number, but may also include more detailed information about you (for example, your age, health, details of assets, claims history) where this is relevant to the risk we are insuring, services we are providing or to a claim you are reporting.

We are part of a global group, and your personal information may be shared with our group companies in other countries as required to provide coverage under your policy or to store your information. We also use a number of trusted service providers, who will also have access to your personal information subject to our instructions and control.

You have a number of rights in relation to your personal information, including rights of access and, in certain circumstances, erasure.

This section represents a condensed explanation of how we use your personal information. For more information, we strongly recommend you read our user-friendly Master Privacy Policy, available here:

<https://www.chubb.com/uk-en/footer/privacy-policy.html>.

You can ask us for a paper copy of the Privacy Policy at any time, by contacting us at [dataprotectionoffice.europe@chubb.com](mailto:dataprotectionoffice.europe@chubb.com).

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## Making a Claim

Making a Claim below is for information purposes only and does not form part of the Policy.

Please refer to Special Condition 3. of both the Employers' Liability and Public and Products Liability Sections and General Condition 11. Claims Procedure (for all other Sections) in respect of any event which may give rise to a claim for full details of the claims procedure and conditions.

In order to report a claim, please contact our dedicated Claims team on:

Telephone: 0345 841 0059

Online: <https://www.chubb.com/uk-en/claims/report-a-claim.html>

Email: [uk.claims@chubb.com](mailto:uk.claims@chubb.com)

Post: Chubb Claims Department

The Sentinel Building,

103 Waterloo Street,

Glasgow, G2 7BW.

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## Complaints Procedure

We are dedicated to providing a high quality service and want to maintain this at all times. If you are not happy with our service, please contact us, quoting the Policy details, so we can deal with the complaint as soon as possible. Please contact:

Chubb Complaints Team

The Sentinel Building,

103 Waterloo Street,

Glasgow, G2 7BW

Telephone: 0800 519 8026

Email: [customerrelations@chubb.com](mailto:customerrelations@chubb.com)

Without prejudice to your right to take legal proceedings, you may be able to refer the matter to the following complaints schemes:

UK Branch Customers

The Financial Ombudsman Service

Exchange Tower, Harbour Exchange Square,

London, E14 9SR

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Telephone: +44 (0)300 123 9 123

Other Customers

La Médiation de l'Assurance

TSA 50110

75441 Paris Cedex 09, France

[www.mediation-assurance.org](http://www.mediation-assurance.org)

European Online Dispute Resolution Platform

If you are an EU resident and you arranged your Policy with us online or through other electronic means, and have been unable to contact us either directly or through the Mediator of Insurance Companies, you may wish to register your complaint through the European Online Dispute Resolution platform:

<http://ec.europa.eu/consumers/odr/>

Your complaint will then be re-directed to the Mediator of Insurance Companies and to us to resolve. There may be a short delay before we receive it.

### Financial Services Compensation Scheme

In the unlikely event of us being unable to meet our liabilities, policyholders who are located in the UK, Channel Islands, Isle of Man or Gibraltar (or who have risks located in these jurisdictions) may be entitled to compensation under the Financial Services Compensation Scheme.

Financial Services Compensation Scheme

PO Box 300

Mitcheldean

GL17 1DY

Call: 0800 678 1100

International: +44 (0)20 7741 4100

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

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### Regulatory Disclosure

Chubb European Group SE (CEG) is a Societas Europaea, a public company registered in accordance with the corporate law of the European Union. Members' liability is limited. CEG is headquartered in France and governed by the provisions of the French insurance code. Risks falling within the European Economic Area are underwritten by CEG, which is authorised and regulated by the French Prudential Supervision and Resolution Authority (4 Place de Budapest, CS 92459, 75436 Paris Cedex 09, France). Registered company number: 450 327 374 RCS Nanterre. Registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. Fully paid share capital of €896,176,662.

CEG's UK branch is registered in England & Wales. UK Establishment address: 40 Leadenhall Street, London EC3A 2BJ. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Details about our authorisation can be found on the Financial Conduct Authority website (FS Register number 820988).

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# Section 1 Property Damage

## Cover

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In the event of any of the **Property Insured** (as detailed herein) being physically lost, destroyed or damaged by any accidental cause not otherwise excluded while at the described **Premises** the **Company** will indemnify the **Insured** against such loss, destruction or damage of or to the **Property Insured** in accordance with the provisions hereinafter contained

provided always that the liability of the **Company** shall not exceed the **Sum Insured** expressed in the **Schedule** nor any **Sub-Limit of Liability** detailed therein.

## Basis of Valuation

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In the event of loss, destruction or damage, the basis of valuation shall be as stated below, in addition where any of the below are shown in the **Schedule** they are subject to any applicable **Sub-Limits of Liability** shown in the **Schedule**:-

### 1. **Buildings and Landlords' Contents**

- a the rebuilding or replacement of such lost or destroyed property, which provided that the **Company's** liability is not thereby increased may be carried out on the same or another site and in any manner suitable to the requirements of the **Insured**, or

- b the repair or restoration of such damaged property

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

provided that:-

- i. no payment beyond the value of the property at the time of its loss, destruction or damage shall be made:
  - a unless reinstatement commences and proceeds without unreasonable delay
  - b until the cost of reinstatement shall have been actually incurred
- ii. if any such property is lost, damaged or destroyed in part only the **Company's** liability shall not exceed the sum representing the cost which the **Company** could have been called upon to pay for reinstatement if such property had been wholly destroyed;

### 2. **Obsolete Buildings**

If at the time of destruction of or substantial damage to any building insured hereby which is unsuitable for its present use or its rebuilding or restoration in the same style and/or materials is impracticable, the basis of valuation shall, at the option of the **Insured**, be:

- a the cost of erecting a modern building, providing similar facilities to the destroyed or damaged building and complying with the stipulations of building or other regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any public authority or European Community legislation, or
- b the cost of purchasing a similar building to the destroyed building

and for the purposes of average the value of all **Buildings** to which this **Extension** would in the event of loss, destruction or damage be applicable shall be ascertained on the same basis.

For the purposes of this **Extension**, any such building shall be deemed substantially damaged if the amount payable under this **Policy** but for the provisions of this **Extension** exceeds the amount that would have been payable under the provisions of this **Extension** had the building been totally destroyed.



## Costs, Fees and Expenses

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Where shown in the **Schedule** as insured, the following **Extensions** of cover are provided under this **Section** of the **Policy**, subject to any applicable **Sub-Limits of Liability** shown in the **Schedule**.

The **Company** will pay:

### **Additional Costs of Construction - Energy Efficiency**

the additional costs of reinstatement following loss, destruction or damage to **Property Insured** arising solely by reason of the necessity to comply with the application of the European Union Directive on Energy Performance of Buildings 2010/31/EU (as enacted in applicable national law).

Cover under this **Extension**:

- a is to the extent that cover is not provided elsewhere in this **Policy**; and
- b does not include costs in respect of work that the **Insured** has already planned to implement within the **Period of Insurance**;

### **Business Rates**

the reasonable costs of local authority rates provided that such costs are incurred by the **Insured** solely as a result of

- a the lessee being able to determine or frustrate the lease following loss, destruction or damage as insured hereby
- b a prospective lessee not completing a lease solely as a result of the loss, destruction or damage occurring,

no payment shall be payable if the **Premises** are unfit for occupation as a result of an act or omission by the **Insured** (or someone acting on their behalf) which has resulted in a valuation officer reinstating the **Premises** on the rating list;

### **Debris Removal Costs**

1. the costs and expenses necessarily and reasonably incurred by the **Insured** with the **Company's** consent in:-

- a removing debris from,
- b dismantling and/or demolishing,
- c shoring up or propping
- d removal of tenants' contents not otherwise insured from

the portion or portions of the **Property Insured** destroyed or damaged by any accidental cause not otherwise excluded

- e clearing, cleaning and/or repairing drains, gutters, sewers and the like within the perimeter of the **Insured's Premises** blocked or damaged as a result of the action of any peril hereby insured against (notwithstanding anything contained within **Exclusion 1.m** of combined **Sections 1** and **2** of this **Policy** to the contrary),

2. the additional expenses incurred to sort, segregate and transport recyclable debris of the damaged **Property Insured** to recycling facilities, subject to this additional expense, in respect of any one **Occurrence**:

- a not exceeding twenty five percent (25%) of the total amount paid or payable by the **Company** under the cost of removing debris in connection with the same **Occurrence**
- b the **Company** will not be liable for the first ten percent (10%) of all costs otherwise payable under point 2.a above,

but excluding any costs or expenses:-

- i. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- ii. arising from pollution or contamination of property not insured by this **Policy** other than top soil on land within the boundaries of the **Premises**;

### **Dilapidation**

the costs and expenses necessarily and reasonably incurred by the **Insured** in clearing and removing any property of the tenant or lessee in or around the insured **Premises** in the event that a tenant or lessee vacates the **Premises** without prior notification to the **Insured** or their agents solely due to the liquidation or bankruptcy of the tenant or lessee or the business of the tenant or lessee being placed into administration or receivership

provided that allowance is made for any subsequent recovery from the tenant or lessee;

### **Eviction of Unauthorised Occupants**

the costs and expenses necessarily and reasonably incurred by the **Insured** with the **Company's** prior consent arising from the removal of the unauthorised occupants of any **Premises** by a party other than one named in the tenancy agreement for that **Premises**

provided that:

- a the **Company** shall not be liable for damages, fines or penalties incurred by the **Insured** in the course of removal or eviction;
- b the **Company** shall not be liable for any unauthorised occupancy occurring prior to the inception of this **Policy**;
- c the **Insured** shall take all reasonable precautions to avoid any **Premises** becoming occupied by any party other than the tenant;
- d the **Company** shall not be liable for any loss more specifically insured;

#### **Expediting Expenses**

the reasonable expenses incurred by the **Insured** with the consent of the **Company** in respect of lost, destroyed or damaged property in:

- a making a temporary repair thereto
- b expediting the permanent repair or replacement thereof, including overtime working and work carried out on Sundays, holidays and at night and transport costs at express carriage rates for replacement parts;

#### **Extinguishing Expenses**

the reasonable costs:-

- a of replacing used sprinkler heads,
- b of refilling fire extinguishing appliances,

and, where costs are metered

- c of refilling sprinkler tanks

incurred by the **Insured** solely as a result of destruction or damage not otherwise excluded of or to the **Property Insured** by heat caused by fire

- d of damage caused by the firefighting authority and rescue services or other emergency services equipment or personnel, in the course of combating fire, to the grounds at the **Premises**
- e and expenses necessarily incurred by the **Insured** with the consent of the **Company** imposed by any government or local authority, including any firefighting authority, in respect of any state or local law or regulation to reimburse or contribute to firefighting expenses incurred arising out of loss, destruction or damage to the **Property Insured**;

#### **Extra Security Costs**

the costs reasonably incurred and necessitated by the **Insured** with the **Company's** prior consent following loss, destruction or damage as insured by this **Section** in order to provide the **Premises** with temporary additional physical protection including but not limited to boarding up windows, doors, fan lights, skylights and or other openings the provision of temporary doors, weatherproofing the **Buildings** and making temporary repairs to secure the **Buildings** and securing the site and engaging security personnel;

#### **Flood Resilience Expenses**

any additional rebuilding costs for the incorporation of flood resilience materials following loss, destruction or damage by **Flood** as insured by this **Section** (excluding loss, destruction or damage by sprinklers) provided that

- a the **Company** will not pay any additional costs for work the **Insured** had already planned to be carried out prior to the loss, destruction or damage
- b if the liability of the **Company** is reduced by the application of any terms or conditions of this **Policy** the liability of the **Company** will similarly be reduced
- c the **Company** will not pay any additional costs for replacing undamaged property

however, if the **Insured** elects not to rebuild the **Building** then this **Extension** will not apply;

#### **Frustrated Legal Costs**

the legal costs and expenses for the prospective sale of any **Property Insured** and the amount payable shall be such sums as the **Insured** shall be legally liable to pay and shall pay solely as a consequence of the cancellation of such sale as a result of loss, destruction or damage by any cause insured under this **Section**;

#### **Insurance Premium Costs**

the cost of any insurance premium including fees, commissions and taxes (other than premiums for terrorism insurance) or in respect of latent defects policies technical agents' fees being those necessarily and reasonably incurred by the **Insured** in arranging contract works policies with the **Company** or in continuing any pre-existing latent defects policies;

### Loss Reduction Expenses

the costs and expenses reasonably incurred by the **Insured** in taking reasonable but exceptional measures to avoid or mitigate impending loss or destruction of or damage to the **Property Insured** by any accidental cause not otherwise excluded provided that :-

- a the impending loss, destruction or damage does not stem from any reasonably foreseeable cause and that loss, destruction or damage would be the natural outcome to be expected in the absence of such measures;
- b the **Company** is satisfied that loss, destruction or damage has been avoided or reduced in consequence of the measures taken;
- c the liability of the **Company** shall in no event exceed:-
  - i. the amount of the loss, destruction or damage thereby avoided, or
  - ii. the sum stated in the **Schedule**,whichever is the less;

### Party Walls

the cost incurred in reinstating a party wall following loss, destruction or damage whether the responsibility to reinstate is with the **Insured** or not, provided that the liability of the **Company** in respect of rebuilding the **Buildings** including the liability under this **Extension** shall in no event exceed the **Sum Insured** of the **Premises** affected.

### Professional Fees

the architects', surveyors', consulting engineers' and other fees necessarily and reasonably incurred in the reinstatement of any **Property Insured** (other than materials in trade) consequent upon its loss destruction or damage by any accidental cause not otherwise excluded, but not for preparing any claim;

### Public Authority Requirements

the additional cost of reinstatement of the **Property Insured** lost, destroyed or damaged by any accidental cause not otherwise excluded as may be incurred solely by reason of the necessity to comply with the stipulations of building or other regulations under or framed in pursuance of any Act of Parliament or with byelaws of any public authority legislation including any regulation, directive or decision emanating from such legislation, in respect of:-

- a the lost, destroyed or damaged **Property Insured**
  - b undamaged portions thereof
- but excluding:-
- i. any costs incurred by complying with any of the aforesaid stipulations or requirements:-
    - a in respect of loss, destruction or damage occurring prior to the granting of this **Extension**
    - b in respect of loss, destruction or damage not insured by this **Policy**
    - c under which notice has been served upon the **Insured** prior to the happening of the loss, destruction or damage
    - d for which there is an existing requirement which has to be implemented within a given period
    - e in respect of any property entirely undamaged
  - ii. the additional cost that would have been required to make good the property lost, damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid stipulations not arisen
  - iii. 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 aforesaid stipulations

provided that:-

- a the work of reinstatement be commenced and carried out without unreasonable delay and in any case be completed within twelve (12) months after the loss, destruction or damage or within such further time as the **Company** may (during the said twelve (12) months) in writing allow and may be carried out upon another site (if the stipulations so necessitate) subject to the **Company's** liability under this **Extension** not being thereby increased
- b if the **Company's** liability under any item apart from this **Extension** shall be reduced by the application of any of the terms and conditions of this **Policy** then the **Company's** liability under this **Extension** in respect of any such item shall be reduced in like proportion
- c the total amount recoverable under this **Extension** in respect of any item shall not exceed, in respect of undamaged portions of the property (other than foundations), 15% of the total amount for which the **Company** would have been liable had the **Property Insured** by the item at the **Premises** where the loss, destruction or damage occurred been wholly destroyed;

### **Repair Investigation Expenses**

the costs (including consulting engineers fees) incurred with the consent of the **Company** in conducting investigations and/or tests into possible repair (whether or not successful), replacement or reinstatement of **Property Insured** consequent upon loss, destruction or damage by any accidental cause not otherwise excluded, but excluding any such fees incurred for preparing any claim. Cover under this **Extension** is to the extent that cover is not provided elsewhere in this **Policy**;

### **Sprinkler Upgrading Costs**

such additional costs necessarily and reasonably incurred in the reinstatement of any destroyed or damaged automatic sprinkler installation insured by this **Section** which:-

- a conforms to the FOC 28<sup>th</sup> or 29<sup>th</sup> Edition Rules, BS EN 12845, including LPC Rules for Automatic Sprinkler Installations, or other internationally recognised standards for sprinkler installations, such as NFPA or FM
- b conformed to the Loss Prevention Certification Board (LPCB) Rules or the other aforementioned rules and standards when installed but fails to conform to subsequent amendments to those rules

as may be incurred solely by reason of the **Company** requiring conformity to the current BS EN 12845, including LPC Rules for Automatic Sprinkler Installations, or other internationally recognised standards for sprinkler installations as appropriate, such as NFPA or FM

provided that:

- a the amount recoverable under this **Extension** shall not include the cost incurred by complying with any of the aforesaid requirements:-
  - i. in respect of loss, destruction or damage occurring prior to the granting of this **Extension**
  - ii. in respect of loss, destruction or damage not insured by this **Policy**
  - iii. in respect of undamaged property or undamaged portions of property
- b if the liability of the **Company** under any item apart from this **Extension** shall be reduced by the application of any of the terms and conditions of this **Policy** then the liability of the **Company** under this **Extension** in respect of any such item shall be reduced in like proportion;

### **Unexpected Archaeological Discoveries**

additional costs necessarily incurred in rebuilding the **Buildings** (or of restoring the damaged parts) by the **Insured** as a direct result of their compliance with their statutory obligations following the discovery of archaeological finds during site excavation. A claim under this **Extension** shall include additional interest payments incurred as a result of the delay of any building works provided that:

- a the **Insured** shall not have pre-existing knowledge of the presence of archaeological remains prior to any works being undertaken
- b the **Insured** shall prior to any payment being made by the **Company** take or permit to be taken on their behalf by the **Company** necessary and reasonable steps to minimise the loss including the consideration of and submission of alternative planning applications as agreed by the **Company**
- c interest shall be based on the Bank of England Base rate plus 2%;

### **Waste Disposal Costs**

the costs necessarily and reasonably incurred by the **Insured** in complying with the Waste Electrical and Electronic Equipment (WEEE) Regulations following loss, destruction or damage to **Property Insured**, provided that:

- a the **Insured** has provided a copy of the certificate proving disposal in accordance with the above Regulations; and
- b the **Company** has consented to the disposal of the **Property Insured**;

### **Welfare Costs**

the reasonable costs of loss, destruction or damage to **Property Insured** caused by the police or persons acting under their control in gaining access to the **Premises** as a result of their concern for the welfare of an occupier of the **Premises**, provided that the **Company** shall not be liable for costs incurred following loss, destruction or damage caused by the police in the course of criminal investigations.

## Extensions

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Where shown in the **Schedule** as insured, the following **Extensions** of cover are provided under this **Section** of the **Policy**, subject to any applicable **Sub-Limits of Liability** shown in the **Schedule**.

### Accidental Discharge of Fire Protection Devices

This **Section** extends to include the cost of replacement of the contents of devices intended to be used for the purposes of fire extinguishment following the accidental discharge of these, insofar as such cost is not otherwise recoverable from the maintenance contractors

provided that the **Company** shall not be liable under this **Extension** in respect of such costs incurred as a result of such discharge arising:-

- a during installation, repairs, removal, alterations, extensions or testing of such devices or any part or parts thereof;
- b whilst the **Premises** are unoccupied;
- c from the operation of such devices with the intention to prevent, hinder or extinguish any fire.

Nothing stated in this **Extension** shall be construed as limiting the **Company's** liability to meet such cost in the event of discharge in consequence of physical loss, destruction or damage as insured by this **Section**.

### Capital Additions - Newly Acquired / Alterations to Existing Premises

The insurance provided by this **Section** in respect of **Property Insured** is extended to include:

- a any newly acquired or newly erected premises anywhere within the **Territorial Limits** from;
  - the date of exchange of contracts for newly acquired premises;
  - the date of practical completion for newly erected premises;
- b alterations, additions and improvements to the **Property Insured** (but excluding appreciation in value) of existing **Premises** as insured under this **Section**,

in excess of the **Declared Values** as defined in **Special Condition 1** of this **Section**

provided that:

- a the property is not otherwise insured by or on behalf of the **Insured**;
- b the **Insured** undertakes to advise the **Company** of such additional insurance as soon as practicable, but in no event later than three (3) months of any such
  - i. newly acquired or newly erected premises;
  - ii. alterations, additions and improvements;and to pay the additional premium required from the date of inception thereof;
- c this **Extension** shall not apply to any **Property Insured** in any territory not previously declared to and agreed by the **Company**.

Following advice to the **Company** of any such additional insurance the provisions of this **Extension** are fully reinstated.

### Contract Works

Notwithstanding anything contained in **Exclusions 6.j** or **6.l** of combined **Sections 1** and **2** of this **Policy** to the contrary, the insurance by this **Section** is extended to apply in respect of loss, destruction or damage by any accidental cause not otherwise excluded, in respect of refurbishment and extensions to existing structures of or to:-

- a the permanent and temporary works at the site of any constructional contract being carried out at the described **Premises**
- b the materials for use in connection with such contract whilst at the site thereof or temporarily stored offsite within the **United Kingdom**.

It is agreed that where work is carried out at any **Premises** insured by this **Policy** under a Joint Contracts Tribunal (J.C.T.) building contract or any similar contract for minor construction, the Contractor and others named in the contract are deemed to be Joint Insured under this **Policy** to the extent required by that contract.

### Deferred Payments

The insurance by this **Section** extends to indemnify the **Insured** against the physical loss or destruction of or damage to **Property Insured** sold by the **Insured** under a conditional sale or trust agreement or any instalment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of the loss or destruction of or damage to property sold under deferred payment plans the **Insured** will use all reasonable efforts including legal action if necessary to effect collection of outstanding amounts due or to regain possession of the property

provided that the **Company** shall in no event be liable under this **Extension** in respect of any loss:-

- a pertaining to products recalled including but not limited to the costs to recall test or to advertise such recall by the **Insured**;
- b from theft or conversion by the buyer of the property after the buyer has taken possession of such property;
- c caused by **Earthquake, Flood or Storm**;
- d to the extent the buyer continues payments;
- e not within the **Territorial Limits** of this **Policy**.

### **Diminution in Value**

Where following loss, destruction or damage to **Buildings** and/or to third party buildings in the immediate vicinity of the **Premises** during the **Period of Insurance** there is a subsequent reduction in the sale price achieved on such **Premises** offered for sale on the open market prior to loss, destruction or damage, this **Extension** covers the difference in the prior and post loss, destruction or damage values.

The amount payable shall be substantiated by a practising member of the Royal Institute of Chartered Surveyors appointed as agreed by the **Insured** and the **Company** and due allowance shall be taken of all other sums recovered in respect of loss, destruction or damage under this **Section** and from any other source.

The **Company's** liability shall not exceed thirty percent (30%) of the **Declared Value** of the **Buildings** of the **Premises** in question, subject to a maximum as stated in the **Schedule**.

### **Exhibitions**

Notwithstanding anything contained herein to the contrary, the insurance by this **Section** extends to apply in respect of loss, destruction or damage by any accidental cause not otherwise excluded of or to the undernoted **Property** while at the site of any exhibition, trade fair or show anywhere within the **Territorial Limits** or elsewhere in the member countries of the European Union or while in transit thereto or therefrom by road, rail or inland waterway, it being understood that **Exclusions** 1.e.ii and 6.b of combined **Sections** 1 and 2 of this **Policy** shall not apply to the insurance provided under this **Extension**

provided that the **Company** shall in no event be liable under this **Extension** in respect of:-

- a breakage of clocks, scientific instruments, china, glass, marble, earthenware, pictures, articles of vertu or goods of a fragile or brittle nature, unless such breakage is caused by fire or theft or collision or overturning of the vehicle on which the property is being conveyed;
- b loss, destruction or damage caused by:-
  - i. any process of cleaning or repair,
  - ii. atmospheric or climatic conditions when the **Property Insured** is contained in open conveyances (unless such property has been adequately protected) or when the property is at any exhibition held in the open or in marquees or tents;
- c loss or destruction of or damage to:-
  - i. machinery due to its own running or operation,
  - ii. property contained in the **Insured's** own vehicles or vehicles hired to the **Insured** when left unattended;
- d loss due to delay or loss of market or consequential loss of any kind or description;
- e the amount stated herein as the **Deductible**.

For the purposes of this **Extension**, **Property** means exhibits, stands, marquees, furniture, furnishings, display materials, office equipment and other similar property on the stand for the purpose of exhibition, all the property of the **Insured** or for which the **Insured** is responsible.

### **Failure of Third Party Insurance**

The insurance by this **Section** is extended to protect the interest of the **Insured** in respect of loss, destruction or damage not otherwise excluded to the extent that the lessee or freeholder is unable to recover such an amount that would be payable under this **Policy** if the lessee or freeholder were the **Insured**, as a result of:

- a the failure of the lessee or freeholder to maintain insurance on the building or comply with the terms of the lease
- b the failure of lessee or freeholder to insure for an adequate amount.

