Willis Towers Watson III'I'III



Real Estate Insurance Policy

Issued on behalf of insurers by Willis Towers Watson Version: WTW PO Wording UK17



Guidance Notes

These guidance notes are provided for information purposes only and do not form part of the terms of your policy. This policy has been prepared and issued by the Real Estate Practice of Willis Towers Watson on behalf of Insurers

An insurance policy is a legal document evidencing the contract between the Insured and the Insurers

Please read this document carefully to ensure that the cover arranged is completely accurate and in accordance with your instructions

Claim notification

It is important that you comply with all policy conditions and you should familiarise yourself with their requirements. We draw your attention in particular to the claim notification provisions on pages 8 and 10

The Claims Conditions require you to provide the Insurers with any reasonable assistance and evidence that may be required concerning the cause and value of any claim. Ideally, as part of your initial claim notification, you should provide:

- Your name, address and contact phone number(s)
- Policy number
- The date of the incident
- The cause of the loss or damage
- Address where the loss took place together with an estimated claim value (if available)
- If the claim involves personal injury or damage to third party property, the names and addresses of any other parties involved or responsible for the incident including details of injuries and names and addresses of any witnesses (if known)

This information will enable Insurers to make an initial evaluation on policy liability. They may, however, request additional information depending on circumstances and estimated claim value. Sometimes Insurers may wish to meet with you to discuss the circumstances of the claim, to inspect the damage or to undertake further investigations

Insurers take pride in the claims service offered to Willis Towers Watson customers and have developed a network of contractors, repairers and product suppliers dedicated to providing claim solutions

Data protection - insurers

All personal information supplied by you will be treated in confidence by the Insurers and will not be disclosed to any third parties except where your consent has been received or where permitted by law. In order to provide you with products and services this information will be held in data systems of the Insurers or their agents or subcontractors

It may be necessary for the Insurers to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, or to prevent and detect fraud, the Insurers may share information the Insured gives the Insurers with other organisations and public bodies, including the Police, accessing and updating various databases. If the Insured gives the Insurers false or inaccurate information and the Insurers suspect fraud, the Insurers will record this and the information will be available to other organisations that have access to the database(s)

The Insurers may pass your personal data to other companies for processing on its behalf. Some of these companies may be based outside Europe in countries which may not have laws to protect your personal data, but in all cases the Insurers will ensure that it is kept securely and only used for the purposes for which you provided it. Details of the companies and countries involved can be provided by the Insurers to you on request

Your duty of fair presentation

The following applies if your policy is subject to the laws of England & Wales, Scotland or Northern Ireland

You are under a duty to make a fair presentation of the risk, which requires you to disclose all material facts when seeking insurance (including when renewing any insurance) and when making a subsequent variation to the insurance. You must also advise the Insurer of any changes that occur between receipt of a quotation and finalising placement or renewal. The disclosures referred to above must be presented in a reasonably clear and accessible way

If you fail to make a fair presentation of the risk, then subject to the terms of the policy, the Insurer may cancel the policy (i.e. treat it as if it had never existed) or amend the terms that apply and/or reduce the amount it pays in the event of a claim. If any such failure is deliberate or reckless, the Insurer may cancel the policy, refuse the claim and keep the premium

A material fact is one that would influence a prudent insurer in deciding whether to accept a proposed insurance or not and, if they accept, on what terms, conditions and cost. If you are in any doubt as to whether a fact may be material or not you are advised in your own interest to disclose all known facts or seek our advice

If you require further information concerning a "fair presentation of risk" please contact your insurance advisor

Material change of risk

Your policy requires you to notify the Insurer in writing of any material change to the insured risk during the period of insurance and, in some cases, in the period between finalising the insurance contract (or renewal of it) and the commencement of the period of insurance. The Insurer can then decide whether to cover the new risk. Some examples of material changes are

- change your business activities;
- acquiring or merging with another business;
- a change in the occupancy or significant change in usage of a property
- construction works at the property particularly important where structural and heat work are involved impairment of fire/intruder protection systems or changes to security levels
- being unable to pay your debts as they fall due and entering into an arrangement with your creditors.

If you fail to comply with such a policy requirement, the remedies open to the Insurer will be set out in the policy and may be severe

We therefore recommend that you notify us immediately of any changes to material facts as soon as they arise If you are in any doubt as to whether the Insurer should be told about any particular change to the insured risk, please ask us

Complaints procedure – insurers

Should you have any cause for complaint about our services please raise the matter in the first instance with the person who handles your account or you may contact:

The Managing Director Real Estate Practice Willis Towers Watson Ltd. 51 Lime Street London EC3M 7DQ

The Insurer (contact details can be provided) will advise you of the person dealing with your complaint and will send you a copy of their complaints procedure. If you are not satisfied with the response to your complaint and are an eligible claimant you have the right to refer your complaint for adjudication to:

The Financial Ombudsman Service

Exchange Tower London E14 9SR **T**: 0800 023 4567 **W**:www.financial-ombudsman.org.uk **E**: complaint.info@finincial-ombudsman.org.uk

You may be entitled to compensation from the Financial Services Compensation Scheme ("FSCS") should the Insurer be unable to meet its obligations. Details of the circumstances in which a policyholder can make a claim – and instructions on how to do so – can be found on the FSCS website: www.fscs.org.uk

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaint procedures referred to above. However, the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced

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Introduction

The INSURED having paid or agreed to pay the PREMIUM the INSURERS agree to provide insurance in the manner described and set out in this POLICY for all Sections (other than any Section which states **"Not Insured"** in the POLICY SCHEDULE) in respect of the PERIOD OF INSURANCE or for any subsequent periods for which the INSURERS may accept a premium

Words and expressions to which specific meaning is given in any part of this POLICY shall have the same meaning wherever they appear in capital letters in the appropriate Section (or the POLICY where applicable) and shall have the same meaning whether used in the singular or plural unless stated to the contrary

The **Guidance Note** and table of **Contents** are for information only and do not form part of the policy cover

Claims Conditions

Claims conditions (applicable to all Sections other than Section 3 Legal Liabilities Insurance)

Reference in these Claims Conditions to DAMAGE extends to include INCIDENT in respect of **Sub Section 1(B) Rent Insurance**

Arbitration

Subject to the mutual agreement of the INSURERS and the INSURED all disputes and differences as to the amount of the indemnity liability being otherwise admitted arising under or in connection with this Section 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 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 and those involved in the buying of insurance) with not less than ten year's 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 days of being called upon to do so or where the two partyappointed arbitrators fail to appoint a third within twenty-eight 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 in the territory whose laws govern this POLICY as specified in the Law Applicable General Policy Condition

Contribution

If at the time of any DAMAGE there be any other insurance effected by or on behalf of the INSURED covering any of the property or interests suffering DAMAGE as insured hereby the liability of the INSURERS hereunder shall be limited to their rateable proportion of such DAMAGE

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this POLICY either in whole or in part or from contributing rateably the INSURERS' liability shall be limited to that proportion of the DAMAGE

Fraud

If a claim made by the INSURED or anyone acting on behalf of the INSURED is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, the INSURER may

- (a) refuse to pay the claim
- (b) recover from the INSURED any sums paid by the INSURER to the INSURED in respect of the claim
- (c) by notice to the INSURED cancel the POLICY with effect from the date of the fraudulent act without any return of premium

If the INSURER cancels the POLICY under (c) above, then the INSURER may refuse to provide cover after the time of the fraudulent act. This will not affect any liability the INSURER may have in respect of the provision of cover before the time of the fraudulent act

If this POLICY provides cover to any person other than the INSURED and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, this POLICY CONDITION shall apply as if they were the INSURED and all remedies available as above shall apply solely to that party