But excluding:

- a loss, destruction or damage occasioned by or happening through **Terrorism** as defined in **Section 5** Terrorism in Great Britain that may be insured hereunder
- b failure of the lessee or freeholder policy due to breach of any condition or warranty as a result of action by the Insured
- c failure of the lessee or freeholder to make or pursue a valid claim.

Specific **Special Conditions** stated under combined **Sections 1** and **2** of this **Policy** apply to this **Extension**.

### **Fly Tipping**

The insurance by this **Section** is extended to include costs and expenses necessarily and reasonably incurred by the **Insured** in clearing and removing property illegally or maliciously deposited in or around the buildings at the **Premises**

provided that the:

- a liability of the **Company** under this **Extension** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**;
- b **Company** shall not be liable for the first GBP 1,000 of any one **Occurrence** or the **Deductible** stated in the **Schedule**, whichever is the lower.

### **Greening Reinstatement**

The insurance by this **Section** is extended to cover such additional costs of **Reinstatement** as may be incurred by the **Insured** solely by reason of its election to rebuild, replace, repair or restore the relevant **Property Insured** following loss, damage or destruction in a manner that aims to minimise potential harm to the environment utilising the latest available technology, known as “**Greening**”. Such election by the **Insured** shall not be considered betterment for the purposes of this **Policy**.

Where the cost of rebuilding, replacing, repairing or restoring is increased as a result of **Greening** the **Company** will pay such additional costs

provided that:-

- a **Greening** shall apply to the reinstatement of **Buildings** and **Landlords’ Contents** only
- b such **Greening** shall include but not limited to the upgrading of taps, showers, urinal toilets, grey water and rainwater systems, air conditioning and building cooling systems, ventilation systems, lighting, the provision of hot water and heating systems and the provision of “green” roofs;
- c the **Insured** shall endeavour to work to a **Greening** standard (where applicable) being the Building Research Establishments Environmental Assessment Methodology (BREEAM) or its local overseas equivalent; and
- d where the cost of **Reinstatement** has increased as a result of such **Greening** the liability of the **Company** under this **Extension** in respect of any one **Occurrence** shall not exceed the lesser of
  - i. the sum stated in the **Schedule**; or
  - ii. ten percent (10%) of the original loss which would have applied if this **Extension** had not been incorporated herein.

### **Hired in Plant**

The insurance by this **Section** is extended to indemnify the **Insured** against its legal liability under the terms of a hire agreement or otherwise to pay compensation for

- a the physical loss or destruction of or damage to plant or machinery whilst in its custody or under its control at any situation within the **Territorial Limits** and whilst in transit (other than by sea or air);
- b continuing hire charges as a consequence of such physical loss, destruction or damage provided always that the liability of the **Company** shall cease on the expiry of the **Maximum Indemnity Period** stated in the **Schedule** in respect of **Section 2** Business Interruption of this **Policy** following the **Occurrence** of physical loss, destruction or damage.

This **Extension** also indemnifies the **Insured**

- 1) in respect of plant or machinery hired in for the cost of re-hire, subject to the conditions of re-hire being no more onerous than those under which the machinery or plant were originally hired in;

- 2) against the physical loss or destruction of or damage to plant or machinery on free loan (as described within a above).

### **Illegal Cultivation of Drugs**

The insurance by this **Section** is extended to indemnify the **Insured** against costs of clean up and remedial works arising from the tenants' or lessees use of the **Premises** for the manufacture, cultivation, harvest or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971)

provided that the **Insured** or persons acting on behalf of the **Insured**:

- a carry out internal and external inspections of the **Premises** at least every three (3) months or as permitted under the tenancy agreement:
  - i. maintain a log of such inspections and retain that log for at least twenty (24) months;
  - ii. carry out a six (6) monthly management check of the inspections log;
- b obtain and record written formal identification of any prospective tenant or lessee;
- c obtain and retain a written employers reference for any new tenant or lessee;
- d obtain and record details of the tenants' or lessees bank account and verify those details by receiving at least one (1) payment from such account;
- e advise the tenant or lessee, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in points b, c and d above for all lettings that they arrange.

### **Inadvertent Errors and Omissions**

The **Insured** having notified the **Company** of their intention to insure all property as insured by this **Section** in which they are interested and it being their belief that all such property is insured, if thereafter any such property shall be found to have been inadvertently omitted or there has been an inadvertent error in the values declared by the **Insured**, the **Company** will deem it to be insured within the terms of this **Policy** subject to payment of the premium on all such property as from the inception of this **Policy** or from the date the **Insured's** interest in such property commences if it is erected or purchased after the inception of this **Policy**

provided that:

- a amounts held covered under this **Extension** are deemed to be **Declared Values** as defined in **Special Condition 1** of this **Section** for the purpose of average;
- b cover under this **Extension** shall not apply in respect of companies:-
  - i. not previously notified to and accepted by the **Company**
  - ii. operating in countries not previously notified to and accepted by the **Company**.

### **Inadvertent Underinsurance – Professional Valuer**

In the event that the **Declared Value** by any item on **Buildings** as insured by this **Policy**, be inadvertently under-declared due to any inaccuracy in the valuation provided by the professional valuer employed by the **Insured**, the **Declared Value** shall be one hundred and thirty percent (130%) of the amount declared to and agreed by the **Company**.

Any additional amount payable as a result of this **Extension** is subject to payment of an additional premium calculated on the difference between the actual value and the amount declared to the **Company** in respect of all such property, as from the inception of this **Policy**, or from the date the **Insured's** interest in such property commences if it is erected or purchased after the inception of this **Policy**.

### **Involuntary Bailee**

The insurance by this **Section** extends to apply to loss, destruction or damage to goods in the custody or control of the **Insured** and for which they are responsible as bailee whilst situate within the **Premises** but excluding property more specifically insured

provided that the **Company** shall not be liable:

- a in respect of works of art, rare books, jewellery, precious stones, articles of gold, silver or other precious metals, furs, audio visual goods, computer equipment or cameras;
- b in respect of unaccountable losses;
- c unless a signed inventory is issued to the tenant or lessee as soon as a repossession takes place.

### **Involuntary Betterment**



In the event that replacement property of like kind and quality is not obtainable, new property which is as similar as possible to that suffering physical loss, destruction or damage and which is capable of performing the same function shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment to the **Insured**.

The **Company** will also pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment suffering physical loss, damage or destruction and undamaged existing equipment at the same or an interdependent location

provided that:

- a the **Company** shall be liable only for the amount sufficient to enable the **Insured** to resume operations in substantially the same manner as before such loss, damage or destruction;
- b the **Company** shall be liable for only the difference between the highest sales value of the undamaged existing equipment at the same or interdependent location and the installed cost of the technologically current equipment.

### **Landscaping**

Notwithstanding anything contained herein to the contrary, the insurance by each item on **Buildings** is extended to indemnify the **Insured** against the costs of restoration of the surface of car parks, yards, roadways, landscaped gardens and similar surfaces being the property of the **Insured** or for which it is responsible adjacent to the **Property Insured**, arising from physical loss, destruction or damage insured by this **Section**.

### **Locks**

The insurance by this **Section** extends to cover costs incurred as a result of the necessary replacement of locks and access control equipment following the accidental loss of keys or swipe cards or by theft of such keys or swipe cards from the **Premises** or from the homes of principals, directors or authorised employees or by the unauthorised duplication of such keys or swipe cards, provided that if such keys relate to a safe or strong room they shall not be left on the **Premises** overnight.

### **Loss of Market Value**

- a If there is loss, destruction or damage to **Buildings** the **Company** will indemnify the **Insured** for the reduction in market value of the **Buildings** immediately following the loss, destruction or damage but not exceeding the amount payable had the **Buildings** been repaired or rebuilt, or
- b the rebuilding or restoration of such **Buildings** is frustrated by circumstances beyond the control of the **Insured** the **Company** will indemnify the **Insured** for the reduction in the freehold or leasehold value of the site to the **Insured** being the reduction in the value of the **Insured's** interest in the freehold and/or leasehold value of the land and **Buildings** immediately following agreement by the **Company** that such frustration is unavoidable including any sums legally payable by the **Insured** to the lessees under the terms of the lease or otherwise in consequence of such frustration but not exceeding the amount which would have been payable had the **Buildings** been rebuilt or repaired or its **Sum Insured** whichever is the lower
- c if following loss, destruction or damage to **Buildings** the existing area or use of the **Premises** is restricted as a result of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or by-laws of any public authority and/or European Union Legislation (hereafter referred to as "**the Stipulations**"), the **Company** will indemnify the **Insured** in respect of any capital sums payable to any lessees under the terms of the lease in consequence of such **Stipulations**.

Provided that the liability of the **Company** shall not exceed thirty percent (30%) of the **Declared Value** of the **Buildings** concerned nor in all in any one **Period of Insurance**, the sum stated in the **Schedule**.

### **Metered Utilities**

The insurance by this **Section** is extended to indemnify the **Insured** against the additional metered water, gas, oil or electricity charges incurred by the **Insured** as a result of destruction of or damage to the **Property Insured** by any accidental cause not otherwise excluded but excluding any such charges incurred as a result of destruction or damage occasioned by or happening through the bursting or overflowing or leaking of water tanks, apparatus or pipes in property which is empty or not in use.

The amount payable under this **Extension** shall be ascertained by comparing the charge by the appropriate suppliers on their account for the period during which the destruction or damage occurred with the normal charge, adjusted for any relevant factors affecting the **Insured's** consumption during that period.

### **Military or Public Authority**

The insurance by this **Section** is extended to indemnify the **Insured** against the destruction of or damage to the **Property Insured** by the order of any military, public or other recognised authority for the purpose of preventing loss, destruction or damage from a cause not otherwise excluded by this **Section**.

### **Munitions of War**

Notwithstanding **General Exclusion 2**, War, the insurance provided by this **Section** will apply to loss, destruction or damage to the **Property Insured** at the **Premises** from or occasioned by the detonation of munitions of war or parts thereof in or about the vicinity of the **Premises** provided that the presence of such munitions does not result from a state of war current at the time of loss, destruction or damage.

### **Option to Repair**

The insurance by each item on **Buildings** extends to include the additional costs of rebuilding (or of restoring the damaged parts) incurred solely as a result of any terms in the lease that allow for the tenants or lessees to remain in occupation of the **Premises** during the period necessary to repair or reinstate the loss, destruction or damage.

Provided that the **Company's** liability in respect of any one item under this **Extension** shall not exceed twenty percent (20%) of the **Declared Value** by the relevant item.

### **Other Locations – Temporary Removal**

The insurance by this **Section** extends to apply to property, insured hereby, (other than goods held in trust) while temporarily removed for cleaning, renovation, repair or other similar purposes to any other premises and in transit thereto and therefrom by road, rail or inland waterway, all within the **Territorial Limits**.

### **Privity of Contract**

The insurance by this **Section** extends to indemnify the **Insured** against:

- a the cost of repair or reinstatement of any building, formerly owned by or leased by or to the **Insured** anywhere within the **Territorial Limits** destroyed or damaged by any cause not otherwise excluded
- b loss of rent in respect thereof

for which the **Insured** shall become legally liable to pay by virtue of an original agreement to lease the building and the succeeding owner has failed to effect or maintain adequate insurance on the buildings at the premises and/or the rent in respect thereof as required under the terms of the lease

provided that:

- i. the **Insured** shall take all reasonable steps to obtain release from their liability to insure the **Building** as part of any agreement to assign the lease relating the building
- ii. the insurance shall not be brought into contribution with any other insurance and is only to pay if and so far as indemnity is not recoverable under any other policy or policies, except as regards any excess beyond the amount recoverable under any such other policy or policies;
- iii. the liability of the **Company** shall not exceed, in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance**, the sum stated in the **Schedule**.

### **Property in the Open**

Notwithstanding **Exclusion 1.e i.** under combined **Sections 1** and **2** of this **Policy**, physical loss, destruction or damage caused by theft or any attempted theft of movable property in any garden, yard or open space, verandah, outside showcase, other appurtenance or open-sided building is covered by this **Section**

provided always that such movable property in these situations is contained within a securely locked compound.

### **Reinstatement to Match**

The insurance by this **Section** is extended to include the cost of replacement, repair or modification of undamaged parts of the **Buildings** that form part of a suite, common design or function where loss, destruction or damage is restricted to a clearly identifiable area or to a specific part thereof

provided that:-

- a the total liability of the **Company** shall not be increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property lost, destroyed or damaged in its original form

- b the **Company** shall be liable only for the amount sufficient to enable the **Insured** to resume operations in substantially the same manner as before the damage
- c where the property is lost, destroyed or damaged in part only the **Company** will not pay more than the amount representing the cost which the **Company** would pay for reinstatement if such property had been wholly destroyed
- d the total liability of the **Company** shall not be increased beyond the amount that would have been payable for replacement, repair or modification of the whole of the **Buildings** forming a suite, common design or function if such **Buildings** had been wholly destroyed.

The liability of the **Company** shall not exceed the amount that would have been payable for replacement, repair or modification of the whole of the **Buildings** forming a suite, common design or function if such **Buildings** had been wholly destroyed or the amount stated in the **Schedule**, whichever is the lesser.

### **Removal of Nests**

The insurance by this **Section** is extended to include the reasonable costs incurred by the **Insured** in removing any wasp, hornet, bee or other harmful insect nest from the **Buildings** at the **Premises**.

### **Residential Property (Alternative Accommodation)**

In the event of loss, destruction or damage as insured hereby, in a residential building or residential portion of a commercial building as insured hereby, being uninhabitable or access being prevented, this **Section** includes the reasonable cost of comparable accommodation incurred by the lessee until the property is habitable or accessible.

Provided that the liability of the **Company** under this **Extension** shall not exceed twenty percent (20%) of the **Declared Value** of the **Premises** during any one **Period of Insurance**.

### **Steam Explosion and Engineering Breakdown**

#### **A. Steam Explosion**

Notwithstanding anything contained in **Exclusion 2.** or **Exclusion 3.** of combined **Sections 1 and 2** of this **Policy** to the contrary, the insurance by this **Section** is extended to apply in respect of destruction of or damage to the **Property Insured** caused by the **Explosion** or **Collapse** of steam pipes or explosion of any vessel machine or apparatus in which internal pressure is due to steam only (other than boilers or economisers) belonging to or under the control of the **Insured** at the described **Premises**.

#### **B. Engineering Breakdown**

Notwithstanding anything contained in **Exclusion 1.c.**, **Exclusion 1.d.** or **Exclusion 6.c.** of combined **Sections 1 and 2** of this **Policy** to the contrary, the insurance by this **Section** is extended to apply in respect of loss of or damage to the machinery caused by the **Breakdown** thereof.

Specific **Definitions** and **Exclusions** stated under combined **Sections 1 and 2** of this **Policy** apply to this **Extension**.

### **Theft Damage to Buildings**

The insurance by this **Section** is extended to include loss, destruction of or damage to buildings for which the **Insured** is liable (leased by the **Insured** and are not otherwise insured by this **Policy**) caused by theft or any attempt thereat.

### **Trace and Access**

In the event of a valid claim under this **Section** for damage occasioned by or happening through:

- a bursting or overflowing of water tanks, apparatus or pipes
- b leakage of oil from any fixed heating installation

the insurance by this **Section** shall extend to indemnify the **Insured** against the cost of tracing the leak, effecting repairs and making good such damage.

### **Trees**

This **Section** includes costs and expenses necessarily and reasonably incurred in felling, lopping and removing trees for which the **Insured** are responsible which represent an immediate threat to the safety of life or of damage to the **Insured's Buildings** provided that the **Company** shall not be liable for

- a legal or local authority costs involved in removing trees
- b costs incurred solely to comply with a Preservation Order

c the costs incurred in respect of routine maintenance.

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

The insurance by this **Section** extends to indemnify the **Insured** against the costs and expenses reasonably incurred by the **Insured**, arising from the unauthorised use of electricity, gas, oil or water for which the **Insured** is legally responsible by persons taking possession or occupying the **Premises** without the **Insured's** authority, provided always that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

After the application of all other terms, conditions and provisions of this **Policy** the liability of the **Company** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**.

#### **Undamaged Tenants' Improvements and Betterments**

The insurance by this **Section** extends to indemnify the **Insured** against the value of undamaged tenants' improvements and betterments when the **Insured's** lease is cancelled:

- a by the lessor; and
  - b pursuant to a valid condition of the **Insured's** lease
- as a result of loss, destruction of or damage to a building or contents.

#### **Water Table**

Notwithstanding **Exclusion 5**, applicable to **Section 1** and **Section 2**, this **Policy** extends to indemnify the **Insured** in respect of loss, destruction or damage attributable solely to changes in the water table level provided that the liability of the **Company** shall not exceed, in respect of any one **Occurrence** and in the annual aggregate the sum stated in the **Schedule**.

## Special Conditions

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The following **Special Conditions** apply to this **Section**.

### 1. Average and Premium Adjustment

At the inception of the **Period of Insurance** the **Insured** shall notify the **Company** of the **Declared Value** of the **Property Insured**. “**Declared Value**” shall mean the **Insured’s** assessment of:-

- **In respect of Buildings and Landlords’ Contents**

the cost of reinstatement of the **Buildings and Landlords’ Contents** insured arrived at in accordance with paragraph 1. of **Section 1 - Basis of Valuation**, at the level of costs applying at the inception of the **Period of Insurance** (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for the additional insurance provided under **Section 1 - Costs, Fees and Expenses**

and if, at the time of loss or destruction of or damage to the **Property Insured**, the **Declared Value** be less than that which should have been declared at the declaration due date then the liability of the **Company** for any loss hereby insured shall be limited to that proportion thereof which the **Declared Value** bears to the value which should have been declared.

This **Special Condition** will not apply provided that the **Insured** have carried out regular valuations utilising qualified RICS (Royal Institute of Chartered Surveyors) members or European equivalent at intervals of not more than four (4) years and,

- a where necessary increased the **Declared Values** to at least the amount stated in the valuation; and
- b made appropriate allowance in **Declared Values** for inflationary increases in the period between valuations.

### 2. Designation

For the purpose of determining where necessary the item or heading under which any property is insured, it is agreed to accept the designation under which such property has been entered in the **Insured’s** books.

### 3. Mortgagees’ Interest

The interest of any mortgagee, freeholder or lessor in this insurance shall not be prejudiced by any act or neglect of the mortgagor, leaseholder, lessee or occupier of any building hereby insured whereby the risk of destruction or damage is increased without the authority or knowledge of the mortgagee, freeholder or lessor provided the mortgagee, freeholder or lessor shall immediately on becoming aware thereof give notice in writing to the **Company** and on demand pay such reasonable additional premium as the **Company** may require.

### 4. Other Interests

Certain of the **Property Insured** may be the subject of agreements that require either:-

- a the interest of another party to be noted in the insurance; or
- b the **Property Insured** in question to be insured in the joint names of the **Insured** and another party or parties;

such requirements are deemed to be complied with within the terms of this **Section**. The nature of the interest or joint insurance shall be disclosed in the event of:-

- i. the loss or destruction of or damage to **Property Insured** which is subject to such agreements;
- ii. a requirement by the other party that proof of insurance in the joint names be provided.

The foregoing shall extend to include any party as a joint insured at the discretion of the **Insured**.

### 5. Purchasers’ Interest

If, at the time of destruction or damage to any buildings hereby insured, the **Insured** shall have contracted to sell their interest in such building and the purchase shall not have been but shall thereafter be completed, the purchaser on the completion of the purchase if in so far as the property is not otherwise insured by or on behalf of the purchaser against such destruction or damage, shall be entitled to the benefit of this **Section** so far as it relates to such destruction or damage without prejudice to the rights and liabilities of the **Insured** or the **Company** under this **Policy** up to the date of completion.

## 6. **Undamaged Foundations**

Where a building is destroyed but parts remain undamaged and/or foundations are not destroyed and due to the exercising of buildings regulations local authority or other statutory requirements the reinstatement of the building has to be carried out upon another site then the abandoned parts and/or foundations will be considered destroyed. If however the abandoned parts and foundations increase the resale value of the original site then such increase in resale value shall be regarded as salvage and the amount thereof shall accordingly be payable to the **Company**.

## 7. **Value Added Tax**

The insurance by each item on **Buildings**, shall, subject to the terms and conditions of this **Section**, include Value Added Tax paid by the **Insured** which is not subsequently recoverable

provided that:

- a the **Insured's** liability for such tax arises solely as a result of the reinstatement or repair of the **Buildings** to which such items relate following any loss, destruction or damage for which the **Company** have paid or have agreed to pay for such loss, destruction or damage
- b if any payment made by the **Company** in respect of the reinstatement or repair of such loss, destruction or damage be less than the actual cost of the reinstatement or repair any payment under this **Special Condition** resulting from that damage will be reduced in like proportion
- c where a building has not been registered for Value Added Tax the sum insured advised to the **Company** will include an appropriate allowance for Value Added Tax
- d the liability of the **Company** for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged **Building**
- e where an option to reinstate on another site is exercised the liability of the **Company** under this **Special Condition** will not exceed the amount of tax that would have been payable had the **Building** been rebuilt on its original site
- f the liability of the **Company** under this **Special Condition** will not include amounts payable by the **Insured** as penalties or interest for non-payment or late payment of tax.

## 8. **Workmen**

Workmen are allowed in and about any of the described **Premises** for the purposes of new erections or alterations, repair, decoration, plant installation, general maintenance and the like without prejudice to the terms and conditions of this **Policy**.

## Section 2 Business Interruption

### Cover

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If any building or other property or any part thereof used by the **Insured** at the **Premises** for the purpose of the **Business** shall be physically lost, destroyed or damaged by any accidental cause not otherwise excluded (loss, destruction or damage so caused being termed “**Damage**” for the purposes of the Business Interruption provisions hereinafter contained) and the **Business** carried on by the **Insured** at the **Premises** shall in consequence thereof be interrupted or interfered with the **Company** will pay to the **Insured** in respect of each of the **Interests Insured** (as detailed in the **Schedule**) the amount of loss resulting from such interruption or interference with the **Business** in accordance with the Business Interruption provisions hereinafter contained, provided that at the time of the happening of the loss, destruction or damage there shall be in force an insurance covering the interest of the **Insured** in the property at the **Premises** against such loss, destruction or damage and that:-

1. payment shall have been made or liability admitted therefor under such insurance
2. payment would have been made or liability would have been admitted therefor but for the operation of any proviso in such insurance excluding liability for losses below a specified amount or but for the operation of a maintenance agreement or similar

provided always that the liability of the **Company** shall not exceed the **Limit of Liability** expressed in the **Schedule** nor any **Sub-Limit of Liability** detailed herein.

### The Indemnity

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The insurance in respect of:

#### Rent Receivable

**Rent Receivable** is limited to loss of **Rent Receivable** and additional expenditure and the amount payable as indemnity thereunder shall be:-

- a 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**
- b in respect of additional expenditure: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **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 such of the expenses and charges payable out of **Rent Receivable** as may cease or be reduced in consequence of the **Damage**

provided that the liability of the **Company** shall not exceed the **Limit of Liability** stated in the **Schedule**.

#### Increase in Cost of Working

**Increase in Cost of Working** is limited to, and the amount payable shall be, the additional expenditure necessarily and reasonably incurred by the **Insured** in consequence of the **Damage** for the purpose of resuming or maintaining business operations during the **Indemnity Period**.

#### Book Debts

**Book Debts** is limited to the loss sustained by the **Insured** in respect of **Outstanding Debit Balances** and additional expenditure directly due to loss, destruction or damage (not otherwise excluded) of or to the **Insured's** business records at the **Premises** and the amount payable as indemnity thereunder shall be:-

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

## Extensions

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Where shown in the **Schedule** as insured, the following **Extensions** of cover are provided under this **Section** of the **Policy**, subject to any applicable **Sub-Limits of Liability** shown in the **Schedule**.

### Anchor Tenant

If property in any part of the **Premises** is **Damaged** by any peril insured hereby such **Damage** directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of the letting of other parts of the **Premises** and solely in consequence thereof there is an identifiable reduction in the **Insured's Business** it will be deemed that such **Damage** has occurred.

For the purpose of this **Extension** the **Maximum Indemnity Period** means three (3) months.

### Business Rates

The **Company** will pay the costs for which the **Insured** become legally responsible in respect of business rates (National Non Domestic Rates) in consequence of **Damage** as insured hereby

provided that but for such **Damage** the business rates would not have been payable by the **Insured**.

For the purpose of this **Extension** the **Maximum Indemnity Period** means thirty six (6) months.

### Buildings Awaiting Sale

If at the time of **Damage** the **Insured** shall have contracted to sell their interest in the **Premises** or shall have accepted an offer in writing to purchase their interest in the **Premises** subject to contract and the sale is cancelled or delayed solely in consequence of the **Damage** then provided that the **Insured** shall make all reasonable efforts to complete the sale of such **Premises** as soon as practicable after the **Damage** the **Insured** may opt for the amount payable by the **Company** to be as follows:

- a during the period prior to the date upon which but for the **Damage** the **Premises** would have been sold:  
the loss of rent being the actual amount of the reduction in **Rent Receivable** by the **Insured** solely in consequence of the **Damage**
- b during the period commencing with the date upon which but for the **Damage** the **Premises** would have been sold and ending with the actual date of sale or with the expiry of the **Indemnity Period** if earlier:  
the loss of interest being
  - i. the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of sale proceeds) for the purpose of financing the **Business**
  - ii. the investment interest lost to the **Insured** on any balance of sale proceeds after the deduction of any capital borrowed as described in i. aboveprovided that the assessment of the loss in respect of interest shall be at a rate of not more than four percent (4%) above the London Interbank Offered Rate applying during the **Indemnity Period**  
less any amount receivable in respect of rent in relation to such **Premises** and period.
- c the additional expenditure being
  - i. the **Increase in Cost of Working**
  - ii. the additional legal fees and other expenditure reasonably and necessarily incurred solely as a result of the cancellation or delay in sale in consequence of the **Damage** but not exceeding such expenditure incurred immediately prior to the **Damage**

provided that:

- 1) the amount payable under this **Extension** shall be adjusted to provide for any benefit derived by the **Insured** from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by the **Insured**
- 2) in the event of underinsurance this **Extension** will be adjusted in accordance with **Special Condition 1** Average and Premium Adjustment of **Section 1** Property Damage.

### Capital Additions - Newly Acquired / Alterations to Existing Premises

The insurance in respect of **Rent Receivable** is extended to include loss as insured resulting solely from **Damage** by any peril insured hereby to:

- a any newly acquired or newly erected premises anywhere within the **Territorial Limits** from;
  - the date of exchange of contracts for newly acquired premises;
  - the date of practical completion for newly erected premises;



- b alterations, additions and improvements to the **Property Insured** (but excluding appreciation in value) of existing **Premises**,

provided that:

- a this loss is not otherwise insured by or on behalf of the **Insured**;
- b the **Insured** undertakes to advise the **Company** of such additional insurance as soon as practicable, but in no event later than three (3) months of any such
- i. newly acquired or newly erected premises;
  - ii. alterations, additions and improvements;

and to pay the additional premium required from the date of inception thereof;

- c this **Extension** shall not apply in any territory not previously declared to and agreed by the **Company**.

### **Cost of Reletting**

Costs and expenses necessarily and reasonably incurred with the consent of the **Company** during the **Indemnity Period** in reletting the **Premises** including legal fees in connection with the reletting solely in consequence of the **Damage**.

### **Denial of Access - Damage**

Loss as insured by this **Section** resulting from interruption of or interference with the **Business** in consequence of **Damage** (as within defined) to property in the vicinity of, but in no event more than one mile from, the **Premises** which shall prevent or hinder the use of the **Premises** or access thereto whether the **Premises** or property of the **Insured** therein shall be damaged or not, shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Premises**

provided that:

- a the **Company** shall not be liable under this **Extension** in respect of the first twenty four (24) hours of any interruption of or interference with the **Business**
- b in respect of **Damage** occurring outside the **United Kingdom**, **Damage** shall be deemed to mean destruction or damage caused by or in consequence of fire, lightning, explosion or aircraft or any aerial device dropped therefrom.

For the purpose of this **Extension** the **Maximum Indemnity Period** shall mean three (3) months.

### **Denial of Access - Non-Damage**

Loss as insured by this **Section** resulting from interruption of or interference with the **Business** in consequence of access to or use of the **Premises** being hindered or prevented due to the **Premises** or property in the vicinity of, but in no event more than one mile from the **Premises** or any rights of way being:

- a unlawfully occupied by third parties, except in the course of a dispute between any employer and employee or group of workers,
- b thought to contain or actually containing a harmful device (including suspected terrorist notwithstanding **General Exclusion 3. Terrorism**), provided that the police have been immediately informed,
- c closed down or sealed off by the police or other emergency service following danger or disturbance

shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Premises**,

provided that:

- i. the **Company** shall not be liable under this **Extension** in respect of:
  - a. loss resulting from physical loss or destruction of or damage to property
  - b. loss arising from any cause within the control of the **Insured**
  - c. loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear
  - d. loss resulting from any incident involving hindrance or prevention of access or use occurring during the first twenty four (24) hours of each and every occurrence
- ii. for the purpose of this **Extension**, the **Maximum Indemnity Period** shall be three (3) months and not as otherwise stated herein
- iii. after the application of all other terms, conditions and provisions of the **Policy**, the liability of the **Company** under this **Extension** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**.

### Failure of Third Party Insurance

The insurance by this **Section** is extended to protect the interest of the **Insured** in respect of loss, destruction or damage not otherwise excluded to the extent that the lessee or freeholder is unable to recover such an amount that would be payable under this **Policy** if the lessee or freeholder were the **Insured**, as a result of:

- a the failure of the lessee or freeholder to maintain insurance on the building or comply with the terms of the lease
- b the failure of lessee or freeholder to insure for an adequate amount.

But excluding:

- a loss, destruction or damage occasioned by or happening through **Terrorism** as defined in **Section 5** Terrorism in Great Britain that may be insured hereunder
- b failure of the lessee or freeholder policy due to breach of any condition or warranty as a result of action by the Insured
- c failure of the lessee or freeholder to make or pursue a valid claim.

Specific **Special Conditions** stated under combined **Sections 1** and **2** of this **Policy** apply to this **Extension**.

### Inadvertent Errors and Omissions

The **Insured** having notified the **Company** of their intention to insure all property as insured by this **Section** in which they are interested and it being their belief that all such property is insured, if thereafter any such property shall be found to have been inadvertently omitted or there has been an inadvertent error in the values declared by the **Insured**, the **Company** will deem it to be insured within the terms of this **Policy** subject to payment of the premium on all such property as from the inception of this **Policy** or from the date the **Insured's** interest in such property commences if it is erected or purchased after the inception of this **Policy**

provided that:

- a amounts held covered under this **Extension** are deemed to be **Declared Values** as defined in **Special Condition 1** Average and Premium Adjustment of **Section 1** Property Damage;
- b cover under this **Extension** shall not apply in respect of companies:-
  - i. not previously notified to and accepted by the **Company**
  - ii. operating in countries not previously notified to and accepted by the **Company**.

### Insurance Premiums

**Rent Receivable** is deemed to include insurance premiums only where there is a cessor clause in the lease that enables the lessee to cease paying such premiums or part thereof in the event of **Damage**.

### Loss of Advanced Rent

The insurance provided by this **Section** is extended to include loss as insured by Item 1 stated in the **Schedule** resulting from interruption of or interference with the **Business** in consequence of **Damage** (as within defined) to **Buildings** in the course of erection, construction, refurbishment, alteration or fitting out or whilst unoccupied awaiting tenants, at the described **Premises**, shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Premises** in respect of loss of advanced **Rent Receivable**.

For the purpose of this **Extension**, the **Indemnity Period** shall begin with the date upon which but for the **Damage** the **Business** would have commenced and ending not later than the expiry of the **Indemnity Period** during which period of time the **Business** shall be affected in consequence of the **Damage**

provided that:

- a the **Company** will have regard:
  - i. to actual negotiations with prospective tenants both before and after the incident, and
  - ii. the demand for similar accommodation in the locality to represent the general level of rents applied
- b if required the advice of a professional valuer acceptable to both the **Insured** and the **Company** will be sought and such fees will be included in the indemnity provided.

### Loss of Attraction - Leased Premises

The insurance in respect of **Rent Receivable** is extended to include loss as insured resulting solely from **Damage** by any cause or cover insured hereby to buildings or other property at any location in the immediate vicinity but in no event further than one mile of the **Premises**, in consequence of which the turnover of the lessee's business is affected and the **Rent Receivable** by the **Insured** is reduced

provided that:

- a the **Company** shall not be liable for any loss or obstruction of roads and the like by **Storm, Flood** or snow;
- b the **Company** shall not be liable under this **Extension** in respect of the first seven (7) days of any interference with the **Business**;
- c after the application of all other terms, and provisions, the liability of the **Company** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**.

For the purpose of this **Extension** the **Maximum Indemnity Period** means three (3) months.

#### **Loss of Attraction - Unleased Premises**

The insurance in respect of **Rent Receivable** is extended to include loss as insured resulting solely from **Damage** by any cause or cover insured hereby to buildings or other property at any location in the immediate vicinity but in no event further than one mile of the **Premises** in consequence of which an agreement to lease the **Premises** in the course of negotiation is avoided or delayed and the **Rent Receivable** by the **Insured** is reduced

provided that:

- a the **Company** shall not be liable for any loss or obstruction of roads and the like by **Storm, Flood** or snow;
- b the **Company** shall not be liable under this **Extension** in respect of the first seven (7) days of any interference with the **Business**;
- c after the application of all other terms, and provisions, the liability of the **Company** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**.

For the purpose of this **Extension** the **Maximum Indemnity Period** means three (3) months.

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

If as a result of **Damage** the **Company** is providing indemnity in respect of loss of rent and the payment by the **Company** to the **Insured** is made later than the date upon which the **Insured** would normally have expected to receive the rent from a lessee the **Company** shall pay a further sum representing the investment income lost to the **Insured** during the delay period.

#### **Loss of Projected Increase in Rent**

The cover provided by this **Section** on **Rent Receivable** includes the loss of projected increase in rent being the amount of the reduction in the **Rent Receivable** by the **Insured** during the **Indemnity Period** solely in consequence of the **Insured** being precluded from exercising their right to implement a rent review to the subject of the **Damage** under the terms of the lease on its anticipated due date.

Provided that the liability of the **Company** under this **Extension** shall not exceed twenty percent (20%) of the **Sum Insured** for **Rent Receivable** in relation to the **Premises** which has suffered the **Damage**.

For the purposes of this **Extension** **Indemnity Period** means the period from the expiry of the **Indemnity Period** applicable to the item on **Rent Receivable** to the date of the next rent review as provided for under the terms of the lease but in no case exceeding the **Maximum Indemnity Period** shown in the **Schedule** during which the results of the **Business** shall be affected in consequence of the **Damage**.

#### **Managing Agents**

The cover provided by this **Section** in respect of **Rent Receivable** is extended to include loss of **Rent Receivable** resulting solely from **Damage** as insured by this **Policy** to **Buildings** or other property at any location within the **Territorial Limits** owned or occupied by the **Insured's** managing agents for the purposes of their business, in consequence of which the **Rent Receivable** by the **Insured** is reduced.

Provided that the liability of the **Company** does not exceed ten percent (10%) of the **Declared Value** of the relevant item or the amount stated in the **Schedule**, whichever is the lesser.

Such **Damage** shall be deemed to be **Damage** at the **Premises** for the purposes of this **Extension**.

#### **Munitions of War**

Notwithstanding **General Exclusion 2**. War, the insurance by this **Section** is extended to include loss resulting from interruption of or interference with the **Business** in consequence of **Damage** (as within defined) to the **Property Insured** at the **Premises** from or occasioned by the detonation of munitions of war or parts thereof in or about the vicinity of the **Premises** provided that the presence of such munitions does not result from a state of war current at the time of **Damage**.

## Public Relations Expenses

In the event of loss resulting from interruption of or interference with the **Business** as insured by this **Section**, the **Company** will also indemnify the **Insured** against the reasonable costs incurred by the **Insured** with the consent of the **Company** in employing suitable public relations personnel to handle the press, public announcements and the like deemed necessary in consequence of the **Damage**.

## Public Utilities - Damage

Loss as insured by this **Section** resulting from interruption of or interference with the **Business** in consequence of **Damage** (as within defined) to property at any

- a generating station or sub-station of the public electricity supply undertaking from which the **Insured** obtains electricity
  - b land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the **Insured** obtains gas
  - c water works or pumping stations of the public water supply undertaking from which the **Insured** obtains water
  - d premises of any telecommunications undertaking from which the **Insured** obtains telecommunications services
- shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Premises**

provided that:

- a the **Company** shall not be liable under this **Extension** in respect of loss resulting from any **Damage** occurring during the first twenty four (24) hours of any one **Occurrence**
- b in respect of **Damage** occurring outside the **United Kingdom**, **Damage** shall be deemed to mean destruction or damage caused by or in consequence of fire, lightning, explosion or aircraft or any aerial device dropped therefrom.

For the purpose of this **Extension** the **Maximum Indemnity Period** means three (3) months.

## Renewable Energy Income

The cover provided by this **Section** is extended to include the **Insured's** loss of income from the sale of renewable energy to the national grid following **Damage** caused by any peril insured hereby.

## Rent Free Period

If at the date of **Damage** any **Building** insured by this **Policy** is subject to a rent free period concession under the terms of the lease then the **Maximum Indemnity Period** under this **Section** shall be deemed to be extended to include the remaining balance of the rent free period at the date of the **Damage**.

Provided such additional period shall not exceed six (6) months in duration.

## Restrictions on the Use of the Premises

Loss as insured by this **Section** resulting from interruption of or interference with the **Business** carried on by the **Insured** at the **Premises** in consequence of:

- a the discovery of vermin or pests at the **Premises**; or
  - b any accident causing defects in the drains or other sanitary arrangements at the **Premises**;
- which causes restrictions on the use of the **Premises** on the order or advice of the competent local authority; or
- c any occurrence of murder or suicide at the **Premises**;

shall be deemed to be loss resulting from **Damage** (as defined in this **Section**) to property used by the **Insured** at the **Premises**;

provided that:-

- i. the **Company** shall not be liable for the first seven (7) days of any interruption of or interference with the **Business**;
- ii. the **Company** shall only be liable for the loss arising at those **Premises** which are directly affected by the occurrence, discovery or accident;
- iii. the **Company** shall not be liable under this **Extension** for any costs incurred in the cleaning, repair, replacement, recall or checking of property;
- iv. the liability of the **Company** under this **Extension** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum stated in the **Schedule**.

For the purposes of this **Extension**:-

- a) **Indemnity Period** means the period during which the results of the **Business** shall be affected in consequence of the **Damage**, beginning with the date from which the restrictions on the **Premises** are applied (or in the case of c above, with the date of the occurrence) and ending not later than the **Maximum Indemnity Period** thereafter.

- b) **Maximum Indemnity Period** means three (3) months.
- c) **Premises** means only those locations stated in the **Premises Definition** in **Sections 1** and **2**; in the event that the **Policy** includes an extension which deems **Damage** at other locations to be **Damage** at the **Premises** such extension shall not apply to this **Extension**.

## **Steam Explosion and Engineering Breakdown**

### **A. Steam Explosion**

Notwithstanding anything contained in **Exclusion 2**, or **Exclusion 3**, of combined **Sections 1** and **2** of this **Policy** to the contrary, the insurance by this **Section** is extended to apply in respect of destruction of or damage to the **Property Insured** caused by the **Explosion** or **Collapse** of steam pipes or explosion of any vessel machine or apparatus in which internal pressure is due to steam only (other than boilers or economisers) belonging to or under the control of the Insured at the described **Premises**.

### **B. Engineering Breakdown**

Notwithstanding anything contained in **Exclusion 1.c.**, **Exclusion 1.d.** or **Exclusion 6.c.** of combined **Sections 1** and **2** of this **Policy** to the contrary, the insurance by this **Section** is extended to apply in respect of loss of or damage to the machinery caused by the **Breakdown** thereof

Specific **Definitions** and **Exclusions** stated under combined **Sections 1** and **2** of this **Policy** apply to this **Extension**.

## **Turnover Rent**

It is agreed in respect of **Rent Receivable** which includes rent calculated on tenants' sales or turnover as provided for in the lease the **Maximum Indemnity Period** shall be as follows:

The period beginning with the expiry of the **Maximum Indemnity Period** as allocated by the **Insured** in respect of each development and subsequently advised to the **Company** and not ending later than twenty four (24) months thereafter during which the results of the **Insured's** business shall be effected in consequence of the Business Interruption.

## **Water Table**

Notwithstanding **Exclusion 5**, applicable to **Section 1** and **Section 2**, this **Policy** extends to indemnify the **Insured** in respect of loss, destruction or damage attributable solely to changes in the water table level provided that the liability of the **Company** shall not exceed, in respect of any one **Occurrence** and in the annual aggregate the sum stated in the **Schedule**.

## Special Conditions

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The following **Special Conditions** apply to this **Section**.

1. **Alternative Trading**

If during the **Indemnity Period** the **Business** shall be conducted elsewhere than at the **Premises** the money paid or payable to the **Insured** in respect of such other premises will be brought into account in arriving at the **Rent Receivable** during the **Indemnity Period**.

2. **Break Clause**

The **Policy** shall not be prejudiced by any insurance or casualty break clause in a lease that enables a lessee to determine the lease in the event of **Damage**.

3. **Current Cost Accounting**

For the purposes of this insurance any adjustment implemented in current cost accounting shall be disregarded.

4. **New Business**

For the purpose of any claim arising from an incident occurring before the completion of the first year's trading of the **Business** at the **Premises** the term '**Standard Rent Receivable**' will bear the following meaning and not as within stated:

**Standard Rent Receivable** – The proportional equivalent for a period equal to the **Indemnity Period** of the **Rent Receivable** realised during the period between the commencement of the **Business** and the date of the **Damage** to which such adjustments will be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** whether before or after the incident or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted will 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**.

5. **Payments on Account**

At the request of the **Insured** payments on account may be made to the **Insured** monthly during the **Indemnity Period**.

6. **Professional Accountants**

Any particulars or details contained in the **Insured's** books of account or other business books or documents which may be required by the **Company** under **General Condition 11** Claims Procedure of this **Policy** for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the **Insured** and their report shall be prima facie evidence of the particulars and details to which such report relates.

The **Company** will pay to the **Insured** the reasonable charges payable by the **Insured** to their:

- a professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the **Company** under **General Condition 11** Claims Procedure of this **Policy** and reporting that such particulars or details are in accordance with the **Insured's** books of account or other business books or documents;
- b lawyers for determining their contractual rights under any rent cesser clause or insurance break clause contained in the lease;

provided that the sum of the amount payable under this **Special Condition** and the amount otherwise payable under the **Policy** in respect of all claims under this **Policy** arising out of any one **Occurrence** shall not exceed the **Limit of Liability** stated in the **Schedule**.

7. **Renewal**

The **Insured** will prior to each renewal provide the **Company** with the estimated **Rent Receivable** for the financial year most nearly concurrent with the ensuing year of insurance.

8. **Value Added Tax**

To the extent that the **Insured** is accountable to the Tax Authorities for Value Added Tax all terms under the provisions of this **Section** shall be exclusive of such tax.

# Section 1 Property Damage and Section 2 Business Interruption (Combined)

Applicable to Sections 1 and 2, unless otherwise stated

## Special Conditions

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### 1. Non Vitiating

The **Company** agrees that any act, neglect, omission, breach of warranty, declaration or condition, misrepresentation, non-disclosure, want of due diligence, fraud or failure to comply with the conditions of this **Policy** on their part or on the part of the **Insured** first named in the **Schedule** shall not prejudice the rights of any other **Insured** party provided that such other **Insured** party shall immediately on becoming aware of such act, neglect, omission, breach of warranty, declaration or condition, misrepresentation, non-disclosure, want of due diligence, fraud or failure to comply with the conditions of this **Policy** immediately give notice in writing to the **Company**.

### 2. Reinstatement of Sums Insured/Limit of Liability

In the absence of written notice by the **Insured** or the **Company** to the contrary the **Sums Insured/Limits of Liability** (other than that described as applying in the aggregate) stated in the **Schedule** shall not stand reduced by the amount of any loss, the **Insured** undertaking to pay the appropriate additional premium for such automatic reinstatement of cover.

### 3. Special Conditions applicable to Failure of Third Party Insurances Extensions of Section 1 Property Damage and Section 2 Business Interruption

- a The **Company** will not be liable in respect of rent unless the **Building** to which the rent relates be so damaged as to be rendered unfit for occupation and then only for such proportion of the rent payable as may be equivalent to the period necessary for reinstating the destruction or damage sustained but not exceeding thirty six (36) months.
- b This **Extension** will only take effect if the **Company** are the sole provider of **Buildings** insurance in respect of the **Insured's** properties owned in connection with the **Business** as defined in the **Schedule** and where the **Insured** have an obligation to arrange such insurance.

## Special Provisions

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The following **Special Provisions** apply to **Sections** 1 and 2.

### 1. Payment of Claims

Any claim payable under this **Policy** will be paid in the currency of the claim or in such other currency as the **Company** and the **Insured** agree at the prevailing free exchange rate on the day that the **Company** and the **Insured** agree to settle the claim.

### 2. Reinstatement

If the **Company** elects or becomes bound to reinstate, replace or repair any **Property Insured** the **Insured** shall at their own expense produce and give to the **Company** all such plans, documents, books and information as the **Company** may reasonably require. The **Company** shall not be bound to reinstate or replace exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the sum insured thereon.

### 3. Company's Rights

On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this **Policy** the **Company** and any person authorised by the **Company** may, without thereby incurring any liability, and without diminishing the right of the **Company** to rely upon any conditions of this **Policy**, enter, take or keep possession of the **Building or Premises** where the loss, destruction or damage has happened and may take possession of or require to be delivered to it any of the property hereby insured and may keep possession of and deal with such **Property Insured** for all reasonable purposes and in any reasonable manner. This **Special Provision** shall be evidence of the leave and licence of the **Insured** to the **Company** to do so. If the **Insured** or anyone acting on their behalf shall not comply with the requirements of the **Company** or shall hinder or obstruct the **Company** in doing any of the above mentioned acts, then all

benefit under this insurance shall be forfeited. The **Insured** shall not in any case be entitled to abandon any property to the **Company** whether taken possession of by the **Company** or not.

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

#### 4. Deductible Application

Unless otherwise stated:-

- a if two or more **Deductibles** apply to a single **Occurrence**, the total to be deducted will not exceed the largest deductible applicable, unless otherwise provided;
- b **Property Damage Value** shall mean the value of **Property Insured** at the location of a loss, calculated in accordance with the **Basis of Valuation**;
- c **Business Interruption Value** shall mean:-
  - i. the **Rent Receivable** that would have been earned at the premises but for the **Occurrence** if such **Premises** are insured for **Rent Receivable**;
  - ii. the applicable **Increase in Cost of Working** limit if such **Premises** are insured only for **Increase in Cost of Working** or are not claiming for loss of **Rent Receivable** if included as part of a claim;
- d where a **Deductible** is expressed as a percentage, if no claim is made under **Section 2 Business Interruption** of this **Policy** in respect of an **Occurrence**, **Business Interruption** values will not be included in the calculation of the **Deductible** for that **Occurrence**.

## Definitions

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Words and phrases used in **Sections 1 and 2** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

### 1. Buildings

means the buildings at the described **Premises** including:-

- a landlords' fixtures and fittings (including fixed glass, fixed sanitary ware and fitted carpets) including those formerly the property of tenants and which have been relinquished to the **Insured**;
- b foundations, footings, outbuildings, extensions, annexes, gangways, swimming pools, pedestrian bridges, canopies, fixed signs, flag poles, temporary buildings, conveniences, lamp posts, street furniture, walls, gates and fences;
- c telephone, gas, water and electricity meters, water mains, drains, sewers, pipes, cables and the like, including such property for which the **Insured** are responsible but which is underground and/or in adjoining yards or roadways and which partly or wholly serves to supply at the described **Premises**, and extending to the public mains but only to the extent of the **Insured's** responsibility;
- d yards, car parks, roads, pavements, and similar hard surfaced areas at the described **Premises**;
- e tenants' improvements if the **Insured** are responsible and property comprising fixtures and fittings (but excluding moveable contents);
- f **Landlords' Contents** as defined herein, if they are not otherwise insured as stated in Item 2 of the **Schedule**, for an amount not exceeding GBP 50,000;
- g fuel tanks and their ancillary equipment and pipe work, for an amount not exceeding GBP 500,000;

all the property of the **Insured** or for which they are responsible or leased by the **Insured** either as lessor or lessee and where the **Insured** are responsible for arranging insurance.