Insured's duties

In the event of any circumstances which may give rise to a claim under this POLICY Section the INSURED must as soon as reasonably practicable (and in any event within 7 days in the case of DAMAGE caused by riot):

- a) give notice to the INSURERS
- b) give notice to the police authority if it becomes evident that the DAMAGE has been caused by riot theft attempted theft or a criminal or malicious act
- c) carry out and permit to be taken any action which may reasonably be practicable to minimise or check any interruption of or interference with the BUSINESS or to avoid or diminish the loss
- d) give to the INSURERS all such proofs and information with respect to the claim as may reasonably be required together with (if required) a statutory declaration of the truth of the claim and of any connected matters

Insurers' rights

On the happening of DAMAGE in respect of which a claim is made the INSURERS and any person authorised by the INSURERS may without diminishing the right of the INSURERS under this POLICY enter take or keep possession of the PREMISES where such DAMAGE has occurred and take possession of any BUILDINGS and deal with such property for all reasonable purposes and in any reasonable manner

No property may be abandoned to the INSURERS whether taken possession of by the INSURERS or not

Subrogation

Any claimant under these Sections shall at the request and at the expense of the INSURERS do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the INSURERS for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the INSURERS shall be or would become entitled or subrogated upon their paying for any DAMAGE insured hereby whether such acts and things shall be or shall become necessary or shall be required before or after their indemnification by the INSURERS The INSURERS shall not enforce any rights against:

- a) any company standing in the relation of parent to subsidiary (subsidiary to parent) of the INSURED in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order prevailing at the time of the DAMAGE
- any company which is a subsidiary of a parent company of which the INSURED are themselves a subsidiary in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order prevailing at the time of the DAMAGE
- c) any tenant or lessee of the BUILDINGS irrespective of whether the insurance premium is recoverable or not provided that the DAMAGE did not result from a criminal fraudulent or malicious act of the tenant

Subrogation extended waiver

The INSURED may where they are contractually obliged to do so or where they consider failure to do so would be prejudicial to their BUSINESS release any person corporation or others from liability for DAMAGE caused by act or neglect of such parties or their agents or representatives and the INSURERS shall agree to waive all rights of subrogation against such parties

Claims conditions (applicable to Section 3 – Legal Liabilities Insurance)

Claims control and handling

- a) No admission of liability or offer promise or payment may be made without the written consent of the INSURERS
- b) The INSURERS will be entitled at their discretion to take over and conduct in the name of the INSURED the defence or settlement of any claim and to prosecute at the INSURERS own expense and for the INSURERS own benefit any claim for indemnity or damages against any other persons
- c) The INSURED will give all information and assistance as the INSURERS may reasonably require

Claims Conditions continued...

Discharge of liability

The INSURERS may pay to the INSURED the maximum sum payable under this Section in respect of any occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled and the INSURERS will not be under any further liability in respect of that occurrence except for the payment of LEGAL COSTS incurred prior to such payment

For the avoidance of doubt this Claims Condition does not apply to the following Cover Clauses:

- Data Protection Act item (b)
- Legal Expenses Arising From Employee Regulatory Legislation
- Legal Expenses Arising From Regulatory Legislation

Non-contribution

If at the time of any occurrence or claim there is or but for the existence of this POLICY would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the INSURED applicable to such occurrence or claim the INSURERS will not be liable under this Section to indemnify the INSURED in respect of such occurrence or claim except as far as concerns any excess beyond the amount which would be payable under such other indemnity or insurance had this POLICY not been effected subject to any General Condition herein

Notification

- a) The INSURED will give notice in writing to the INSURERS as soon as is reasonably practicable of any occurrence which in the opinion of the INSURED is likely to give rise to a claim under this Section and will forward directly and unanswered to the INSURERS every letter of claim Claim Form writ or summons immediately they are received
- b) The INSURED will give notice in writing to the INSURERS as soon as is reasonably practicable of any impending prosecution inquest fatal injury or civil proceedings in connection with such occurrence and will send to the INSURERS immediately upon request every relevant document which is in or comes into the INSURED'S possession