### 2. Computer Equipment

means:

- a the computer equipment (including fixed discs, interconnecting wiring and telecommunications equipment) used for the electronic processing communication and storage of data, but excluding any such equipment controlling any manufacturing process; and/or



- b ancillary equipment solely for the use with computer equipment comprising air conditioning equipment, generating equipment, uninterruptable power supply and voltage regulation equipment, temperature and humidity recording equipment, electronic access equipment, heat, smoke and water detection equipment, lightning and transient overvoltage protection devices;

owned by or for which the **Insured** is legally liable.

### 3. **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'.

### 4. **Defined Perils**

means fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft, **Earthquake, Storm, Flood**, escape of water from any tank, apparatus or pipe or impact by any road vehicle or animal.

#### 5. a **Electronic Data**

means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System** (as defined in **Exclusion 8** of combined **Sections 1** and **2** of this **Policy**).

#### b **Electronic Data Processing Media**

means any property insured by **Sections 1** and **2** of this **Policy** on which **Electronic Data** can be stored but not the **Electronic Data** itself.

### 6. **Indemnity Period**

means the period beginning with the occurrence of the **Damage** and ending not later than the **Maximum Indemnity Period** (as detailed in the **Schedule**) thereafter during which the results of the **Business** shall be affected in consequence of the **Damage**.

### 7. **Landlords' Contents**

means the machinery, plant and all other contents, including:-

- a furniture, furnishings, fixtures and fittings;
- b video, audio and building management and security systems;
- c documents, manuscripts and business books but only for the cost of the materials and clerical labour expended in reproducing such records, for an amount not exceeding GBP 20,000;
- d trees, shrubs and plants used in landscaping provided there is loss, destruction or damage to structural parts of the **Buildings** at the same time;
- e garden furniture and ornaments for an amount not exceeding GBP 20,000;

at the described **Premises**, all belonging to the **Insured** or held by the **Insured** in trust or for which they are responsible but excluding property more specifically insured.

### 8. **Occurrence**

means any one occurrence or any series of occurrences consequent upon or attributable to one source or original cause.

However, in respect of the following perils **Occurrence** means all loss, destruction or damage in any one territory caused by:-

- a all **Earthquakes** or **Earthquake Shocks** arising out of a single seismic disturbance or **Storm** arising out of a single atmospheric disturbance or bush fire or ice storm occurring within a period of seventy two (72) consecutive hours shall be deemed to have been caused by a single **Occurrence**
- b all loss, destruction or damage in any one territory during the period of this **Policy** caused by any **Flood** within a period of the continued rising or overflow and subsidence of any river or stream within the banks of such river or

stream occurring within a period of seventy two (72) consecutive hours shall be deemed to have been caused by a single **Occurrence**.

Each **Occurrence** shall be deemed to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous **Occurrence**.

Should any such **Occurrence** extend beyond the expiry or cancellation date of this **Policy**, the **Company** shall be liable as if such **Occurrence** had fallen entirely within the **Period of Insurance** of this **Policy**.

#### 9. **Outstanding Debit Balances**

means the total amount outstanding in customers' accounts as set out in the **Insured's** accounts as at the end of the financial period immediately preceding the **Damage**, adjusted for:-

- a bad debts,
- b amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the loss, destruction or damage) to customers' accounts in the period between the end of such financial period and the date of the loss, destruction or damage, and
- c any abnormal condition of trade which had or could have had a material effect on the **Business**

so that the figures thus adjusted shall represent as nearly as may be reasonably practicable those which would have been obtained at the date of the loss, destruction or damage had such loss, destruction or damage not occurred.

#### 10. **Premises**

means premises (as per details lodged with the **Company**), anywhere within the **Territorial Limits**, owned, leased or occupied by the **Insured** for the purpose of the **Business**.

#### 11. **Rent Receivable**

means the amount of the rent received or receivable including **Service Charges** and other income from the letting of the properties within the **Territorial Limits** in the course of the **Business**.

#### 12. **Service Charges**

means the services charges and other income paid or payable to the **Insured** for use of the **Premises** and services provided in connection therewith and for car parking facilities, vending machines and the like.

#### 13. **Standard Rent Receivable**

means the **Rent Receivable** during the period corresponding with the **Indemnity Period** in the twelve (12) months immediately before the date of the **Damage** appropriately adjusted where the **Indemnity Period** exceeds twelve (12) 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**.

#### 14. **Territorial Limits**

means those countries stated in the **Schedule**.

#### 15. **Turnover**

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

16. **Definitions applicable to Steam Explosion and Engineering Breakdown Extensions of Section 1 Property Damage and Section 2 Business Interruption**

**A. Steam Explosion**

**Explosion**

means the sudden and violent rending of the plant by force of internal steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or pressure or ignition of flue gases) causing bodily displacement of any part of the plant together with forcible ejection of the contents.

**Collapse**

means the sudden and dangerous distortion (whether or not attended by rupture) of any part of the plant caused by crushing stress by force of steam or other fluid pressure (other than pressure or ignition of flue gases).

**B. Engineering Breakdown**

**Breakdown**

means damage to an item of property resulting from the actual breaking, distortion or electrical burn out of any part of it whilst in use, arising from the defects in the item of property causing sudden stoppage of its function and requiring its repair or replacement, but excluding damage caused by any cause external to the property.

## Exclusions

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The **Company** shall not be liable under **Sections 1 and 2** for:

1. loss, destruction or damage, nor any consequential loss resulting or arising therefrom, caused by or occasioned through:
  - a
    - i. wear, tear, gradual deterioration, inherent vice, seepage below ground level or frost;
    - ii. corrosion or rust, damp or mildew, wet or dry rot, vermin or insects (unless such loss, destruction or damage is directly caused by any peril not otherwise excluded by this **Policy**);
  - b shrinkage, evaporation, loss of weight, marring, scratching, change of flavour, colour, texture or finish, change in temperature or humidity (unless such loss, destruction or damage is directly caused by any peril not otherwise excluded by this **Policy**);
  - c operational, clerical or accounting error or omission on the part of the **Insured** or any of the **Insured's** employees;
  - d
    - i. mechanical or electrical breakdown, failure, derangement or disturbance in respect of the particular machine, apparatus or equipment in which such breakdown, failure or derangement originates;
    - ii. latent defects or its own faulty materials, design or workmanship;

but this shall not exclude ensuing loss, destruction or damage or any subsequent consequential loss not otherwise excluded by this **Policy**;

- e theft or any attempt thereat:
  - i. of movable property in any garden, yard or open space, verandah, outside showcase, other appurtenance or open-sided building;
  - ii. of property contained in any building unless involving violent and forcible entry into or exit from the building or unless following violence or threat of violence against the **Insured** or any director, partner or employee of the **Insured**;
  - iii. of property contained in any vehicle while such vehicle is left unattended unless:-
    - a) such vehicle be securely locked with all windows and doors closed and fastened and with the ignition key removed, and
    - b) overnight such vehicle be housed in a securely locked building or compound;
- f infidelity or dishonesty of the **Insured** or any of their employees or other persons to whom property insured hereunder may be entrusted;
- g the **Insured** voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence;

- h disappearance, unexplained shortage disclosed at normal stock-taking, delay, loss of market or loss of use;
  - i subsidence, ground heave or landslide:
    - i. to any **Building** (or **Landlords' Contents** therein) arising from the settlement or movement of made-up ground or of ground over mine workings or on any site where there has been a previous occurrence of subsidence, ground heave or landslide;
    - ii. to land, yards, car-parks, roads, pavements, walls, gates or fences unless a **Building** insured hereby is also affected;
    - iii. resulting from coastal or river erosion or from any building, demolition or excavation works at the **Premises** unless resulting from fire, explosion, **Earthquake** or the escape of water from any tank, apparatus or pipe, or
    - iv. commencing prior to the granting of this insurance;
  - j its own collapse or the normal settling, cracking, shrinkage or expansion of the building or the site or any parts thereof on which the property described within stands;
  - k solidification of the contents of molten material holding units, molten material transmission lines and/or appurtenances (unless such loss, destruction or damage is directly caused by any peril not otherwise excluded by this **Policy**);
  - l the escape of molten material from any furnace, mould, ladle, holding unit, transmission line or appurtenance (but excepting that ensuing from destruction or damage caused by fire or explosion to the extent not otherwise excluded by this **Policy**);
  - m **Storm** or **Flood** loss, destruction or damage to fences, gates, drains, sewers or water courses, nor the cost of cleaning them or making them good;
  - n asbestos material removal unless the asbestos is itself damaged by fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, **Earthquake**, impact by any road vehicle or animal, **Storm**, **Flood** or escape of water from any tank or apparatus; or demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material; or  
 any governmental direction or request declaring that asbestos material present in or part of or utilised on any undamaged portion of the **Property Insured** can no longer be used for the purpose for which it was intended or installed and must be removed or modified;
2. the bursting by steam pressure of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **Insured** other than in respect of:-
    - a **Section 1** - a boiler used for domestic purposes only;
    - b **Section 2** - any boiler or economiser on the **Premises** or a boiler used for domestic purposes only;
    - c **Sections 1 and 2** - resulting damage to surrounding **Property Insured** by this **Policy**;
  3. loss, destruction or damage caused by or occasioned through the cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes or pipes, nipple leakage and/or the failure of welds of boilers nor any consequential loss of whatsoever nature resulting or arising therefrom;
  4. loss, destruction or damage, nor any consequential loss, directly or indirectly caused by or occasioned through or arising from:
    - the deliberate act of any supply authority in withholding the supply of water, gas, electricity or fuel or telecommunications services;
 but this shall not exclude subsequent loss, destruction or damage or any subsequent consequential loss not otherwise excluded by these **Sections**;
  5. loss, destruction or damage attributable solely to change in the water table level;

6. loss or destruction of or damage to:-

- a aircraft or aerospace devices, watercraft, motor vehicles licensed for road use, railway locomotives or rolling stock or their accessories;
- b property in transit whether by air, sea, road, rail or inland waterway;
- c that portion of any electrical apparatus, appliance or device of any kind (including wiring) caused by its own over-running, excessive pressure, short-circuiting, self-heating or leakage of electricity;
- d livestock, growing crops or standing timber;
- e explosives;
- f piers, jetties, bridges, culverts or excavations;
- g antiques, works of art, rare books, jewellery, precious stones, articles of gold, silver or other precious metals or furs;
- h property covered by any marine policy of insurance;
- i securities and other negotiable instruments (including any electronic cryptographic or virtual currency such as Bitcoin or anything similar), coin, bank and currency notes, cheques, National Giro payment orders, money and postal orders, postage and revenue stamps, National Savings stamps and certificates, holiday pay stamps, trading stamps, luncheon vouchers, credit cards and credit card vouchers;
- j that part of the **Property Insured** which is actually being worked upon or undergoing any process, directly resulting therefrom or caused by any testing, repairing, adjusting, servicing or maintenance operation;
- k movable property in the open by the action of wind, rain, hail, snow, sleet, frost, **Flood** or dust;
- l property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection;
- m water other than water which is normally contained within any tank, piping system or other process equipment;
- n overhead electrical and telecommunication transmission and distribution lines, overhead transformers or other similar overhead communication, transmission or distribution equipment and their supporting structures;

nor any consequential loss resulting or arising therefrom;

7. any loss or destruction or damage, nor any consequential loss of whatsoever nature resulting or arising therefrom, caused by pollution or contamination except (unless otherwise excluded):-

- a destruction of or damage to the **Property Insured** caused by:
  - i. pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, **Earthquake, Storm, Flood**, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal,
  - ii. any of the perils listed in a i. above which itself results from pollution or contamination;
- b loss resulting from destruction of or damage to any building or other property or any part thereof used by the **Insured** at the **Premises** for the purpose of the **Business** caused by:-
  - i. pollution or contamination at the **Premises** which itself results from any of the perils listed in a i. above,
  - ii. any of the perils listed in a i. above which itself results from pollution or contamination;

8. a notwithstanding any provision to the contrary within this **Policy** or any **Endorsement** thereto, **Sections 1 and 2** of this **Policy** exclude any:
- i. **Cyber Loss**, unless subject to the provisions of paragraph b i. (below); or
  - ii. loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Electronic Data**, including any amount pertaining to the value of such **Electronic Data**, unless subject to the provisions of paragraph b ii. (below);

regardless of any other cause or event contributing concurrently or in any other sequence thereto;

- b subject to all the terms, **Conditions**, limitations and **Exclusions** of this **Policy** or any **Endorsement** thereto,
  - i. **Sections** 1 and 2 of this **Policy** cover physical loss or physical damage to property insured under such **Sections** caused by any ensuing fire or explosion which directly results from a **Cyber Incident**, unless that **Cyber Incident** is caused by, contributed to by, resulting from, arising out of or in connection with a **Cyber Act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act**;
  - ii. should **Electronic Data Processing Media** owned or operated by the **Insured** suffer physical loss or physical damage insured by **Sections** 1 and 2 of this **Policy**, then such **Sections** will cover the cost to repair or replace the **Electronic Data Processing Media** itself, subject to the provisions of paragraph c below;
- c the following **Clause** is added to **Section 1** Property Damage of this **Policy**:

**Electronic Data Processing Media**

In the event of loss, destruction or damage to **Electronic Data Processing Media**, the basis of valuation shall be as stated below, subject to any **Limit(s) of Liability** or any applicable **Sub-Limit of Liability** as shown in the **Schedule**:

the cost to repair or replace the **Electronic Data Processing Media** itself 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 the **Electronic Data**. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank **Electronic Data Processing Media**. However, this **Section** excludes 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;

- d in the event any portion of this entry is found to be invalid or unenforceable, the remainder shall remain in full force and effect;
- e this **Exclusion** supersedes and, if in conflict with any other wording of **Sections** 1 and 2 of this **Policy** or any **Endorsement** thereto, having a bearing on **Cyber Loss**, **Electronic Data** or **Electronic Data Processing Media**, replaces that wording;

For the purposes of this **Exclusion** the following **Definitions** apply:

- i. **Cyber Loss** means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**.
- ii. **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.
- iii. **Cyber Incident** means:
  - a. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
  - b. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.
- iv. **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the **Insured** or any other party.

Furthermore

9. **Exclusions applicable to Steam Explosion and Engineering Breakdown Extensions of Section 1 Property Damage and Section 2 Business Interruption**

**A. Steam Explosion**

The **Company** shall not be liable under this **Extension** in respect of destruction or damage:

- i. arising during and caused by hydraulic test of the said plant
- ii. caused by fire or by the chemical action or ignition of the contents of any of the plant

The following defects shall not themselves constitute **Explosion** or **Collapse** even though repair or replacement may be necessary

- a wearing away or wasting of the material of the plant by leakage, corrosion, action of fuel or otherwise
- b slowly developing deformation or distortion of any part of the plant
- c cracks, fractures, blisters, laminations, flaws or grooving even when accompanied by leakage
- d failure of joints

but **Explosion** or **Collapse** arising from any such defect is not excluded.

**B. Engineering Breakdown**

The **Company** shall not be liable under this **Extension** in respect of loss or damage resulting from **Breakdown** of equipment:

- a in respect of which there is no guarantee, maintenance, rental, hire or lease agreement in force, other than loss or damage following breakdown occasioned by or happening through the negligence of the Insured.
- b caused by or occasioned through:
  - i. the intentional act or wilful neglect of the Insured;
  - ii. wear and tear, gradual deterioration, gradually developing defects, corrosion, rust, or scratching or chipping of painted or polished surfaces;
  - iii. any testing, repairing, adjusting, servicing or maintenance operation.

## Section 3 Employers' Liability

### Cover

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The **Company** will indemnify the **Insured**, subject to the **Limit of Liability**, against all sums which the **Insured** shall become legally liable to pay as damages in respect of **Bodily Injury** sustained by any **Employee** caused during the **Period of Insurance** within the **Territorial Limits** and arising out of and in the course of employment by the **Insured** in the **Business**.

The **Company** will pay **Costs and Expenses** in respect of any occurrence to which this **Section** applies, which are included within the **Limit of Liability**.

The indemnity granted by this **Section** is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in the **United Kingdom** but the **Insured** shall repay to the **Company** all sums paid by the **Company** which the **Company** would not have been liable to pay but for the provisions of such law.

### Extensions

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

#### 1. Indemnity to Principals and Others

The **Company** will also indemnify in the terms of this **Section**:

- a in the event of the death of the **Insured** their legal personal representative in respect of liability incurred by the **Insured**; or
- b any principal with whom the **Insured** has entered into an agreement to the extent required by such agreement but only in respect of liability for which the **Insured** would have been entitled to indemnity under this **Policy** if the claim had been made against the **Insured**;

and at the request of the **Insured**:

- c any officer or member of the **Insured's** catering, sports, social and welfare organisations and fire, first-aid or ambulance services;
- d any director, partner or **Employee** of the **Insured** in respect of liability for which the **Insured** would have been entitled to indemnity under this **Section** if the claim had been made against the **Insured**; or
- e any director, partner or **Employee** of the **Insured** in respect of liability for private work undertaken by **Employees** with the consent of the **Insured**.

Provided that:

- a such person(s) shall not be entitled to indemnity under any other policy;
- b such principal/person(s) shall as though they were the **Insured** be subject to the terms of this **Policy** in so far as they can apply; and
- c the **Limit of Liability** shall not be increased hereby.

#### 2. Legal Defence Costs

The **Company** will indemnify the **Insured** or, at the request of the **Insured**, any **Employee**, director or partner of the **Insured**, against legal costs and expenses incurred with the prior approval of the **Company** in the defence of any criminal proceedings brought for a breach of the Health and Safety at Work etc. Act 1974 (Great Britain) or the Health and Safety at Work (Northern Ireland) Order 1978, committed during the **Period of Insurance** in the course of the **Business**, including legal costs and expenses incurred with the prior approval of the **Company** in an appeal against conviction arising from such proceedings.

Provided that this **Extension** shall not apply to:

- a fines or penalties imposed by any court;
- b proceedings consequent upon any deliberate act or omission; or
- c proceedings relating to matters which do not affect the safety, health and welfare of **Employees**.



### 3. Motor Contingent Liability

**Exclusion 2.** Employee Passengers of this **Section** shall not apply in respect of legal liability of the **Insured** described in the **Schedule** arising from the use in connection with the **Business** of any motor vehicle not the property of nor provided by the **Insured**.

Provided that this **Extension** shall not apply in respect of liability arising while such vehicle is being:

- a driven by the **Insured**;
- b driven with the general consent of the **Insured** or the representative of the **Insured** by any person who to the knowledge of the **Insured** or such representative does not hold a valid licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence; or
- c used elsewhere than within the member countries of the European Union and the **United Kingdom**.

Part d of **Extension 1**. Indemnity to Principals and Others of this **Section** does not apply to this **Extension**.

### 4. Unsatisfied Court Judgments

In the event of a judgment for damages being obtained:

- a by any **Employee** or the personal representatives of any **Employee** in respect of **Bodily Injury** to the **Employee** caused during the **Period of Insurance** and arising out of and in the course of employment by the **Insured** in the **Business** against any company or individual other than the **Insured** operating from premises within the **United Kingdom** in any court situate in the aforesaid territories; and
- b remaining unsatisfied in whole or in part six months after the date of such judgment;

then subject otherwise to the terms, **Exclusions**, limitations and **Conditions** of this **Section** the **Company** will at the request of the **Insured** pay under this **Section** to the **Employee** or the personal representatives of the **Employee** the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided that:

- a there is no appeal outstanding;
- b if any payment is made under the terms of this **Extension** the **Employee** or the personal representatives of the **Employee** shall assign the judgment to the **Company**; and
- c all reasonable steps necessary have been taken to recover monies due from the party against whom the judgment was obtained.

### 5. Manslaughter Defence Costs

The **Company** will indemnify the **Insured**, and at the request of the **Insured**, any party entitled to indemnity under this **Section** in respect of legal costs and expenses incurred with the written consent of the **Company**:

- a in defending a charge of manslaughter (including a charge of corporate manslaughter or corporate homicide brought under the Corporate Manslaughter and Corporate Homicide Act 2007) where the death in connection with which such charge arises is likely to result in a claim under this **Section**; or
- b in appealing against conviction on such charge and/or the imposition of a remedial or publicity order under the Corporate Manslaughter and Corporate Homicide Act 2007 in connection with such charge provided that in the opinion of a King's Counsel or similar legal authority (to be mutually agreed upon by the **Insured** and the **Company**) such appeal could be contested with the probability of success.

All payments made by the **Company** under this **Extension** shall be subject to the **Limit of Liability** for this **Section** stated in the **Schedule**. In respect of this **Extension** the **Limit of Liability** shall be inclusive of all such amounts.

### 6. Acquisitions

The **Company** will indemnify in the terms of this **Section** any company or other business entity either acquired or created by the **Insured** during the **Period of Insurance** from the date of such acquisition or creation.

Provided that:

- a the business of such company or entity falls within the **Definition of Business**;
- b the **Insured** supplies to the **Company** full underwriting details regarding such company or entity within thirty (30) days of its acquisition or creation;
- c the aggregate annual turnover of all such companies or entities acquired or created during any one **Period of Insurance** shall not exceed 10% of the annual turnover of the **Insured** as declared to the **Company** at the beginning of such **Period of Insurance**;

- d if after the date of acquisition or creation separate insurance covering the same liability remains in force subject to a limit of indemnity lower than that which applies to this **Section** the liability of the **Company** in respect of such company or entity shall not exceed the difference between the relevant limit of indemnity under such separate insurance and the relevant **Limit of Liability** applicable to this **Section**; and
- e the **Company** shall have the right to charge an additional premium and to alter the terms **Conditions** and **Exclusions** of this **Section** in respect of such company or entity from the date of its acquisition or creation.

In respect of any such company or entity which does not meet provisos a to d:

- 1) the **Company** will not provide an indemnity until full details of such company or entity have been submitted to and accepted by the **Company** and the **Insured** has agreed to pay any additional premium and accept any change in the terms **Conditions** and **Exclusions** required by the **Company**; and
- 2) the **Company** reserves the right to decline cover for such company or entity.

## Special Conditions

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The following **Special Conditions** apply to this **Section**:

- 1. **General Exclusion 5.** Radioactive Contamination shall apply to this **Section** only when the **Insured** under a contract or agreement has either undertaken:
  - a to indemnify another party; or
  - b to assume the liability of another party;in respect of **Bodily Injury** sustained by any **Employee**.
- 2. The **Company** may at any time at its sole discretion in respect of any occurrence or occurrences covered by this **Section** pay to the **Insured** the **Limit of Liability** applicable to such occurrence or occurrences (but deducting there from any sum or sums already paid), or any lesser sum for which the claim or claims arising from such occurrence or occurrences can be settled and the **Company** shall thereafter be under no further liability in respect of such occurrence or occurrences.

If any award or settlement in respect of any claim exceeds the applicable **Limit of Liability**, then the liability of the **Company** in respect of related **Costs and Expenses** where these are payable in addition to the **Limit of Liability** shall be limited to an amount that is in the same proportion as the **Company's** contribution to such award or settlement.
- 3. In the event of any occurrence giving rise to or which may give rise to a claim under this **Section**:
  - a the **Insured** shall:
    - i. give immediate written notice thereof (and full particulars of the occurrence) to the **Company**;
    - ii. notify the **Company** in writing immediately they shall have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under this **Section**;
    - iii. forward to the **Company** immediately on receipt every claim notice letter, verbal notice of claim or other originating process or any other document served on the **Insured**; and
    - iv. give all such information and assistance as the **Company** may require within such time limits as are specified by the **Company**;
  - b the **Insured** or any other party who may be entitled to indemnity under this **Section** shall NOT negotiate, admit liability or make any promise, payment or settlement without the **Company's** written consent; and
  - c the **Company** shall be entitled:
    - i. if and so long as it desires, to take over and to have the sole conduct and control of any claim and legal proceedings or alternative disputes resolution relating thereto in the name of the **Insured** and shall have full discretion in the settlement of any claim; and
    - ii. to prosecute in the name of the **Insured** but for the **Company's** benefit any claim for compensation or indemnity.

## Definitions

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Words and phrases used in this **Section** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

### 1. **Bodily Injury**

means bodily injury to any **Employee** and shall include:

- a death, illness and disease; or
- b mental injury, anguish or nervous shock sustained by any **Employee** as a result of actual or threat of bodily injury, death, illness or disease.

### 2. **Business**

means the **Business** described in the **Schedule** and shall include:

- a in connection with such **Business**:
  - i. the sale or supply of food and/or drink to **Employees** or others; and
  - ii. the provision of fire first-aid security and ambulance services by the **Insured** and maintenance of the **Insured's** premises;
- b the provision by the **Insured** of sports, social and welfare organisations primarily for employees; and
- c private work undertaken by any **Employee** for any director, partner or employee of the **Insured**.

### 3. **Costs and Expenses**

means:

- a costs and expenses recoverable by any claimant from the **Insured**;
- b costs and expenses incurred with the written consent of the **Company**;
- c the solicitor's fees for representation at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction; or
- d compensation to the **Insured** at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the **Company**:
  - i. any director or partner of the **Insured**      GBP 500
  - ii. any **Employee**      GBP 250

### 4. **Employee**

means any person under a contract of service or apprenticeship with the **Insured**. **Employee** shall also include the following while working for the **Insured** in connection with the **Business**, in which case they will be considered to be employed by the **Insured**:

- a any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**;
- b any labour master and any person supplied by them;
- c any person engaged as a labour only sub-contractor and any person supplied by them;
- d any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the **Insured**;
- e any person supplied to the **Insured** under a contract or agreement the terms of which deem such person to be in the employment of the **Insured** for the duration of such contract or agreement;
- f any work experience student or trainee; or
- g any person providing their services on a voluntary basis.

5. **Limit of Liability**

means the maximum amount, as stated in the **Schedule**, for which the **Company** is liable under this **Section** for damages and **Costs and Expenses** in respect of any one claim against the **Insured** or series of claims against the **Insured** arising out of any one occurrence and for the purpose of such **Limit of Liability** the **Insured** shall be deemed to include all parties entitled to indemnity under this **Section** regardless of whether such parties are designated as the **Insured**.

6. **Offshore**

means from the time of embarkation on to a vessel or aircraft for conveyance to any **Offshore Rig, Offshore Platform** or **Offshore Installation** including associated accommodation, until disembarkation from a conveyance on to land upon return therefrom.

7. **Offshore Platform** or **Offshore Installation**

means any immobile offshore structure from which development wells are drilled and/or produced.

8. **Offshore Rig**

means any offshore structure (including a mobile offshore drilling unit) containing a derrick or mast, draw-works and attendant surface equipment for the purposes of performing, drilling or workover operations.

9. **Territorial Limits**

means anywhere within Great Britain, Northern Ireland the Isle of Man or the Channel Islands.

Elsewhere in the world the indemnity granted by this **Section** is extended to apply in respect of any **Employee** whilst temporarily outside the **Territorial Limits** stated above, provided that such **Employee** normally resides within the **Territorial Limits** stated above.

## Exclusions

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This **Section** does not apply to liability:

1. **Employees Offshore**

to any **Employee** arising while **Offshore**;

2. **Employee Passengers**

for which compulsory motor insurance or security is required under any road traffic legislation in force within any member countries of the European Union or the **United Kingdom**;

3. **Terrorism**

- a caused by or arising from an **Act of Terrorism**; and/or
- b for **Bodily Injury**, 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**.

Provided that this **Exclusion** shall only apply in respect of payments of amounts in excess of GBP 5,000,000 for any one claim or series of claims arising out of any one occurrence.

If the **Company** alleges that by reason of this **Exclusion** any liability is not covered by this **Policy**, the onus of proving to the contrary shall be upon the **Insured**.

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 or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

## Section 4 Public and Products Liability

### Cover

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The **Company** will indemnify the **Insured**, subject to the **Limit of Liability**, against all sums which the **Insured** shall become legally liable to pay as damages in respect of accidental:

1. **Bodily Injury** occurring;
2. **Damage** occurring;
3. **Personal and Advertising Injury** offences committed; or
4. **Trespass Nuisance** or **Obstruction** occurring;

during the **Period of Insurance** within the **Territorial Limits** and arising in connection with the **Business**.

The **Company** will also pay **Costs and Expenses** in respect of any occurrence to which this **Section** applies.

### Extensions

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

#### 1. Cross Liabilities

Where more than one party comprises the **Insured** any claim by one **Insured** against any other **Insured** shall be treated as though the party so claiming is not an insured party provided that the **Limit of Liability** shall not be deemed to be increased hereby.

This **Extension** shall not apply in respect of **Personal and Advertising Injury**.

#### 2. Damage to Leased or Rented Premises

**Exclusion 5.** Custody or Control part b of this **Section** shall not apply to premises (including fixtures and fittings) leased or rented to the **Insured**.

Provided that this **Extension** shall not apply in respect of:

- a liability assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement; or
- b **Damage** to any such premises which is insured under any property or fire insurance policy arranged by the **Insured** or under which the **Insured** is entitled to indemnity in respect of such **Damage**.

#### 3. Personal Data Liability

This is a claims made and notified **Extension**.

Notwithstanding **Exclusion 13**, Data Risk and Cyber Liability of this **Section**, the **Company** will indemnify the **Insured** in the terms of this **Section** against legal liability to pay damages to any person in respect of material or non-material damage as provided for under:

- a paragraph 1 of Article 82 of the General Data Protection Regulation (EU) 2016/679;
- b Section 168 of the Data Protection Act 2018 insofar as a above applies;

as a result of a **Personal Data Breach** committed on or after the **Retroactive Date** within the **Territorial Limits** and arising in connection with the **Business**.

The **Company** will also pay **Costs and Expenses** in respect of any occurrence to which this **Extension** applies.

Provided that:

- i. this **Extension** shall apply only in respect of claims first made against the **Insured** during the **Period of Insurance** and notified to the **Company** during the same **Period of Insurance** or within thirty (30) days of expiry thereof only.

If during the **Period of Insurance** the **Insured** becomes aware of any occurrence which may subsequently result in a claim under this Extension and during such period the **Insured** notifies the **Company** thereof, any claim later made against the **Insured** arising out of such occurrence shall be treated as having been made during such period.

In the event of a series of the same or similar **Personal Data Breaches** being committed over a period of time all breaches of such series which are attributable directly or indirectly or allegedly to the same source or original cause

shall be treated as though they were committed at the point in time when the first of the claims was made in writing against the **Insured**;

- ii. the liability of the **Company** to pay damages and **Costs and Expenses** under this **Extension** shall not exceed the **Sub-Limit of Liability** stated in the **Schedule** in total for all claims in respect of any one **Period of Insurance**;
- iii. this **Extension** shall apply in respect of claims first made against the **Insured** in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or the member countries of the European Union only;
- iv. this **Extension** does not apply to liability:
  - 1) in respect of the costs and expenses of:
    - (a) rectifying, reinstating, replacing, rewriting, completing, blocking, erasing, destroying or restricting **Personal Data** and processing thereof;
    - (b) responding to and dealing with any request invoking data subject rights;
    - (c) notifying any person or supervisory authority of a **Personal Data Breach**;
  - 2) arising from a failure to:
    - (a) respond to and deal with any request invoking data subject rights;
    - (b) notify any person or supervisory authority of a **Personal Data Breach**;
  - 3) for which indemnity is provided in whole or in part under any other insurance or to the extent that indemnity is provided elsewhere within this **Policy**;
  - 4) for the amount of any deductible, excess, co-insurance or other self-insured retention applicable under this **Policy** or any other policy of insurance or security covering the same liability;
  - 5) for material or non-material damage suffered by:
    - (a) any person whose **Personal Data** was not the subject of the **Personal Data Breach**;
    - (b) any **Employee** unless **Section 3** Employers' Liability of this **Policy** is operative;
  - 6) arising from:
    - (a) fraud or dishonesty;
    - (b) any deliberate or intentional act or omission by any person or party entitled to indemnity which could reasonably be expected to give rise to liability under this **Extension**;
    - (c) any agreement to store, process or supply **Personal Data** for a fee or by reciprocal agreement;
    - (d) circumstances known to the **Insured** prior to commencement of the **Period of Insurance**;
    - (e) circumstances notified to or which ought to have been notified to previous insurers; and
    - (f) occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any territory within the jurisdiction of either such country.

For the purposes of this **Extension**:

**Personal Data Breach** means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to **Personal Data** transmitted stored or otherwise processed.

**Personal Data** means information by which a natural person can be identified directly or indirectly by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

**Retroactive Date** means the date stated as such in the **Schedule** as applicable to this **Extension**.

#### 4. **Defective Premises Act**

The **Company** will indemnify the **Insured** in the terms of this **Section** against legal liability incurred by the **Insured** by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the **Insured**.

Provided that this **Extension** shall not apply in respect of the cost of remedying any defect (or alleged defect) in such premises.

## 5. Indemnity to Principals and Others

The **Company** will also indemnify in the terms of this **Section**:

- a in the event of the death of the **Insured** their legal personal representative in respect of liability incurred by the **Insured**; or
- b any principal with whom the **Insured** has entered into an agreement to the extent required by such agreement but only in respect of liability for which the **Insured** would have been entitled to indemnity under this **Section** if the claim had been made against the **Insured**;

and at the request of the **Insured**:

- c any officer or member of the **Insured's** catering, sports, social and welfare organisations and fire, first-aid or ambulance services;
- d any director, partner or **Employee** of the **Insured** in respect of liability for which the **Insured** would have been entitled to indemnity under this **Section** if the claim had been made against the **Insured**; or
- e any director, partner or **Employee** of the **Insured** in respect of liability for private work undertaken by **Employees** with the consent of the **Insured**.

Provided that:

- a such person(s) shall not be entitled to indemnity under any other policy;
- b such principal/person(s) shall as though they were the **Insured** be subject to the terms of this **Section** in so far as they can apply; and
- c the **Limit of Liability** shall not be increased hereby.

## 6. Legal Defence Costs

The **Company** will indemnify the **Insured** or, at the request of the **Insured**, any **Employee**, director or partner of the **Insured**, against legal costs and expenses incurred with the prior approval of the **Company** in the defence of any criminal proceedings brought for a breach of:

- a the Health and Safety at Work etc. Act 1974 (Great Britain) or the Health and Safety at Work (Northern Ireland) Order 1978; or
- b Part II of the Consumer Protection Act 1987 (Great Britain) or Consumer Protection (Northern Ireland) Order 1987; committed during the **Period of Insurance** in the course of the **Business**, including legal costs and expenses incurred with the prior approval of the **Company** in an appeal against conviction arising from such proceedings.

Provided that this **Extension** shall not apply to:

- a fines or penalties imposed by any court;
- b proceedings consequent upon any deliberate act or omission; or
- c proceedings relating to matters which affect the safety, health and welfare of **Employees**.

## 7. Motor Contingent Liability

**Exclusion** 3. Aircraft, Watercraft, Vehicles part b of this **Section** shall not apply in respect of legal liability of the **Insured** named in the **Schedule** arising from the use in connection with the **Business** of any motor vehicle not the property of nor provided by the **Insured**.

Provided that this **Extension** shall not apply in respect of:

- a **Damage** to any such vehicle or its contents; or
- b liability arising while such vehicle is being:
  - i. driven by the **Insured**;
  - ii. driven with the general consent of the **Insured** or of the representative of the **Insured** by any person who to the knowledge of the **Insured** or of such representative does not hold a valid licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence; or
  - iii. used elsewhere than within the member countries of the European Union and the **United Kingdom**.

Part d of **Extension** 5. Indemnity to Principals and Others of this **Section** does not apply to this **Extension**.

## 8. Personal Liability Overseas

The **Company** will indemnify in the terms of this **Section** the **Insured** and at the request of the **Insured** any director, partner or **Employee** of the **Insured** or spouse of any such person against legal liability for damages in respect of **Bodily Injury** or **Damage** arising from personal activities while temporarily outside the **Territorial Limits** in connection with the **Business**.

Provided that this **Extension** shall not apply in respect of:

- a liability arising from the ownership or occupation of any land or building; or
- b liability insured by any other policy of insurance;

and that any such director, partner, **Employee** or spouse shall as though they were the **Insured** be subject to the terms of this **Section** in so far as they can apply.

## 9. Vendor's Indemnity

At the request of the **Insured** the **Company** will indemnify in the terms of this **Section** any person who, or organisation which, distributes or sells the **Insured's Products** in the regular course of their business (herein referred to as "vendor") as an additional insured but only with respect to liability for **Bodily Injury** or **Damage** arising out of the distribution or sale of the **Insured's Products**.

Provided that:

- a this **Extension** shall not apply in respect of liability arising from:
  - i. any express warranty unauthorised by the **Insured**;
  - ii. any physical or chemical change in the form of the **Product** made intentionally by the vendor;
  - iii. repacking, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the **Insured** and then repacked in the original container;
  - iv. demonstration, installing, servicing or repair operations, except demonstration performed at the vendor's premises in connection with the sale of the **Product**; or
  - v. **Products** which after distribution or sale by the **Insured** have been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
- b this **Extension** shall not apply to any person or organisation from whom the **Insured** has acquired such **Products** or any ingredient, part or container entering into accompanying or containing such **Products**;
- c any vendor covered pursuant to this **Extension** will be subject to all terms of this **Section** in so far as they can apply, as though that party was the **Insured**;
- d where coverage provided to the vendor is required by a contract or agreement this **Extension** shall only apply to the extent and limit required by the contract or agreement to provide for such vendor;
- e any payment under this **Extension** does not contravene any applicable currency or exchange regulations insolvency laws or any laws or regulations relating to the carrying on of insurance business in the countries of domicile of any insured under this **Policy** or the **Company**; and
- f the **Limit of Liability** shall not be increased hereby.

## 10. Residual Employers' Liability

**Exclusion 6.** Employees of this **Section** does not apply to liability in respect of **Bodily Injury** sustained by any **Employee**:

- a which is insured or normally insured by an employers' liability and/or workers' compensation and/or public liability policy in the territory in which the **Employee** is employed in which case the indemnity provided by this **Extension** shall only apply to amounts in excess of:
  - 1) USD 1,000,000 in respect of any occurrence in the United States of America or any territory within its jurisdiction;
  - 2) GBP 500,000 in respect of any occurrence elsewhere in the world; or
  - 3) the limit of indemnity provided by such policy; or
  - 4) the applicable minimum limit required by law;whichever is the greater; or
- b arising from the exercise of subrogation rights against the **Insured** by any state social security or similar scheme.

This **Extension** shall not apply to liability for **Bodily Injury** to **Employees** who are employed by the **Insured** in the **United Kingdom**.



#### 11. Manslaughter Defence Costs

The **Company** will indemnify the **Insured**, and at the request of the **Insured**, any party entitled to indemnity under this **Section** in respect of legal costs and expenses incurred with the written consent of the **Company**:

- a in defending a charge of manslaughter (including a charge of corporate manslaughter or corporate homicide brought under the Corporate Manslaughter and Corporate Homicide Act 2007) where the death in connection with which such charge arises is likely to result in a claim under this **Section**; or
- b in appealing against conviction on such charge and/or the imposition of a remedial or publicity order under the Corporate Manslaughter and Corporate Homicide Act 2007 in connection with such charge provided that in the opinion of a King's Counsel or similar legal authority (to be mutually agreed upon by the **Insured** and the **Company**) such appeal could be contested with the probability of success.

All payments made by the **Company** under this **Extension** shall be subject to the **Limit of Liability** for this **Section** stated in the **Schedule**. In respect of this **Extension** the **Limit of Liability** shall be inclusive of all such amounts.

#### 12. Acquisitions

The **Company** will indemnify in the terms of this **Section** any company or other business entity either acquired or created by the **Insured** during the **Period of Insurance** from the date of such acquisition or creation.

Provided that:

- a the business of such company or entity falls within the **Definition of Business**;
- b the **Insured** supplies to the **Company** full underwriting details regarding such company or entity within thirty (30) days of its acquisition or creation;
- c the aggregate annual turnover of all such companies or entities acquired or created during any one **Period of Insurance** shall not exceed 10% of the annual turnover of the **Insured** as declared to the **Company** at the beginning of such **Period of Insurance**;
- d if after the date of acquisition or creation separate insurance covering the same liability remains in force subject to a limit of indemnity lower than that which applies to this **Section** the liability of the **Company** in respect of such company or entity shall not exceed the difference between the relevant limit of indemnity under such separate insurance and the relevant **Limit of Liability** applicable to this **Section**; and
- e the **Company** shall have the right to charge an additional premium and to alter the terms **Conditions** and **Exclusions** of this **Section** in respect of such company or entity from the date of its acquisition or creation.

In respect of any such company or entity which does not meet provisos a to d:

- 1) the **Company** will not provide an indemnity until full details of such company or entity have been submitted to and accepted by the **Company** and the **Insured** has agreed to pay any additional premium and accept any change in the terms **Conditions** and **Exclusions** required by the **Company**; and
- 2) the **Company** reserves the right to decline cover for such company or entity.

#### 13. Financial Loss (claims-made basis)

This **Section** is extended to apply to legal liability of the **Insured** for accidental **Financial Loss** arising in connection with the **Business**.

Provided that:

- a the claim for such **Financial Loss** is first made against the **Insured** during the **Period of Insurance** and notified to the **Company** during the same **Period of Insurance** or within thirty (30) days of expiry thereof; and
- b such **Financial Loss** results solely due to an occurrence or occurrences happening on or after the **Retroactive Date** stated in the **Schedule**.

The liability of the **Company** to pay damages under this **Extension** shall not exceed in total the amount stated in the **Schedule** for **Financial Loss** for all claims in respect of any one **Period of Insurance**. This limit falls within, and is not additional to, the **Limit of Liability** for **Section 4** stated in the **Schedule**.

Proviso a of **Definition 7**. Limit of Liability of this **Section** is deleted and replaced with the following:

- a for all damages payable in respect of:
  - i. all **Bodily Injury** and **Damage** occurring during any one **Period of Insurance** and caused by **Products**; and

- ii. all claims for **Financial Loss** caused by **Products** and first made against the **Insured** during the same **Period of Insurance** and notified to the **Company** during such **Period of Insurance** or within thirty (30) days of expiry thereof;

shall not exceed in total the **Limit of Liability** for **Section 4** stated in the **Schedule**.

### Definitions applicable to this Extension

#### 1. Administration

means any of the following acts that the **Insured** does or authorises a person to do:

- a counselling employees, other than giving legal advice, on **Employee Benefits** programmes;
- b interpreting the **Employee Benefits** programmes of the **Insured**;
- c handling records for the **Employee Benefits** programmes of the **Insured**;
- d effecting enrolment, termination or cancellation of employees under the **Employee Benefits** programmes of the **Insured**.

**Administration** shall not include:

- i. the failure of performance of any contract by any insurer;
- ii. the failure of any investment plan to perform as represented by the **Insured**;
- iii. the inability of **Employee Benefits** programmes to meet their obligation due to insolvency.

#### 2. Computer System

means any computer hardware, software, firmware, electronic device, electronic data storage device, electronic data backup facility, networking device, or any components thereof or any associated input and output devices, including those that have the capability to be linked together through the internet or internal network or that are connected through data storage or other devices.

#### 3. Data

means any corporate or personal information in any format and includes, but is not limited to, records, reports, designs, plans, formulas, processes, trade secrets, patents, financial information, medical or healthcare information, contact information, account numbers, account histories, passwords or credit or debit card details, whether or not in electronic form, and whether or not belonging to the **Insured**.

#### 4. Employee Benefits

means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, employee travel, vacation, or savings plans, workers' compensation, unemployment insurance, social security and disability benefits insurance, and any other similar benefit programme.

#### 5. Financial Loss

means a pecuniary loss cost or expense not incurred in respect of **Bodily Injury, Trespass Nuisance or Obstruction, Personal and Advertising Injury or Damage** (unless such **Damage** consists solely of sudden physical damage to **Products** after such **Products** have been put to their intended use).

#### 6. Malware

means software, programs, files, content or instructions of a malicious nature including malicious code, ransomware, cryptoware, viruses, trojans, worms, zero day attacks, logic or time bombs which may disrupt, harm, destroy, impede access to or in any way corrupt the functioning or operation of or **Data** within any software or **Computer System**.

### Exclusions applicable to this Extension

This **Extension** does not apply to:

#### 1. Financial Loss arising out of:

- a delay, non-performance or non-completion by or on behalf of the **Insured** in carrying out a contract;
- b strikes, labour disturbances, insolvency, financial default, any act of fraud or dishonesty, deceit, conspiracy, malicious falsehood, inducement of breach of contract or breach of anti-trust laws;
- c libel, slander or the passing off or infringement of patents, copyrights, trademarks or trade names;

- d breach of trust, breach of warranty of authority or breach of duty owed to shareholders, investors or partners by any director or officer of the **Insured**;
- e the sale or supply of any investment or financial product or service or the provision of or failure to provide any instruction, advice, information or professional service whether or not rendered in return for a fee;
- f circumstances known to the **Insured** prior to the commencement date of this **Extension**; and
- g any agreement to store, process or supply computer data (including supply of information derived from such computer data) for a fee or by reciprocal arrangement;

## 2. **Financial Loss**

- a incurred by any **Insured** or by any **Employee**; or
  - b in respect of property belonging to the **Insured** or in the custody or control of the **Insured** or any **Employee** or agent of the **Insured**;
3. liability for **Financial Loss** consisting of fines, statutory payments, liquidated damages or reimbursement of the purchase price of **Products** or part thereof;
  4. liability for **Financial Loss** assumed under any contract or agreement, unless such liability:
    - a would have attached in the absence of such contract or agreement; or
    - b arises from an applicable statutory implied condition or warranty relating to the fitness for purpose or quality or safety of any **Products**;
  5. ten percent (10%) of the total **Financial Loss** or the first GBP 25,000 whichever is the greater of any amount payable in respect of any one claim or number of claims arising from one cause;
  6. any costs or expenses claimed or incurred for repair, removal, replacement, recall or disposal of any **Products** out of which the occurrence arises;
  7. liability as a result of any claim brought by any **Employee** or former **Employee**, or their beneficiaries or legal representatives, in respect of any error, omission or breach of duty in the **Administration** of the **Employee Benefits** programmes of the **Insured**;
  8. liability arising directly or indirectly from or in connection with:
    - a unauthorised access (including access by **Malware**) to;
    - b the presence of **Malware** on;
    - c the spread of **Malware** by;
    - d the unauthorised use of;
    - e malicious interference with (including, but not limited to, a distributed denial of service attack against);
 any **Computer System**:
    - i. owned, operated, controlled, leased or used; or
    - ii. sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed;
 by or on behalf of the **Insured**; and
  9. liability arising directly or indirectly from or in connection with the modification, corruption, loss, destruction, theft, misuse, illegitimate access, or unlawful or unauthorised processing or disclosure of **Data** or the loss, destruction or theft of any computer, electronic device, hardware or component thereof which contains **Data**.

**Exclusion 10.** Repair Removal Recall of Products of this **Section** does not apply to this **Extension**.

## Special Conditions

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The following **Special Conditions** apply to this **Section**.

### 1. Discharge of Liability

The **Company** may at any time at its sole discretion in respect of any occurrence or occurrences covered by this **Section** pay to the **Insured** the **Limit of Liability** applicable to such occurrence or occurrences (but deducting therefrom any sum or sums already paid), or any lesser sum for which the claim or claims arising from such occurrence or occurrences can be settled and the **Company** shall thereafter be under no further liability in respect of such occurrence or occurrences except for the payment of **Costs and Expenses** incurred prior to the date of such payment and for which the **Company** may be responsible hereunder.

If any award or settlement in respect of any claim exceeds the applicable **Limit of Liability**, then the liability of the **Company** in respect of related **Costs and Expenses** where these are payable in addition to the **Limit of Liability** shall be limited to an amount that is in the same proportion as the **Company's** contribution to such award or settlement.

### 2. United States of America / Canada

It is hereby agreed between the **Company** and the **Insured** that in respect of occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any territory within the jurisdiction of either such country:

- a the liability of the **Company** under this **Section** in respect of all damages payable together with all **Costs and Expenses** shall not exceed the **Limit of Liability** for this **Section** stated in the **Schedule**;
- b regardless of any of the other provisions of this **Policy**, this insurance does not apply to punitive or exemplary damages; and
- c regardless of **Exclusion 9. Pollution** and the **Special Extension** of this **Section**, this insurance does not apply to:
  - i. liability arising out of the discharge, dispersal, release or escape of smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; or
  - ii. any cost or expense arising out of any governmental demand or request that an **Insured** test for, assess, monitor, clean-up, remove, contain, treat, detoxify or neutralise any irritants, contaminants or pollutants;and the **Company** shall not have the duty to defend any claims or suits seeking to impose any such liability, costs or expense or any other relief.

It is further agreed between the **Company** and the **Insured** that the premium for this insurance has been calculated accordingly.