General Policy Definitions

Business

"BUSINESS" means:

- a) the Business described in the POLICY SCHEDULE
- b) the provision and management of canteen social sports welfare childcare counselling theatrical and similar facilities and organisations for the benefit of EMPLOYEES and their families
- c) fire brigade first aid medical security and ambulance services maintained for the protection of the INSURED'S premises and EMPLOYEES
- d) private work undertaken by any EMPLOYEE with the approval of a director or executive of the INSURED for a director partner or EMPLOYEE of the INSURED
- e) the ownership occupancy repair maintenance or decoration of PROPERTY by the INSURED
- f) participation in exhibitions
- g) repair and maintenance of motor vehicles and plant owned and or used by the INSURED
- h) sponsorship of sporting charity literary and theatrical events and competitions or fund raising activities
- in respect of Section 3 (other than Sub Section 3(A) Employers' Liability Insurance) former activities of the INSURED provided that where such activities present a significant increase in risk of the type insured by these Sub Sections compared with the current business of the INSURED such past activities shall have been notified to the INSURERS
- j) the sponsorship of any events organisations entity or individuals

Claims made

A "CLAIMS MADE" basis of indemnity means that cover is only provided in respect of claims first made against the INSURED during the PERIOD OF INSURANCE

Data

"DATA" means information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Deductible

"DEDUCTIBLE" means the amount(s) specified in the POLICY SCHEDULE for which the INSURED is responsible

Failure of a system

"FAILURE OF A SYSTEM" means the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a SYSTEM whether or not owned by the INSURED to operate at any time as desired as specified or as required in the circumstances of the BUSINESS

Insured

"INSURED" means the person persons entity or entities specified in the POLICY SCHEDULE or declared to INSURERS

Insurers

"INSURERS" means the Insurers specified in the POLICY SCHEDULE

Legionella

"LEGIONELLA" means any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air-conditioning plants cooling towers and the like

Limit of liability

"LIMIT OF LIABILITY" means the applicable amount(s) specified in the POLICY SCHEDULE or elsewhere herein and shall be in excess of any applicable DEDUCTIBLE

Microchip

"MICROCHIP" means a unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly includes integrated circuits and microcontrollers

Occurrence

"OCCURRENCE" means all DAMAGE or incidents or any other contingency as insured herein arising out of and occasioned by one occurrence or all occurrences of a series consequent on or attributable to one source or original cause

Period of insurance

"PERIOD OF INSURANCE" means the period specified in the POLICY SCHEDULE

Policy

"POLICY" means this policy and shall incorporate the POLICY SCHEDULE the property declarations and any endorsements or addenda that amend or alter this policy wording

Policy Schedule

"POLICY SCHEDULE" means the part of the insurance contract attaching to and forming part of the POLICY that identifies the INSURED and other parties, the property covered, the TERRITORIAL LIMITS, the amount of coverage, the sublimits and the DEDUCTIBLES

Premises

"PREMISES" means the premises specified in the POLICY SCHEDULE and (unless stated to the contrary) other premises as described in certain Cover Clauses

Premium

"PREMIUM" means the premium specified in the POLICY SCHEDULE

Registered address

"REGISTERED ADDRESS" means the registered address specified in the POLICY SCHEDULE

Renewal date

"RENEWAL DATE" means the renewal date specified in the POLICY SCHEDULE

Sum insured

"SUM INSURED" means the SUM INSURED amount(s) specified in the POLICY SCHEDULE

System

"SYSTEM" includes computers other computing and electronic equipment linked to computer hardware electronic DATA processing equipment MICROCHIPS and anything which relies on a MICROCHIP for any part of its operation and includes for the avoidance of doubt any computer installation