### 3. Claims Procedure

In the event of any occurrence giving rise to or which may give rise to a claim under this **Section**:

- a the **Insured** shall:
  - i. give immediate written notice thereof (and full particulars of the occurrence) to the **Company**;
  - ii. notify the **Company** in writing immediately they shall have knowledge of any impending prosecution, inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under this **Policy**;
  - iii. forward to the **Company** immediately on receipt every claim notice letter, verbal notice of claim or other originating process or any other document served on the **Insured**; and
  - iv. give all such information and assistance as the **Company** may require within such time limits as are specified by the **Company**;
- b the **Insured** or any other party who may be entitled to indemnity under this **Section** shall NOT negotiate, admit liability or make any promise, payment or settlement without the **Company's** written consent; and
- c the **Company** shall be entitled:
  - i. if and so long as it desires, to take over and to have the sole conduct and control of any claim and legal proceedings or alternative disputes resolution relating thereto in the name of the **Insured** and shall have full discretion in the settlement of any claim; and
  - ii. to prosecute in the name of the **Insured** but for the **Company's** benefit any claim for compensation or indemnity.

## Definitions

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Words and phrases used in this **Section** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

1. **Advertisement**

means a notice which is broadcast or published to the general public or specific market segments about the **Insured's Products** or services for the purpose of attracting customers or supporters.

2. **Bodily Injury**

means bodily injury to any person and shall include:

- a death, illness and disease; or
- b mental injury, anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury, death, illness or disease.

3. **Business**

means the **Business** described in the **Schedule** and shall include:

- a in connection with such **Business**:
  - i. the sale or supply of food and/or drink to **Employees** or others; and
  - ii. the provision of fire, first-aid, security and ambulance services by the **Insured** and maintenance of the **Insured's** premises;
- b the provision by the **Insured** of sports, social and welfare organisations primarily for employees; and
- c private work undertaken by any **Employee** for any director, partner or employee of the **Insured**.

4. **Costs and Expenses**

means:

- a costs and expenses recoverable by any claimant from the **Insured**;
- b costs and expenses incurred with the written consent of the **Company**;
- c the solicitor's fees for representation at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction; or
- d compensation to the **Insured** at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the **Company**:
  - i. any director or partner of the **Insured**                      GBP 500
  - ii. any **Employee**                                      GBP 250

5. **Damage**

means physical loss of or physical damage to material property including resultant loss of use of such property.

6. **Employee**

means any person under a contract of service or apprenticeship with the **Insured**. **Employee** shall also include the following while working for the **Insured** in connection with the **Business**, in which case they will be considered to be employed by the **Insured**:

- a any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**;
- b any labour master and any person supplied by them;
- c any person engaged as a labour only sub-contractor and any person supplied by them;
- d any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the **Insured**;
- e any person supplied to the **Insured** under a contract or agreement the terms of which deem such person to be in the employment of the **Insured** for the duration of such contract or agreement;

- f any work experience student or trainee; or
- g any person providing their services on a voluntary basis.

## 7. **Limit of Liability**

means the maximum amount as stated in the **Schedule** which the **Company** shall be liable to pay under this **Section** as damages as a result of any one occurrence or of any series of occurrences arising directly or indirectly from one source or original cause.

For the purpose of this **Definition** occurrence or occurrences also means offence or offences.

Provided that:

- a the liability of the **Company** for all damages payable in respect of all **Bodily Injury** and **Damage** occurring during any one **Period of Insurance** and caused by **Products** shall not exceed the **Limit of Liability** for this **Section** stated in the **Schedule**; and
- b the liability of the **Company** for all damages payable in respect of all **Personal and Advertising Injury** offences committed during any one **Period of Insurance** shall not exceed the **Limit of Liability** for this **Section** stated in the **Schedule**.

## 8. **Personal and Advertising Injury**

means injury (other than **Bodily Injury**) occurring as a direct result of any of the following offences:

- a false arrest, detention or imprisonment or malicious prosecution;
- b wrongful entry or eviction which interferes with the right of private occupancy;
- c oral or written publication of material in any **Insured's Advertisement** which constitutes slander or libel or disparages goods, products or services;
- d misappropriation of advertising ideas in any **Insured's Advertisement**; or
- e infringement of copyright, **Trade Dress** or slogan in any **Insured's Advertisement**.

In the event of a series of the same **Personal and Advertising Injury** offences being committed over a period of time:

- i. all offences of such series shall be treated as though they were committed on the date of the first of such offences committed during the **Period of Insurance**;
- ii. no indemnity shall be provided hereunder in respect of any offences committed prior to the inception date of this **Section**; and
- iii. no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the **Period of Insurance**.

## 9. **Products**

means anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the **Insured** including containers, packaging, labelling or instructions for use and which is not in the possession of the **Insured** at the time of the occurrence.

## 10. **Territorial Limits**

means anywhere in the within the **United Kingdom**.

Elsewhere in the world the indemnity granted by this **Section** is extended to apply in respect of the activities (excluding manual work outside the member countries of the European Union and the **United Kingdom**) in the course of the **Business** of directors, partners and/or **Employees** of the **Insured** temporarily engaged outside the **Territorial Limits** stated above.

## 11. **Trade Dress**

means any right enforceable at law to the extent that it relates to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.

## 12. **Trespass, Nuisance or Obstruction**

means trespass, nuisance, obstruction or interference with any easement, right of air, light, water or way.

## Exclusions

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This **Section** does not apply to liability:

1. **Advice**

arising out of the provision of or failure to provide any instruction advice information or professional service in return for a fee;

2. **Aircraft Products**

arising from **Products** knowingly supplied for use or installation in or on any aircraft or aerospace device which could affect the navigation, flying capabilities or safety of such aircraft or device;

3. **Aircraft, Watercraft, Vehicles**

arising from or caused by the ownership, possession, control or use by or on behalf of the **Insured** of:

- a any aerospace device or any airborne or waterborne craft or vessel (other than manually propelled waterborne craft) or the loading or unloading of such craft or vessels; or
- b any mechanically propelled vehicle or trailer attached thereto:
  - i. in circumstances for which insurance or security is required in accordance with any road traffic legislation in force within the member countries of the European Union or the **United Kingdom**; or
  - ii. whilst being used on any public road in any other country whether or not insurance in respect of liability therefor is compulsory;

or the loading or unloading of such vehicle or trailer attached thereto.

Provided that if there is no indemnity afforded by any motor or other insurance policy this **Exclusion** will not apply to liability arising from:

- a the act of loading or unloading or the bringing to or taking away of a load from such vehicle or trailer; or
- b the operation of plant as a tool of trade within the member countries of the European Union or the **United Kingdom** but only insofar as such liability is not the subject of compulsory insurance or security in accordance with any road traffic legislation in force in such countries;

4. **Contractual Liability**

assumed under any contract or agreement in respect of:

- a **Damage** to contract or temporary works to be executed by the **Insured** and/or their subcontractors and/or to any materials, plant, tools and other property for use in connection therewith;
- b **Bodily Injury** or **Damage** arising from or caused by **Products**; or
- c **Personal and Advertising Injury**;

unless such liability would have attached in the absence of such contract or agreement or such liability arises from an applicable statutory implied condition or warranty relating to the fitness for purpose or quality or safety of any **Products**;

5. **Custody or Control**

in respect of **Damage** to property:

- a belonging to the **Insured**; or
- b in the custody or control of the **Insured** or any **Employee** or agent of the **Insured** other than:
  - i. personal effects (including motor vehicles) belonging to visitors, directors, partners and **Employees** of the **Insured**;
  - ii. premises (including their contents) not leased or rented to the **Insured** but temporarily occupied by the **Insured** for the purpose of carrying out work; and
  - iii. property whilst in the custody or control of the **Insured** for the purpose of repair or maintenance if such **Damage** results directly from such work.

Provided that this paragraph 5.b.iii. does not apply to liability in respect of **Damage** to that part of such property worked upon where such **Damage** arises out of such work;

6. **Employees**

in respect of **Bodily Injury** sustained by any **Employee** arising out of and in the course of employment by the **Insured** in the **Business**;

7. **Fines and Penalties**

for fines, liquidated damages or under any penalty clause;

8. **Personal and Advertising Injury**

in respect of **Personal and Advertising Injury**:

- a arising from oral or written publication of material:
  - i. if the first oral or written publication of the same or similar material took place prior to the commencement date of this **Section**; or
  - ii. which to the knowledge of the **Insured** is false;
- b arising out of breach of contract other than misappropriation of advertising ideas under an implied contract;
- c arising out of the failure of goods, products or services to conform with advertised quality or performance;
- d arising out of the wrong description of the price of goods, products or services; or
- e committed by an **Insured** whose business is advertising, broadcasting, publishing or telecasting.

Provided that this **Exclusion** 8.e does not apply to the offences described in parts 8.a and 8.b of **Definition** 8. Personal and Advertising Injury of this **Section**;

9. **Pollution**

arising out of the discharge, dispersal, release or escape of smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this **Exclusion** does not apply to **Bodily Injury** or **Damage** if such discharge, dispersal, release or escape is sudden and accidental.

It is deemed that the spread of legionella bacteria is not within the meaning of this **Exclusion**;

10. **Repair Removal Recall of Products**

in respect of **Damage** to or any costs or expenses claimed or incurred for repair, removal, replacement, recall, disposal or loss of use of any **Products** out of which the occurrence arises;

11. **Asbestos**

for any loss, demand, claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

Provided that in respect of occurrences happening within the **United Kingdom** this **Exclusion** shall not apply:

- a when the presence of asbestos or materials containing asbestos is discovered in any premises owned or occupied by the **Insured**; and
- b where such discovery is unexpected; and
- c upon discovery of the presence of asbestos or materials containing asbestos all work immediately stops and:
  - i removal of the asbestos is carried out as soon as reasonably practicable after discovery;
  - ii the removal is carried out by a specialist contractor authorised or licensed to perform such removal under the Asbestos Licensing Regulations in force at the time of discovery;
  - iii the **Insured** takes all reasonable steps to ensure the health and safety of all those likely to be affected;
  - iv the **Insured** complies with the relevant regulations including the provisions of the Control of Asbestos Regulations 2012 where applicable; and
  - v the **Insured** notifies the **Company** as soon as practicable;

but the **Company** shall not be liable for claims in respect of:

- a fears of the consequences of exposure to asbestos; and
- b damage to or loss of use of property due to the presence of asbestos or materials containing asbestos;



12. **Property Owners Liability**

arising out of the ownership by the **Insured** of premises other than those as disclosed and lodged with the **Company**;

13. **Data Risk and Cyber Liability**

directly or indirectly arising from or in connection with:

- a the modification, corruption, loss, destruction, theft, collection, misuse, extortion of, illegitimate or unauthorised access, restricted or inability to access, or unlawful or unauthorised processing or disclosure of **Data** including where arising from the loss, damage, destruction or theft of any computer, electronic device, hardware or component thereof which contains **Data**;
  - b
    - i. unauthorised access or access by **Malware** to;
    - ii. the presence of **Malware** on;
    - iii. the spread of **Malware** by;
    - iv. the unauthorised use of;
    - v. the malicious use of; or
    - vi. malicious interference with or any distributed denial of service attack against;
- any **Computer System**
- a) owned, operated, controlled, leased or used; or
  - b) sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed;
- by, or on behalf of, or for the benefit of the **Insured**.

**Computer System** means any computer hardware, software, firmware, electronic device, electronic data storage device, electronic data backup facility, networking device or any components thereof or any associated input and output devices, including those that have the capability to be linked together through the internet or internal network or that are connected through data storage or other devices.

**Data** means any corporate or personal information in any format, including records, reports, designs, plans, formulas, processes, trade secrets, patents, financial information, medical or healthcare information, contact information, account numbers, account histories, passwords or credit or debit card details, whether or not in electronic form, and whether or not belonging to the Insured.

**Malware** means software, programs, files, content or instructions of a malicious nature including malicious code, ransomware, cryptoware, viruses, trojans, worms, zero day attacks, logic or time bombs which may disrupt, harm, destroy, impede access to or in any way corrupt the functioning or operation of or **Data** within any software or **Computer System**.

SPECIAL EXTENSIONS APPLICABLE TO SECTION 4 OF THIS POLICY

Environmental Liability and/or Remediation of Unknown Historic Contaminated Land Cover

This is a Claims Made and Notified Extension.

Notwithstanding Exclusion 9. Pollution of this Section:

A. Remediation of New Pollution Conditions  
(Cover A. does not apply if Section 4A Environmental Liability is insured)

The Company will pay on behalf of the Insured subject to the Limit of Liability of this Special Extension the Remediation Costs and Regulatory Authority Costs which arise out of any New Pollution Condition on, at, under or migrating from any property owned or leased by the Insured where such Remediation Costs and Regulatory Authority Costs result from Regulatory Action first imposed on the Insured during the Period of Insurance and notified to the Company during the same Period of Insurance or within sixty (60) days of expiry thereof.

B. Remediation of Unknown Historic Contaminated Land (applicable only to England, Scotland and Wales)

The Company will pay on behalf of the Insured subject to the Limit of Liability of this Special Extension the Remediation Costs and Regulatory Authority Costs which arise following a Contaminated Land Notice served in England, Scotland or Wales, which Contaminated Land Notice arises out of an Unknown Historic Pollution Condition and where such Contaminated Land Notice is sent to the Insured during the Period of Insurance and the Insured notifies the Company of the Contaminated Land Notice during the same Period of Insurance or within sixty (60) days of expiry thereof.

Schedule to this Special Extension		
Sub-Limits of Liability:	GBP 100,000	for any one Pollution Condition.
	GBP 100,000	in the aggregate for any one Period of Insurance.
Excess:	GBP 5,000	per incident.
Retroactive Date:	The commencement date of the first Period of Insurance of this Special Extension.	

Conditions

The following Conditions apply to this Special Extension.

1. Claims Procedure

In addition to the conditions contained within Special Condition 3. Claims Procedure of this Section, the Insured shall not incur any Remediation Costs without the written consent of the Company, except in the event of an imminent and substantial threat to human health or the environment.

2. Inspection and Audit  
(This Condition does not apply if Section 4A Environmental Liability is insured)

The Company shall have the right but not the duty to inspect any property owned or leased by the Insured for the purposes of the Business and to take samples therefrom. Such right and any resultant findings shall not imply that such property is safe or in compliance with any law.

The Company shall have the right but not the duty to examine and audit the Insured’s books and records during the Period of Insurance and within three (3) consecutive years commencing from the cessation of this Section.

Subject otherwise to the terms Exclusions and Conditions applicable to this Section.

## Definitions

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Words and phrases used in this **Special Extension** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

1. **Contaminated Land**

means contaminated land as defined under Part 2A of the Environmental Protection Act 1990 but not to the extent that Part 2A of the Environmental Protection Act 1990 applies to land contaminated by ionising radiations, radioactivity or radioactive substances.

2. **Contaminated Land Notice**

means a formal notification or other written correspondence from a **Regulatory Authority** pursuant to Part 2A of the Environmental Protection Act 1990 to the **Insured** identifying any property owned or leased by the **Insured** as **Contaminated Land**.

3. **Regulatory Authority Costs**

means:

- a costs and expenses recoverable by any **Regulatory Authority** from the **Insured**; and
- b costs and expenses incurred with the written consent of the **Company**.

4. **Retroactive Date**

means the date expressed as such in the **Schedule** to this **Special Extension**.

5. **Environment Law**

means any law other than **Planning Laws** or **Planning Permission**, governing the liability of the **Insured** with respect to **Pollution Conditions**.

6. **Excess**

means that part of any claim expressed as such in the **Schedule** to this **Special Extension**.

7. **Fungi**

means any type or form of fungus including mould or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

8. **Historic Pollution Condition**

means a **Pollution Condition** which first commenced prior to the **Retroactive Date**.

9. **Limit of Liability**

for the purposes of this **Special Extension** means the maximum amount stated in the **Schedule** to this **Special Extension** as the **Sub-Limit of Liability** for any one **Pollution Condition** which the **Company** shall be liable to pay in respect of all **Remediation Costs** and **Regulatory Authority Costs** arising from any one such **Pollution Condition**

Provided always that the liability of the **Company** for all **Remediation Costs** and **Regulatory Authority Costs** pertaining to all **Pollution Conditions** during any one **Period of Insurance** shall not exceed the **Sub-Limit of Liability** in the aggregate for any one **Period of Insurance** stated in the **Schedule** to this **Special Extension**.

10. **New Pollution Condition**

means a sudden and accidental **Pollution Condition** which first commences in its entirety subsequent to the **Retroactive Date**.

11. **Planning Laws**

means any law governing the liabilities and/or obligations of the **Insured** in respect of the development, change of use, construction or demolition of any land, buildings or structures contained therein or thereon.

12. **Planning Permission**

means a consent, authorisation, permission, permit or licence (whether in outline or in full) issued pursuant to **Planning Laws**.

13. **Pollution Condition**

means the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant including smoke, soot, vapours, fumes, acids, alkalis, chemicals, **Fungi**, hazardous substances, hazardous materials and waste materials into or upon land or buildings or structures thereon, the atmosphere, surface water or groundwater.

14. **Regulatory Action**

means any action taken or any liability imposed by any **Regulatory Authority** under **Environment Law**.

15. **Regulatory Authority**

means any legal body, authority, agency or other person and/or any court of law or tribunal (other than any competent authority under any **Planning Permission** or any **Planning Laws**) in each case having authority under **Environment Law**.

16. **Remediation Costs**

means reasonable expenses incurred with the written consent of the **Company** in the investigation, quantification, monitoring, abatement, removal, disposal, treatment, neutralisation or immobilisation of **Pollution Conditions** to the extent required by **Environment Law**.

17. **Responsible Official**

means any **Employee** or former **Employee** of the **Insured** who is or was responsible for environment matters, control or compliance at any property owned or leased by the **Insured** or any officer, director or partner of the **Insured**.

18. **Unknown Historic Pollution Condition**

means an **Historic Pollution Condition** which was not known to any **Responsible Official** prior to the **Retroactive Date**.

## Exclusions

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The **Company** will not be liable under this **Special Extension** for **Remediation Costs** or **Regulatory Authority Costs**:

1. **Advice**  
arising out of the provision of or failure to provide any instruction, advice, information or professional service in return for a fee;
2. **Aircraft, Watercraft, Vehicles**  
arising from or caused by the ownership, possession, control or use by or on behalf of the **Insured** beyond the boundaries of any property owned or leased by the **Insured** of:
  - a any aerospace device or any airborne or waterborne craft or vessel or the loading or unloading of such craft or vessel;
  - b any mechanically propelled vehicle or trailer attached thereto;
3. **Asbestos and Lead**  
arising out of or related in any way to asbestos or asbestos-containing materials, or lead or lead-containing materials, on or in structures and the **Company** shall have no duty of any kind with respect to any such liability;
4. **Capital Improvement**  
arising from any **Pollution Condition** discovered in the course of replacement, repair or capital improvement activities at any property owned or leased by the **Insured**;
5. **Change in Use (This Exclusion does not apply if Section 4A Environmental Liability is insured)**  
arising from any change in ownership or a material change in use of any property owned or leased by the **Insured**;
6. **Contractual Liability**  
assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement;
7. **Custody or Control**  
in respect of loss of damage to loss of use of or diminishment in value of property belonging to the **Insured** or in the custody or control of the **Insured** or any **Employee** or agent of the **Insured** other than in respect of **Remediation Costs**;
8. **Employees**  
in respect of **Bodily Injury** sustained by any **Employee** or former **Employee** arising out of and in the course of employment by the **Insured** in the **Business**;
9. **Excess**  
for the amount of the **Excess** shown in the **Schedule** to this **Special Extension**;
10. **Fines and Penalties**
  - a for fines, liquidated damages or under any penalty clause;
  - b for fines, penalties or sanctions whether civil or criminal for non-compliance with law liquidated damages punitive or exemplary damages or under any penalty clause;

(10.a above only applies, however, if **Section 4A Environmental Liability** is insured 10.b only applies)
11. **Fungi (This Exclusion only applies if Section 4A Environmental Liability is insured)**  
arising out of or in any way related to, in whole or in part, the actual alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any **Fungi** regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to **Bodily Injury** or **Property Damage**.  
  
This **Exclusion** shall also apply to any costs or expense arising out of the testing for monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediation or disposing of, or in any way responding to, or assessing the effects of **Fungi** by any **Insured**, or by any other person or entity;
12. **Known Historic Pollution Conditions**  
arising from any **Historic Pollution Condition** which is not an **Unknown Historic Pollution Condition**;

13. **Intentional Non-Compliance**  
arising from the intentional disregard of or knowing wilful or deliberate non-compliance with any statute, regulation, **Contaminated Land Notice**, administrative complaint, notice of violation, notice letter, instruction of any **Regulatory Authority** or executive judicial or administrative order by the **Insured** or by a **Responsible Official**;
14. **Material Change in Use (This Exclusion only applies if Section 4A Environmental Liability is insured)**  
arising from a material change in the **Business** during the **Period of Insurance**:  
a which results in more stringent remediation requirements for any properties owned, leased or controlled by the **Insured** than those applicable at inception of this **Section**;  
b where such change would have materially affected the terms and conditions of this **Section** applicable at inception of this **Section**;
15. **Non-Aggregation**  
any of which are the subject of indemnity under this **Section** or would be but for the **Limit of Liability** applicable thereto or any other **Premises Pollution Liability** or **Contractors Pollution Liability** policy issued by the **Company**;
16. **Offshore Facilities**  
arising from any **Pollution Condition** on, at, under or migrating from any property or structure owned, leased, operated or controlled by the **Insured** which is situated offshore;
17. **Planning**  
arising from any permission, obligation or condition required by any competent authority under any **Planning Permission** and/or **Planning Laws**;
18. **Primary, Complementary and Compensatory Remediation**  
incurred in respect of injury to or damage sustained by or destruction of land, water, protected species or natural habitats for which the **Insured** is legally responsible under legislation in:  
a any EU Member State which implements the European Union Environmental Liability Directive 2004/35/EC. This includes primary, complementary and compensatory remediation as defined within Annex II of Directive 2004/35/EC;  
b the **United Kingdom** and/or any part of the **United Kingdom** made prior to the **United Kingdom**'s withdrawal from the European Union, which implemented in the **United Kingdom** (or any part thereof) the European Union Environmental Liability Directive 2004/35/EC, including primary, complementary and compensatory remediation as defined in Annex II of Directive 2004/35/EC, to the extent always from time to time of any amendment, modification, substitution, repeal or revocation of such legislation.
- However this **Exclusion** does not apply to liability which would have attached in the absence of implementation of such Directive;
19. **Products Pollution**  
arising from anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the **Insured** including containers, packaging or labelling and which is not in the possession of the **Insured** at the time of the occurrence;
20. **Radioactivity**  
notwithstanding any other provisions of this **Policy**, arising from any **Pollution Condition** arising from any ionising radiations, radioactivity, or radioactive substances;
21. **Site Investigation**  
arising from any **Pollution Condition** discovered during or as a result of any site investigation or associated activities undertaken for the purpose of an application to a **Regulatory Authority** by the **Insured**:  
a to obtain or maintain a permit to operate an installation, facility or equipment at any property owned or leased by the **Insured**;  
b to develop or undertake construction activity at any property owned or leased by the **Insured**;
22. **Underground Storage Tank(s)**  
arising from any **Pollution Condition** which emanates from any tank or associated piping and appurtenance which tank has more than ten percent (10%) of its volume below ground the presence of which was known to a **Responsible Official** prior to the commencement of the **Retroactive Date**.

## Section 4A Environmental Liability

### Cover

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This **Section** applies only in respect of those **Sub-sections** stated in the **Schedule** as being insured.

The **Company** will indemnify the **Insured** subject to the **Limit of Liability** against:

#### Sub-section 1

- a **Remediation Costs**;
  - b **Loss** arising from **Bodily Injury**;
  - c **Loss** arising from **Property Damage** including **Loss** arising from **Trespass, Nuisance or Obstruction**;
- directly caused by any **Pollution Condition** which results from the **Business**.

#### Sub-section 2

**Biodiversity Damage** which directly results from the **Business**.

#### Sub-section 3

**Loss** arising from **Transportation** which directly causes a **Pollution Condition** and/or **Biodiversity Damage**.

#### Sub-section 4

**Business Interruption Loss** which directly results from **Business Interruption**.

Provided such **Remediation Costs, Loss, Biodiversity Damage** or **Business Interruption Loss** first arise during the **Period of Insurance** and are notified in writing to the **Company** during the **Period of Insurance** or within sixty (60) days of expiry thereof and/or any claim is first made against the **Insured** and notified in writing to the **Company** during the **Period of Insurance** or within sixty (60) days of expiry thereof.

The **Company** will also pay **Costs and Expenses** in respect of **Loss Biodiversity Damage** or **Remediation Costs** to which this **Section** applies.

### Extensions

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

#### 1. Cross Liabilities

Where more than one party comprises the **Insured** any claim by one **Insured** against any other **Insured** shall be treated as though the party so claiming is not an insured party provided that the **Limit of Liability** shall not be deemed to be increased hereby.

#### 2. Indemnity to Others

At the request of the **Insured** the **Company** will also indemnify in the terms of this **Policy** any director, partner or **Employee** of the **Insured** in respect of liability for which the **Insured** would have been entitled to indemnity under this **Section** if the claim had been made against the **Insured**.

Provided that:

- a such person(s) shall not be entitled to indemnity under any other policy;
- b such person(s) shall as though they were the **Insured** be subject to the terms of this **Policy** in so far as they can apply;
- c the **Limit of Liability** shall not be increased hereby.

## Conditions

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The following **Conditions** apply to this **Section**.

### 1. Claims Procedure

It is a condition to any liability of the **Company** under this **Policy** that in the event of any **Pollution Condition** or **Biodiversity Damage**:

- a the **Insured** shall:
  - i. give immediate written notice thereof (and full particulars of the **Pollution Condition** or **Biodiversity Damage**) to the **Company**;
  - ii. notify the **Company** in writing immediately if they shall have knowledge of any impending prosecution, inquest or fatal accident inquiry in connection with any **Pollution Condition** or **Biodiversity Damage** for which there may be liability under this **Section**;
  - iii. forward to the **Company** immediately on receipt of every claim notice letter, verbal notice of claim or other originating process or any other document served on the **Insured**;
  - iv. give all such information and assistance as the **Company** may require within such time limits as are specified by the **Company**;
- b the **Insured** shall not negotiate admit liability or make any promise payment or settlement without the **Company's** written consent;
- c the **Company** shall be entitled:
  - i. if and so long as it desires to take over and have the sole conduct and control of any claim, remediation and legal proceedings or alternative dispute resolution relating thereto in the name of the **Insured** and shall have full discretion in the settlement of any claim;
  - ii. to prosecute in the name of the **Insured** but for the **Company's** benefit any claim for compensation or indemnity.

### 2. Discharge of Liability

The **Company** may at its sole discretion in respect of any **Loss Biodiversity Damage Costs and Expenses Remediation Costs** or **Business Interruption Loss** covered by this **Section** pay to the **Insured** the **Limit of Liability** applicable to such **Loss Biodiversity Damage Costs and Expenses Remediation Costs** or **Business Interruption Loss** (but deducting therefrom any sum or sums already paid) or any lesser sum for which the claim or claims arising from such **Loss Biodiversity Damage Costs and Expenses Remediation Costs** or **Business Interruption Loss** can be settled and the **Company** shall thereafter be under no further liability in respect of such **Loss Biodiversity Damage Costs and Expenses Remediation Costs** or **Business Interruption Loss**.

### 3. Inspection and Audit

The **Company** shall have the right but not the duty to inspect any property under the ownership or control of or leased to the **Insured** for the purposes of the **Business** and to take samples therefrom. Such right and any resultant findings shall not imply that such property is safe or in compliance with any law.

The **Company** shall have the right but not the duty to examine and audit the **Insured's** books and records during the **Period of Insurance** and within three (3) consecutive years commencing from the cessation of this **Section** of the **Policy**.

### 4. Non-Contribution

If there is any other insurance in force which covers a loss or liability which is also covered by this **Section** the **Company** will indemnify the **Insured** as if such other insurance was not in force and will waive any rights of recourse against the insurer(s) who provide such other insurance other than where such other insurance is provided by one of the Chubb Group of Companies in which case this **Section** will be in excess thereof.



## Special Conditions

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The following **Special Conditions** apply to this **Section**.

### 1. Extended Reporting Period

In the event of either this **Section** of the **Policy** not being renewed or cancellation invoked as specified in **General Condition 10**. Cancellation of this **Policy**:

- a and provided that no other insurance has been arranged to replace all or part of this **Section** of the **Policy** the **Insured** shall be entitled to an **Extended Reporting Period** of sixty (60) days commencing from the date of non-renewal or cancellation;
- b the **Insured** shall have the option to purchase from the **Company** for a premium not exceeding two hundred percent (200%) of the premium for this **Section** an **Extended Reporting Period** of thirty four (34) consecutive calendar months commencing from the expiry of the period described in a above.

Provided that:

- i. this **Special Condition** shall not have the effect of increasing or reinstating the **Limits of Liability** nor extending the **Period of Insurance**;
- ii. any claim notified to the **Company** during an **Extended Reporting Period** shall be deemed to have been notified on the last day of the **Period of Insurance**;
- iii. the **Insured's** intention to exercise the option described in b above is confirmed to the **Company** in writing prior to the expiry of the **Period of Insurance**.

### 2. Multiple Claims

If the **Company** or any of its affiliates issues a claims-made **Section 4A** of this **Policy** (or equivalent thereof) or any policy (or policies) which may be issued by the **Company** in substitution for such **Section** in respect of the **Business** for more than one policy period and:

- a the discovery of any **Pollution Condition** or **Biodiversity Damage** is reported to the **Company** in accordance with the terms and conditions of this **Policy**, then all such **Pollution Conditions** or **Biodiversity Damage** and any related, resultant, repeated, or continuous **Pollution Conditions** or **Biodiversity Damage** which are reported to the **Company** during any subsequent policy period shall be deemed to have been discovered during the **Period of Insurance** in which the first discovery was made;
- b any claim in respect of **Loss Biodiversity Damage** or **Remediation Costs** is first made against the **Insured** or a **Business Interruption Loss** is first incurred by the **Insured** and reported to the **Company** in writing in accordance with the terms and conditions of this **Section**, then all claims arising out of such **Pollution Condition** or **Biodiversity Damage**, or arising out of any related, resultant, repeated, or continuous **Pollution Condition** or **Biodiversity Damage**, shall be deemed to have been first made and reported during the **Period of Insurance** in which the claim was first made against the **Insured**.

Provided that the **Insured** has maintained **Section 4A** of this **Policy** (or equivalent thereof) or any policy (or policies) issued in substitution for such **Section** with the **Company** or one of its affiliates on a continuous, uninterrupted basis since the discovery of such **Pollution Condition** or **Biodiversity Damage** or the first such claim was made against the **Insured** and reported to the **Company**.

## Definitions

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Words and phrases used in this **Section** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

### 1. Biodiversity Damage

means injury to or damage sustained by or destruction of land, water, protected species or natural habitats for which the **Insured** is legally responsible under legislation in:

- a any EU Member State which implements the European Union Environmental Liability Directive 2004/35/EC. This includes primary, complementary and compensatory remediation as defined in Annex II of Directive 2004/35/EC;
- b the **United Kingdom** and/or any part of the **United Kingdom** made prior to the **United Kingdom's** withdrawal from the European Union, which implemented in the **United Kingdom** (or any part thereof) the European Union Environmental Liability Directive 2004/35/EC, including primary, complementary and compensatory remediation as

defined in Annex II of Directive 2004/35/EC, to the extent always from time to time of any amendment, modification, substitution, repeal or revocation of such legislation.

## 2. **Bodily Injury**

means bodily injury to any person and includes:

- a death, illness and disease;
- b mental injury, anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury, death, illness or disease.

## 3. **Business**

the **Business** described in the **Schedule** and shall include:

- a the ownership or control of property including that which is leased by the **Insured** and has been disclosed to the **Company**;
- b **Covered Operations**.

## 4. **Business Income**

means:

- a net profit or loss, before tax, including rental income from tenants, which would have been realised had there been no **Business Interruption**;
- b the **Insured's** continuing operating and payroll expense (excluding payroll expense of officers, executives, department managers and contract employees);
- c costs incurred by the **Insured** as rent for temporary premises when the whole or a portion of a site owned or leased by the **Insured** becomes impossible to occupy by the **Insured** for the **Business** due to a **Pollution Condition** or **Biodiversity Damage** covered by this **Section** and temporary premises are required to continue the **Business**. Such rental costs cannot exceed the fair rental value of the un-tenantable portion of the relevant site owned or leased by the **Insured**.

## 5. **Business Interruption**

necessary partial or complete suspension of the **Business** arising from a **Pollution Condition** or **Biodiversity Damage** covered by this **Section** which directly results in **Business Interruption Loss**.

## 6. **Business Interruption Loss**

means:

- a **Business Income**;
- b **Extra Expense**.

## 7. **Costs and Expenses**

means:

- a costs and expenses legally recoverable by any claimant or **Regulatory Authority** from the **Insured**;
- b costs and expenses incurred by the **Insured** with the written consent of the **Company**;
- c solicitor's fees for representation of the **Insured** at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction;
- d compensation to the **Insured** at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the **Company**:
  - i. any director or partner of the **Insured** GBP 500
  - ii. any **Employee** GBP 250
- e **Loss Mitigation Costs**.

## 8. **Covered Known Condition(s)**

means any condition listed under **Covered Known Condition(s)** in the **Schedule**.

9. **Covered Operation(s)**

means activities undertaken by or on behalf of the **Insured** at third party locations.

10. **Covered Underground Storage Tank(s)**

means any **Underground Storage Tank(s)** listed as such in the **Schedule**.

11. **Deductible Period**

means that part of any claim expressed as such in the **Schedule**.

12. **Employee**

means any person under a contract of service or apprenticeship with the **Insured**. **Employee** shall also include the following while working for the **Insured** in which case they will be considered to be employed by the **Insured**:

- a any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**;
- b any labour master and any person supplied by them;
- c any person engaged as a labour only sub-contractor and any person supplied by them;
- d any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the **Insured**;
- e any person supplied to the **Insured** under a contract or agreement the terms of which deem such person to be in the employment of the **Insured** for the duration of such contract or agreement; or
- f any work experience student or trainee.

13. **Environmental Law**

means any law governing the liability of the **Insured** with respect to **Pollution Conditions** or **Biodiversity Damage**.

14. **Excess**

means that part of any claim expressed as such in the **Schedule**.

15. **Extended Reporting Period**

means any additional period of time as specified in this **Policy** within which the **Insured** is entitled to notify a claim to the **Company**.

16. **Extra Expense**

means costs incurred by the **Insured**, due to a **Pollution Condition** or **Biodiversity Damage** covered under this **Section** that are necessary to avoid or mitigate any **Business Interruption** and are incurred in order to minimise the amount of **Business Income** that would otherwise be incurred.

17. **Former Property**

means any property which having been owned, leased or controlled by the **Insured** was surrendered, sold, assigned, abandoned or relinquished by the **Insured**.

18. **Fungi**

means any type or form of fungus including mould or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

19. **Known Condition(s)**

means a **Pollution Condition** or **Biodiversity Damage** which was first in existence and was known to any **Responsible Official** prior to the commencement of this **Section**.

## 20. Limit of Liability

means:

- a the maximum amount stated in the **Schedule** as the **Limit of Liability** for any one **Pollution Condition** or **Biodiversity Damage** which the **Company** shall be liable to pay in respect of any and all **Loss Costs and Expenses Remediation Costs** and **Business Interruption Loss** arising from any one such **Pollution Condition** or **Biodiversity Damage**;
- b the maximum amount stated in the **Schedule** as the aggregate **Limit of Liability** which the **Company** shall be liable to pay in respect of all **Loss Biodiversity Damage Costs and Expenses Remediation Costs** and **Business Interruption Loss** pertaining to any one **Period of Insurance**.

## 21. Local Policy

means:

- a a policy issued as part of the insurance programme for which this document is the Master Policy by:
  - i. the **Company**;
  - ii. an authorised representative of the **Company**;
  - iii. any other insurer authorised by the **Company**;to provide local insurance in territories other than Great Britain Northern Ireland the Channel Islands and the Isle of Man;
- b a policy issued to an insured company or companies which is not issued as part of the aforementioned insurance programme and which provides cover for any risk(s) which is/are covered hereunder.

## 22. Loss

means any and all sums which the **Insured** becomes legally liable to pay as damages.

## 23. Loss Mitigation Costs

means:

- a costs incurred by the **Insured** with the express permission of the **Company** to avoid or mitigate the impact of any **Pollution Condition** or **Biodiversity Damage** which may give rise to **Loss Remediation Costs** or **Biodiversity Damage** under this **Section** which may give rise to a claim under this **Section**;
- b reasonable costs incurred by the **Insured** in seeking to avoid or mitigate the impact of any imminent **Pollution Condition** or **Biodiversity Damage** which may be covered by this **Section** where it is not reasonably practical to obtain the express permission of the **Company**.

## 24. Period of Interruption

means the period of time during which the **Business** (or part thereof) is necessarily suspended as a result of a **Pollution Condition** or **Biodiversity Damage**, commencing with the date on which the suspension first started.

The **Period of Interruption** will end on the date that the subject **Pollution Condition** or **Biodiversity Damage** covered by this **Section** has been remedied to the point at which the suspended **Business** (or part thereof) could reasonably be restored.

## 25. Planning Laws

means any law governing the development, change of use, construction or demolition of any land or buildings or structures contained thereon.

## 26. Pollution Condition

means the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant including smoke, soot, vapours, fumes, acids, alkalis, chemicals, **Fungi**, hazardous substances, hazardous materials and waste materials into or upon land or buildings or structures thereon, the atmosphere, surface water or groundwater.

**27. Property Damage**

means:

- a loss of or damage to material property of a third party;
- b loss of use of material property of a third party which is not physically damaged;
- c diminishment in value of material property of a third party;
- d **Trespass, Nuisance or Obstruction.**

**28. Regulatory Action**

means any action taken or any liability imposed by any **Regulatory Authority** under **Environmental Law**.

**29. Regulatory Authority**

means any legal body, authority, agency or other person and/or any court of law or tribunal in each case having authority under **Environmental Law**.

**30. Remediation Costs**

means:

- a reasonable expenses incurred by the **Insured** with the written consent of the **Company** in the investigation, characterisation, quantification, monitoring, abatement, removal, disposal, treatment, neutralisation or immobilisation of **Pollution Conditions** covered by this **Section** to the extent required by **Environmental Law** and as a result of a **Regulatory Action**;
- b **Replacement Costs.**

**31. Replacement Costs**

means costs or expenses necessarily incurred in the repair or replacement of buildings or structures due to damage sustained by such buildings or structures in the course of responding to a **Pollution Condition** or **Biodiversity Damage** covered by this **Section** but excluding any costs or expenses incurred in respect of any improvements or betterments to such buildings or structures.

**32. Responsible Official**

means any **Employee** of the **Insured** who is or was responsible for environment matters, control or compliance or any officer, director or partner of the **Insured**.

**33. Retroactive Date**

means the date stated as such in the **Schedule**.

**34. Reverse Retroactive Date**

means the date stated as such in the **Schedule**.

**35. Transportation**

means the movement of goods, products or waste by or on behalf of the **Insured** subject to appropriate licence for such movement where applicable until such time as such goods, products or waste arrive at the boundaries of the site of their final destination.

**36. Trespass, Nuisance or Obstruction**

means any material trespass, nuisance or obstruction or interference with including enjoyment of or use of or material harm, inconvenience, or obstruction to any real estate, easement, right of air, light, water or way over land.

**37. Underground Storage Tank(s)**

means any tank and associated piping and appurtenance which tank has more than ten percent (10%) of its volume below ground.

## Exclusions

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This **Section** does not apply to liability **Loss**, **Biodiversity Damage Costs and Expenses** **Remediation Costs** or **Business Interruption Loss**:

1. **Advice**

arising out of the provision of or failure to provide any instruction, advice, information or professional service in return for a fee;

2. **Aircraft and Watercraft**

arising from or caused by the ownership, possession, control or use by or on behalf of the **Insured** of:

- a any aerospace device or any airborne or waterborne craft or vessel or the loading or unloading of such craft or vessel;
- b any mechanically propelled vehicle or trailer attached thereto other than where coverage under **Sub-section 3** of this **Section** is provided;

3. **Asbestos and Lead**

arising out of or related in any way to:

- a asbestos or asbestos-containing materials; or
- b lead or lead-containing materials;

on or in structures and the **Company** shall have no duty of any kind with respect to a and b of this **Exclusion**. This **Exclusion** does not apply to **Remediation Costs** with respect to soil and groundwater;

4. **Contractual Liability**

assumed under any contract or agreement unless such liability would have attached at law in the absence of such contract or agreement;

5. **Custody or Control**

in respect of loss of damage to, loss of use of or diminishment in value of property including vehicles used in the course of **Transportation** belonging to the **Insured** or in the custody or control of the **Insured** or any **Employee** or agent of the **Insured** other than in respect of **Remediation Costs** or **Biodiversity Damage**;

6. **Deductible Period**

in respect of **Business Interruption Loss** incurred during the **Deductible Period**;

7. **Employees**

in respect of **Bodily Injury** sustained by any **Employee** arising out of and in the course of employment by the **Insured**;

8. **Excess**

for the amount of the **Excess**;

9. **Fines, Liquidated Damages and Penalties**

for fines, penalties or sanctions whether civil or criminal for noncompliance with law liquidated damages, punitive or exemplary damages or under any penalty clause;

10. **Former Property**

arising from or in respect of any **Former Property** subsequent to the time such property is surrendered, sold, assigned, abandoned or relinquished by the **Insured**;

#### 11. **Fungi**

arising out of or in any way related to, in whole or in part, the actual alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any **Fungi** regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to **Bodily Injury** or **Property Damage**.

This **Exclusion** shall also apply to any costs or expense arising out of the testing for monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediation or disposing of, or in any way responding to, or assessing the effects of **Fungi** by any **Insured**, or by any other person or entity;

#### 12. **Intentional Acts**

arising from the intentional disregard of, or knowing wilful or deliberate failure to:

- a comply with any statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any **Regulatory Authority** or executive judicial or administrative order by the **Insured** or by any **Responsible Official**;
- b employ all reasonable mitigation or remedial measures or take additional precautions as soon as possible after discovery of any **Pollution Condition** or **Biodiversity Damage** covered by this **Section**;
- c employ all reasonable mitigation or remedial measures likely to prevent or avoid any event which may result in a **Pollution Condition** or **Biodiversity Damage** covered by this **Section**;

#### 13. **Internal Expenses**

in respect of expenses incurred by the **Insured** for services performed by the salaried staff and employees of the **Insured** other than with respect to **Loss Mitigation Costs**;

#### 14. **Known Condition(s)**

arising from any **Known Condition(s)** which is not a **Covered Known Condition(s)**;

#### 15. **Material Change in Use**

arising from a material change in the **Business** during the **Period of Insurance**:

- a which results in more stringent remediation requirements for any properties owned, leased or controlled by the **Insured** than those applicable at inception of this **Section**;
- b where such change would have materially affected the terms and conditions of this **Section** applicable at inception of this **Section**;

#### 16. **Naturally Occurring Materials**

arising from the presence or required removal of naturally occurring materials at the particular location connected with the **Business** except in circumstances where such materials are present in concentrations which are in excess of their natural concentration;

#### 17. **Non-Aggregation**

any of which are the subject of indemnity under **Section 1** Property Damage, **Section 2** Business Interruption or **Section 4** Public and Products Liability of this **Policy** or would be but for the **Limit of Liability** applicable thereto;

#### 18. **Products Liability**

arising from anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the **Insured** including containers, packaging or labelling and which is not in the possession of the **Insured** at the time of the **Pollution Condition** or **Biodiversity Damage**;

#### 19. **Radioactive Contamination**

of whatsoever nature directly or indirectly caused by, or contributed to, or arising from, or in connection with any ionising radiations, radioactivity, or radioactive substances;

## 20. **Retroactive Date**

arising from a **Pollution Condition** which first commences:

- a prior to the **Retroactive Date** stated in the **Schedule**;
- b subsequent to the **Reverse Retroactive Date** stated in the **Schedule**;

## 21. **Terrorism**

caused by or arising from:

- a any **Act of Terrorism**; and/or
- b **Remediation Costs, Biodiversity Damage, Bodily Injury Property Damage** or **Costs and Expenses** of whatsoever nature directly or indirectly caused by, or contributed to, or arising from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.

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 or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

If the **Company** alleges that by reason of this **Exclusion** any **Loss Biodiversity Damage Costs and Expenses Remediation Costs** or **Business Interruption Loss** is not covered by this **Section**, the onus of proving to the contrary shall be upon the **Insured**;

## 22. **Transported Goods**

arising from goods, products or waste transported by or on behalf of the **Insured** where such goods, products or waste are not in the control of the **Insured**, or the entity undertaking **Transportation** on behalf of the **Insured**, or have been surrendered to a third party;

## 23. **Underground Storage Tank(s)**

arising from any **Pollution Condition** or **Biodiversity Damage** which emanates from an **Underground Storage Tank(s)** the presence of which was known to any **Responsible Official** prior to the commencement of this **Section** and which was not removed prior to inception of the **Section** and which is not listed in the **Schedule** under **Covered Underground Storage Tank(s)**;

## 24. **Voluntary Site Investigation and Redevelopment**

arising directly or indirectly from any voluntary investigation, audit or assessment or the movement of any ground material in connection with any construction, redevelopment or refurbishment works or in connection with any **Planning Laws** at, or on any site owned, leased, occupied or controlled by the **Insured**. This **Exclusion** does not apply to any routine maintenance by the **Insured** at any such site.



## Section 5 Terrorism in Great Britain

### Cover

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Notwithstanding anything contained in this **Policy** to the contrary, in respect of:

1. the **Period of Insurance** as stated in the **Schedule**; or
2. a period of twelve (12) months from the commencement of the **Period of Insurance** as stated in the **Schedule**, if this is effective for a period in excess of twelve (12) months;

this **Section** shall provide cover limited to **Covered Loss**. Except insofar as they may be expressly varied herein, the insurance by this **Section** shall be subject, insofar as applicable, to all of the terms and conditions of the **Applicable Sections** as if they had been incorporated herein.

### Terms and Conditions

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Provided that this **Section** shall only apply:

- a in Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987. This does not include Northern Ireland, the Isle of Man or the Channel Islands.) For the purposes of this **Section** this shall include within the Channel Tunnel up to the frontier of the Republic of France, as set out in the Treaty of Canterbury 1986;
- b to those **Applicable Sections** (including any **Sub-Limits of Liability**) of this **Policy** when stated in the **Schedule** as being insured and the **Company** shall not be liable under this **Section** for more than the **Limit of Liability** and/or **Sums Insured** (if applicable), nor any **Sub-Limits of Liability**, stated in the **Schedule** under the **Applicable Sections**.

In any action, suit or other proceedings where the **Company** alleges that any physical loss, destruction or damage or consequential loss is not covered by this **Section** of the **Policy**, the burden of proving that such physical loss, destruction or damage or consequential loss is covered shall be upon the **Insured**.

The following shall not apply to any cover provided hereon:

1. any terms in this **Policy** which provide for adjustments of premium based upon declarations on expiry or during the **Period of Insurance**;
2. any Long Term Agreement / Undertaking applying to the **Policy**;

it is also noted that:

3. any **Deductible** retained by the **Insured** under the **Applicable Sections** shall also apply to this **Section**.

### Definitions

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Words and phrases used in this **Section** have the same meaning as defined in the **General Definitions** of this **Policy** save where set out below.

#### 1. **Applicable Sections**

means **Section 1** Property Damage and **Section 2** Business Interruption (if shown in the **Schedule** as insured under this **Policy**) or as otherwise provided under any **Extension** to **Section 1** and/or **Section 2** (other than **Section 2** Denial of Access Non-Damage and Restrictions on the Use of the Premises **Extensions**).

#### 2. **Act of Terrorism**

means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of HM Government in the **United Kingdom** or any other government de jure or de facto such act having been certified by HM **Treasury** to have been an **Act of Terrorism** or having been determined to have been such by **Tribunal**.

#### 3. **Computer System**

means a computer or other equipment or component or system or item which processes stores transmits or receives **Data**.

4. **Covered Loss**

means all losses arising under any of the **Applicable Sections** as a result of damage to or the destruction of **Property Insured** and/or other property (where stated), the proximate cause of which is an **Act of Terrorism**.

5. **Data**

means data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

6. **Denial of Service Attack**

means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **Computer Systems**. **Denial of Service Attacks** include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **Computer Systems**.

7. **Hacking**

means unauthorised access to any **Computer System**, whether the property of the **Insured** or not.

8. **Individual**

means any person(s) other than a:

- a Trustee or body of Trustees that holds blocks of flats and/or private dwelling houses under a trust; or
- b person who owns blocks of flats and/or private dwelling houses in the business of a sole trader.

9. **Nuclear Installation**

means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for:-

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

10. **Nuclear Reactor**

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

11. **Phishing**

means any access or attempted access to **Data** made by means of misrepresentation or deception.

12. **Treasury**

means the Lord Commissioners of HM Treasury from time to time.

13. **Tribunal**

means a tribunal constituted by Pool Reinsurance Company Limited and HM **Treasury** or any successor relevant bodies or authorities.

#### 14. **Virus or Similar Mechanism**

means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **Computer Systems, Data** or operations, whether involving self-replication or not. The **Definition of Virus or Similar Mechanism** includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

**and not as may be otherwise defined in this Policy.**

### Exclusions

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Notwithstanding anything contained in this **Policy** to the contrary, this **Section** does not cover:

1. any losses whatsoever:
  - a. occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power,
  - b. arising under:
    - i. marine, aviation and transit policies (and the terms:
      - a) 'marine policy' shall for the purposes of this **Section** mean marine policies and all marine business wherever written and in whatever form of policy;
      - b) 'transit policy' shall for the purposes of this **Section** mean separate transit policies to this contract of insurance);
    - ii. motor insurance policies;
    - iii. bankers blanket bond;
  - c. directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from;
    - i. damage to or the destruction of any **Computer System**; or
    - ii. any alteration, modification, distortion, erasure or corruption of **Data**

in each case whether the property of the **Insured** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**;

#### **Proviso to Exclusion 1.c**

save that **Covered Loss** otherwise falling within this **Exclusion c** will not be treated as excluded by **Exclusion c** solely to the extent that such **Covered Loss**:

- i. results directly (or, solely as regards ii. c) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **Computer System**; and
  - ii. comprises:
    - a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **Property Insured**; or
    - b) the amount of business interruption loss suffered directly by the **Insured** by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of **Property Insured** or as a direct result of denial, prevention or hindrance of access to or use of the **Premises** by reason of an **Act of Terrorism** causing damage to other property within one mile of the **Premises** to which access is affected (whether the **Premises** or property of the **Insured** therein shall be damaged or not); or
    - c) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of property and any additional costs or charges reasonably and necessarily paid by the **Insured** to avoid or diminish such loss.
- and
- iii. is not proximately caused by an **Act of Terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.

In addition:

- iv. the meaning of **Property Insured** and “other property” for the purposes of this proviso shall exclude:
  - a) any money (as noted within the combined **Sections 1 and 2** of this **Policy**), electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
  - b) any **Data**.
- v. notwithstanding the above **Exclusion iv,b)** of **Data**, to the extent that damage to or destruction of **Property Insured** or “other property” within the meaning of subparagraph ii. above indirectly results from any alteration, modification, distortion, erasure or corruption of **Data**, because the occurrence of one or more of the matters referred to in sub-paragraph i. above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **Data**, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **Property Insured** or “other property” and otherwise falling within sub-paragraphs i. and ii.a) or b) nor any loss, cost or charges otherwise falling within subparagraphs i. and ii.c) above from being recoverable under this **Section**.

In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **Data** be recoverable under this **Section**.

In respect of the proviso to **Exclusion c** above, **Exclusion 8**. noted under combined **Sections 1 and 2** of this **Policy** is deemed not to apply;

- 2. any land or building which is occupied as a private residence or any part thereof which is so occupied, which is insured in the name of an **Individual**, unless:
  - a more than 20% of the building is commercially occupied; and
  - b it is insured under the same contract of insurance as the commercially occupied portion of the property;
- 3. a private dwelling house or a flat within a block of flats occupied as a private residence by any trustee(s) or any beneficiary of the trust or sole trader(s);
- 4. any **Nuclear Installation** or **Nuclear Reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **Nuclear Installation** or **Nuclear Reactor**;

Further to the above:

- 5. where a private dwelling or other property is the subject of a trust or any kind, or of an executorship of a will, this shall be covered,  
unless some part of it is:
  - a occupied by a beneficiary or a trustee of the trust in question, or by a beneficiary or an executor of the will in question;  
or
  - b located in premises owned by any such person,provided always that:
  - i. more than 20% of the building is commercially occupied; and
  - ii. it is insured under the same contract of insurance as the commercially occupied portion of the property.

# General Conditions

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

## 1. Insurance Act 2015

This **Policy** is subject to the terms of the Insurance Act 2015.

## 2. Termination

The insurance by this **Policy** shall be avoided:

- a with respect to any item of **Property Insured** thereby in regard to which there be any alteration after the commencement of this insurance whereby the **Insured's** interest ceases except by will or operation of law; and
- b with respect to loss resulting from interruption of or interference with the **Business**:
  - i. if the **Business** be wound up or carried on by a liquidator or receiver or permanently discontinued; or
  - ii. if the **Insured's** interest ceases otherwise than by death;

at any time after the commencement of this insurance, unless its continuance be admitted by the **Company** in writing.

## 3. Non-Invalidation

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of any contingency of a type insured by this **Policy** is increased, unknown to or beyond the control of the **Insured**, provided that they shall, immediately upon the same coming to their knowledge, give notice thereof to the **Company** and pay such additional premium as may be required.

## 4. Choice of Law

Subject to the prior application of **General Condition 9** Arbitration, with respect to amounts paid under this **Policy**, this **Policy** of insurance shall be governed by and construed in accordance with the laws of England and Wales and the Commercial Court, King's Bench Division of the High Court of Justice, Royal Courts of Justice, The Strand, London WC2A 2LL shall have exclusive jurisdiction in respect of any dispute arising under or in connection with this **Policy**, including any dispute as to the formation or validity of the **Policy**.

## 5. Precautions

The **Insured** shall at their own expense take all reasonable precautions:

- a for the safety of the **Property Insured** and shall maintain the **Buildings** and all other property at the described **Premises** in a good and substantial state of repair;
- b in the selection of employees;
- c to ensure that their **Products** (as defined in **Definition 9** of **Section 4**) are free from defect and fit for the purposes intended and comply with all statutory obligations and regulations imposed by any authority before possession thereof is relinquished to others;
- d to remedy any defect or danger upon discovery thereof and take such additional precautions as the circumstances may require; and
- e to prevent any circumstances arising or to cease any activity which may give rise to liability under this **Policy**.

## 6. Fraudulent Claims

- a If the **Insured** makes a fraudulent claim under this **Policy**:
  - i. the **Company** shall not be liable to pay the claim and any sums paid by the **Company** in respect of the claim shall be repaid to the **Company** immediately; and
  - ii. the **Company** may by giving notice in writing to the **Insured** at their last known address treat this **Policy** as having been terminated with effect from the time of the **Fraudulent Act**.

- b If the **Company** does treat this **Policy** as having been terminated:
  - i. it may refuse all liability to the **Insured** under this **Policy** in respect of any **Relevant Event** occurring after the time of the **Fraudulent Act**; and
  - ii. it need not return any of the premiums paid under this **Policy**.

Provided that such termination does not affect the rights and obligations of the parties to this **Policy** with respect to any **Relevant Event** occurring before the time of the **Fraudulent Act**.

For the purposes of this **General Condition**:

**Fraudulent Act** means the behaviour that makes a claim fraudulent.

**Relevant Event** means whatever triggers the **Company's** liability under this **Policy**.

## 7. Subrogation

**This General Condition does not apply to Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

Any person claiming indemnity under this **Policy** shall at the request and at the expense of the **Company** do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the **Company** for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the **Company** shall be or would become entitled or subrogated upon its indemnifying the **Insured** under this **Policy**, whether such acts and things shall be or become necessary or required before or after their indemnification by the **Company**.

However, in the event of a claim arising under this **Policy**, the **Company** agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a any company standing in the relation of:
  - i. parent to subsidiary (or subsidiary to parent) to the **Insured**; or
  - ii. any company which is a subsidiary of a parent company of which the **Insured** are themselves a subsidiary;in each case as defined in current legislation;
- b any person or organisation against whom the **Insured** has agreed to waive its own right of recovery in a written contract, provided that such contract was executed prior to the date of the occurrence giving rise to the claim.

## 8. Third Party Rights

A person or company who is not a party to this **Policy** has no rights under the Contracts (Rights of Third Parties) Act 1999 in respect of this **Policy**. This **General Condition** does not affect any right or remedy which exists or is available apart from that Act.

## 9. Arbitration

If any difference shall arise as to the amount to be paid under this **Policy** (liability being otherwise admitted) such difference shall be referred to arbitration under ARIAS Arbitration Rules.

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal shall be appointed as soon as practicable (and no later than twenty eight (28) days) after the appointment of the two party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.

The arbitrators shall be persons (including those who have retired) with not less than ten (10) years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where a party fails to appoint an arbitrator within fourteen (14) days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within twenty eight (28) days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.

The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

The seat of arbitration shall be London.

The proper law of this contract shall be the law of England and Wales.

## 10. Cancellation

This **Policy** may be cancelled by the **Company** by sending to the **Insured** at their last known address by recorded delivery letter written notice stating when not less than sixty (60) days thereafter cancellation shall be effective. The posting of notice as aforesaid shall be sufficient proof of notice.

Where any premium payable by direct debit instalments is not received, the **Company** will request payment for that unpaid premium in writing. If payment is not received within fifteen (15) days of that request, this **Policy** will be cancelled with effect from the date on which the initial unpaid direct debit was due.

## 11. Claims Procedure

**This Condition does not apply to Section 3 – Employers’ Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

On the happening of any event giving rise to or which may give rise to a claim under this **Policy**:

- a the **Insured** shall make all reasonable efforts to:
  - i. report it in writing to the **Company** as soon as possible but at the latest within seven (7) days if caused by riot, civil commotion or malicious persons or **Terrorism**;
  - ii. report it to the police immediately in case of loss, destruction or damage by malicious persons, theft or loss of any property;
  - iii. supply to the **Company** (at the **Insured’s** own expense and in the form prescribed by the **Company**) all such detailed particulars, proofs, books of account, other business books, documents and other evidence as the **Company** may from time to time reasonably require, including details of any other relevant insurance, within:
    - 1) seven (7) days of the event in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons;
    - 2) thirty (30) days of the expiry of the **Indemnity Period** in the case of any claim under **Section 2** Business Interruption of this **Policy**; or
    - 3) thirty (30) days of the event in the case of any other claim;

or such further time as the **Company** may allow;

  - iv. if demanded, deliver to the **Company** (at the **Insured’s** own expense) a statutory declaration of the truth of the claim and of any matters connected therewith;
  - v. take or permit to be taken such reasonable action as may be necessary to minimise the damage or loss consequent thereon;
  - vi. notify the **Company** immediately upon hearing of any impending prosecution, inquest or fatal inquiry in connection with any such event; and
  - vii. forward every claim notice letter, verbal notice of claim or claim form or other originating process or any other document served on the **Insured** to the **Company** immediately on receipt;
- b the **Company** shall be entitled:
  - i. to prosecute in the name of the **Insured** but for the **Company’s** benefit any claim for compensation or indemnity and any claimant under this **Policy** shall at the request and expense of the **Company** take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **Insured** before or after any payment is made by the **Company**;
  - ii. if and so long as it desires, to take over and to have the sole conduct and control of any claim and legal proceedings or alternative dispute resolutions relating thereto in the name of the **Insured** and shall have full discretion in the settlement of any claim; and
  - iii. on the happening of any loss, destruction or damage to the **Property Insured**, without incurring any liability, to enter any building where the loss, destruction or damage has happened and to take and keep possession of the **Property Insured** and to deal with such property and with the salvage in a reasonable manner and this **Policy** shall be proof of leave and licence for such purpose. No property may be abandoned to the **Company** whether taken possession of by the **Company** or not;
- c the **Insured** shall not negotiate, admit liability or make any promise or payment or settlement without the **Company’s** written consent.

## 12. Non Contribution

### A. Applicable to all Sections other than Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A -Environmental Liability:

This **Policy** shall not be brought into contribution with any other insurance except to the extent that:

- a the insurance provided by this **Policy** is broader in meaning or in scope than the insurance provided under such other insurance; and
- b any limitation of liability contained in any such other insurance is lower than any corresponding limitation of liability contained in this **Policy**;

provided that:

- i. the liability of the **Company** shall be limited to the difference between the amount recoverable under such other insurance and the amount that would have been recoverable under this **Policy** but for the existence of such other insurance; and
- ii. no deductible or excess amount, nor any financial loss sustained by the **Insured** resulting from the operation of any condition of average or co-insurance in such other insurance be recoverable under this **Policy**.

### B. Applicable to Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability:

If at the time of the happening of any occurrence covered by this **Section** there is any other existing insurance whether effected by the **Insured** or not covering the same liability the **Company** shall not be liable to indemnify the **Insured** in respect of such liability except so far as concerns any excess beyond the amount which would have been payable under such other insurance had this **Policy** not been effected.

## 13. Claims Preparation Costs

### A. Applicable to all Sections other than Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability:

The **Company** will indemnify the **Insured** in respect of **Claims Preparation Costs** incurred with the prior consent of the **Company** (including agreement as to hourly rates);

provided that the liability of the **Company** under this **General Condition** in respect of any one **Occurrence** and in the aggregate in any one **Period of Insurance** shall not exceed the sum shown in the **Schedule**;

### B. Applicable to Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability:

The **Company** will indemnify the **Insured** in respect of **Claims Preparation Costs** incurred with the prior consent of the **Company** (including agreement as to hourly rates);

provided that the liability of the **Company** under this **General Condition** for all such costs shall not exceed the applicable **Sub-Limit of Liability**;

provided always that:

- a the **Company** shall not be liable hereunder in respect of:
  - i any fees, expenses, costs and/or similar disbursements in respect of any claims advocacy (or similar description), payable to any broker, agent, loss assessor / adjuster, accountant, lawyer (or other legal expert) or any other entity instructed or retained directly or indirectly to consult or advise, or to act on behalf of, the **Insured** in respect of coverage or the negotiation of a claim; or
  - ii any salaries, wages, expenses, costs and/or similar disbursements incurred by any personnel on, or who are deemed to be on, the payroll of the **Insured**; and
- b the **Insured** shall maintain an accurate record of the amount of time spent by each person on such work and such record shall be made available to the **Company** upon request.

For the purposes of this **General Condition**, **Claims Preparation Costs** means the actual costs and expenses incurred by the **Insured** in respect of reasonable fees paid to appropriately qualified professional(s) who the **Insured** has retained for producing and certifying any details contained in the **Insured's** books or documents or such other proofs, information or evidence required by the **Company** to support the measurement of claimed losses.



#### 14. Survey

**This General Condition applies to Section 3 - Employers' Liability only.**

The **Company** or a representative of the **Company** is permitted to undertake a survey of the **Insured's** premises. If this option is exercised by the **Company** it shall produce a survey report for the **Company**.

Between inception of this **Policy** and the production of the survey report, the terms, **Conditions** and **Exclusions** of this **Policy** remain unaltered.

In the event that the survey report is unsatisfactory to the **Company**, the **Company** shall have the right to:

- a amend the **Policy** terms, **Conditions** or **Exclusions** and / or require completion of risk improvements issued in writing by the **Company** within a defined period.

If the **Company** elects to change the terms in accordance with a above, the **Insured** may:

- i terminate the **Policy** within 30 days of receipt of the revised terms by giving notice in writing to the **Company**; or
  - ii continue the **Policy** at the revised terms for the remainder of the **Period of Insurance**
- b terminate the **Policy** by serving not less than thirty (30) days' notice in writing to the **Insured** and the broker at the **Address** in the **Policy Schedule**.

In the event of termination of the **Policy** under this Survey **General Condition**:

- a premium is due to the **Company** on a pro rata basis for the period that the **Company** is on risk; or
- b if premium for the **Period of Insurance** has been paid to the **Company**, the **Insured** shall be entitled to pro rata return of premium for the unexpired **Period of Insurance**.

# General Definitions

## 1. **Business**

means the business as stated in the **Schedule**.

## 2. **Company**

means Chubb European Group SE (CEG).

## 3. **Earthquake (including Earthquake Shock)**

means earth movement due to a natural seismic disturbance caused by a sudden movement of the earth's crust and including:

- a loss, destruction or damage from **Earthquake Shock**;
- b subsequent loss, destruction or damage caused by fire or explosion resulting therefrom; and
- c the eruption explosion or effusion of a volcano;

but excluding **Flood**.

## 4. **Earthquake Shock**

means:

- a earthquake shock excluding any subsequent loss, destruction or damage or caused by fire or explosion resulting therefrom; and
- b volcanic eruption meaning the eruption explosion or effusion of a volcano;

but excluding **Flood**.

## 5. **Flood**

means the escape of water from its normal natural or artificial confines (other than tanks apparatus or pipes) or inundation from the sea including tidal wave or tsunami.

## 6. **Insured**

means the **Insured** stated in the **Schedule**.

## 7. **Limit(s) of Liability**

means the applicable amount(s) stated in the **Schedule, Sections, Endorsements** and **Extensions** in which they appear.

## 8. **Period of Insurance**

means the period stated as such in the **Schedule** and any subsequent period for which the **Insured** shall pay and the **Company** shall agree to accept the **Insured's** premium.

## 9. **Policy**

means this policy including the **Schedule, Sections, Clauses** and any **Endorsements** or addenda that amend or alter this **Policy**, all of which should be read together as one contract.

## 10. **Products**

means anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers packaging or labelling and which is not in the possession of the Insured at the time of the occurrence.

## 11. **Property Insured**

means the property shown as such in the **Schedule**.

12. **Schedule**

means the part of the insurance contract attaching to and forming part of this **Policy** that identifies the **Insured** and other parties, the property and/or liabilities covered, the territorial limits, the **Limits** and **Sub-Limits of Liability** and the **Deductibles** and/or **Excesses** applicable.

13. **Storm**

means storm, windstorm, hurricane, tornado, tempest and typhoon including subsequent loss, destruction or damage caused by water that backs up from a sewer or drain as a direct result thereof but excluding **Flood**.

14. **Sub-Limit(s) of Liability**

means the applicable amount(s), which form part of the **Limit of Liability** and do not apply in addition to it unless otherwise stated in the **Schedule, Sections, Endorsements** and **Extensions** in which they appear.

15. **United Kingdom**

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

# General Exclusions

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

In addition to the **Sections** stated below **General Exclusions** 1. to 9. and 11. do not apply to **Section 5 – Terrorism in Great Britain**.

## 1. Schemes and Pools

**This General Exclusion only applies to Section 1 - Property Damage and Section 2 Business Interruption.**

This **Policy** does not cover loss, destruction or damage, injury or any consequential loss resulting therefrom, which can be insured against under any government scheme or official obligatory pool except, where such loss, destruction or damage is so insured, as regards any difference between the amount recoverable under such scheme or pool and the amount which would have been recoverable hereunder had this **General Exclusion** not been incorporated herein.

## 2. War

**This General Exclusion does not apply to Section 3 - Employers' Liability.**

This **Policy** does not cover any loss, destruction, damage, cost, expense, consequential loss or injury directly or indirectly caused by, resulting from, in connection with or in consequence of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

## 3. Terrorism

**This General Exclusion does not apply to Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover any loss, destruction, damage, cost, expense, consequential loss or injury directly or indirectly caused by, resulting from or in connection with any **Act of Terrorism** or any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purposes of this **General Exclusion**, “**Act of Terrorism**” means:

- a in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor Northern Ireland, the Isle of Man or the Channel Islands. For the purposes of this **General Exclusion** England shall include the Channel Tunnel up to the frontier of the Republic of France, as set out in the Treaty of Canterbury 1986:  
acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of HM Government in the **United Kingdom** or any other government de jure or de facto; and
- b in respect of all other territories:  
any 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 or similar purposes, including the intention to influence or overthrow any government and/or to put the public or any section of the public in fear.

In any action suit or other proceedings where the **Company** alleges that by reason of this **General Exclusion**, any loss, destruction, damage, cost, expense, consequential loss or injury is not covered by this **Policy**, the burden of proving that such is covered shall be upon the **Insured**.

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

## 4. Nationalisation, confiscation

**This General Exclusion does not apply to Section 3 – Employers' Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover any loss, destruction, damage, consequential loss or injury directly or indirectly occasioned by, happening through or in consequence of nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.

## 5. **Radioactive Contamination**

This **Policy** does not cover loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any liability directly or indirectly caused by or contributed to by or arising from:

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

## 6. **Date Recognition**

**This General Exclusion does not apply to Section 3 – Employers’ Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover any loss, destruction, damage, cost, claim, expense or consequential loss of whatsoever nature directly or indirectly caused by, contributed to by, arising from or relating to:

- a any actual or alleged failure or inability of any **Computer Equipment** (as defined herein) whether or not owned by or in the possession of the **Insured**:
  - i. to correctly recognise or to correctly process (including but not limited to capture, save, retain, calculate, compare, interpret, record, retrieve, sequence, read, store, manipulate, write to media, determine, distinguish, convert, transfer or execute) **Date/Time Material**; or
  - ii. to correctly recognise or to correctly process (including but not limited to capture, save, retain, calculate, compare, interpret, record, retrieve, sequence, read, store, manipulate, write to media, determine, distinguish, convert, transfer or execute) any data or information as a result of the treatment of any **Date/Time Material** by such equipment or by any command or instruction which is or has been programmed or in any other manner entered into it;
- b any actual or alleged failure to provide or inadequacy of any services whether provided by the **Insured** or by any other person or persons due to any actual or alleged failure or inability described at paragraph a above; or
- c any advice, consultation, design, evaluation, inspection, installation, maintenance, alteration, repair, replacement or supervision provided or done by the **Insured** or for or on behalf of the **Insured** to determine, rectify or test for any potential or actual problem described at paragraph a above.

For the purposes of this **General Exclusion**:

### 1) **Computer Equipment** means:

- a computer hardware, including microprocessors;
- b computer application software;
- c computer operating systems or related software;
- d computer networks;
- e microprocessors (computer chips) not part of any computer system;
- f any other computerised or electronic equipment; and
- g any other equipment which directly or indirectly contains, uses or relies upon in any manner any of the items listed at a to f above.

### 2) **Date/Time Material** means dates, times or data or information or command or instruction that in any manner depends upon, is contingent upon, is derived from or incorporates any date or time irrespective of the manner by which it is stored, recorded or entered.

## 7. **Mould**

**This General Exclusion does not apply to Section 3 – Employers’ Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover any loss, damage, claim, cost, expense 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 **General Exclusion** applies regardless whether there is any:

- a physical loss or damage to **Property Insured**;
- b insured peril or cause, whether or not concurrently or in any sequence;
- c loss of use, occupancy or functionality; or
- d action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation or steps taken to address medical or legal concerns.

#### 8. **Riot and Civil Commotion in Northern Ireland**

**This General Exclusion does not apply to Section 3 – Employers’ Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover loss, destruction or damage of or to property in Northern Ireland directly or indirectly occasioned by or happening through riot, civil commotion and (except in respect of destruction or damage by fire or explosion) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons

nor any consequential loss of whatsoever nature resulting or arising therefrom.

#### 9. **Sonic Boom**

**This General Exclusion does not apply to Section 3 – Employers’ Liability, Section 4 - Public and Products Liability and Section 4A - Environmental Liability.**

This **Policy** does not cover any loss, destruction or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

#### 10. **Sanctions**

The **Company** shall not be deemed to provide cover and the **Company** shall not be liable to pay 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** 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. **Communicable Disease Endorsement**

**This General Exclusion only applies to Section 1 - Property Damage and Section 2 Business Interruption.**

- a Notwithstanding and superseding any other provision of this **Policy** to the contrary, this **Policy** does not insure any loss, damage, claim, cost, expense or other sum whatsoever, directly or indirectly arising out of, or in any way attributable or related to, connected with or occurring concurrently or in any sequence with:
  - i. a **Communicable Disease**; or
  - ii. the fear or threat (whether actual or perceived) of a **Communicable Disease**.
- b For the purposes of this **Endorsement**, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - i. for a **Communicable Disease**; or
  - ii. any property insured hereunder that is or may be affected by a **Communicable Disease**.
- c As used herein, a **Communicable Disease** means any:
  - i. physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission; or
  - ii. any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, which is capable of causing physical distress, illness or disease.
- d This **Endorsement** applies to all coverage **Extensions**, additional coverages, exceptions to any **Exclusion** and other coverage grant(s).

## Contact Us

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## About Chubb

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Chubb is a world leader in insurance with operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally.

Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London, Paris and other locations, and employs approximately 40,000 people worldwide.

# Chubb. Insured.<sup>SM</sup>

Chubb European Group SE (CEG) is a Societas Europaea, a public company registered in accordance with the corporate law of the European Union. Members' liability is limited. CEG is headquartered in France and governed by the provisions of the French insurance code. Risks falling within the European Economic Area are underwritten by CEG, which is authorised and regulated by the French Prudential Supervision and Resolution Authority (4 Place de Budapest, CS 92459, 75436 Paris Cedex 09, France). Registered company number: 450 327 374 RCS Nanterre. Registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. Fully paid share capital of €896,176,662.

CEG's UK branch is registered in England & Wales. UK Establishment address: 40 Leadenhall Street, London EC3A 2BJ. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Details about our authorisation can be found on the Financial Conduct Authority website (FS Register number 820988).