Terrorism

"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 Her Majesty's Government in the United Kingdom or any other government de jure or de facto

Territorial Limits

"TERRITORIAL LIMITS means:

- a) in respect of **Section 1 Property and Rent Insurance** the TERRITORIAL LIMITS stated in the POLICY SCHEDULE
- b) in respect of Section 3 (B) Public Liability anywhere within the TERRITORIAL LIMITS stated in the POLICY SCHEDULE and including non manual work carried out during temporary visits anywhere in the world in connection with the BUSINESS by directors and EMPLOYEES normally resident in and travelling from within the TERRITORIAL LIMITS stated in the POLICY SCHEDULE
- c) in respect of **Section (B) Products Liability** anywhere in the world in respect of PRODUCTS supplied in or from within the TERRITORIAL LIMITS stated in the POLICY SCHEDULE

Virus

"VIRUS" means programming code programming instruction or series of instructions designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a SYSTEM transmitted between SYSTEMS by transfer between computer systems via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMS or otherwise and whether involving self replication or not

General Policy Conditions

Additional provisions in respect of claims made cover

The following provisions only apply to any Section or Cover Clause to any Section of this POLICY in respect of which the indemnity provided is on a CLAIMS MADE basis:

- a) i) a claim will be deemed to have been made when
 - (a) a claim is first made against the INSURED in writing or
 - (b) the INSURERS are notified in writing of circumstances which in the opinion of the INSURED may give rise to liability under this POLICY within the PERIOD OF INSURANCE

The earlier of these points in time will be deemed to be the date upon which a claim is made

Where the INSURERS are notified in writing of circumstances which in the opinion of the INSURED may give rise to liability under this POLICY any claims resulting therefrom which may be made after the expiry of the PERIOD OF INSURANCE will be deemed to have been made during the PERIOD OF INSURANCE

- all claims made in connection with any one OCCURRENCE will be deemed to have been first made at the point in time when the first claim was made
- b) An extended claims notification period in the event of non-renewal of this POLICY for any reason other than:
 - i) non-payment of PREMIUM
 - ii) any act of fraud or dishonesty
 - iii) non-disclosure of a material fact

the INSURERS will provide an indemnity to the INSURED subject otherwise to the terms and conditions of this POLICY in respect of any claim which is first made against the INSURED and notified to the INSURERS during the twenty-four calendar months immediately following the final PERIOD OF INSURANCE

Any claims so made and notified will be deemed to have been made and notified during the final PERIOD OF INSURANCE Provided that:

- i) such claims result from an OCCURRENCE happening prior to the end of the final PERIOD OF INSURANCE
- ii) the indemnity will not apply where indemnity is provided by any other insurance
- iii) In the event of the INSURERS agreeing to renewal or replacement of this POLICY with limitations in cover which are not contained herein the indemnity provided by this Extended Claims Notification Period will apply only in respect of the limitations imposed

The insurance provided by this Extended Claims Notification Period may not be cancelled and no additional premium will be payable

Breach of term

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

Cancellation

The INSURED or the INSURERS may terminate this POLICY by sending notice by recorded delivery letter to the last known address one to the other and (in respect of termination by INSURERS) giving not less than 30 days' notice in writing

Notice shall be deemed to be duly received 5 working days after posting if sent by pre-paid letter post (First Class where available) and correctly addressed

In such an event the INSURERS will refund a pro rata portion of the PREMIUM for the unexpired part of the PERIOD OF INSURANCE

Cancellation - insurer security rating

The INSURED has the right to cancel this POLICY in the event of the Standard and Poor's security rating of the INSURERS reducing to "**BBB**" grade or less

Any period of notice shall be at the discretion of the INSURED and a full pro-rata return premium will be payable by the INSURERS immediately

Cancellation – lenders interest

INSURERS agree that where the interest of a lender has been specifically noted this POLICY will not be cancelled as a result of non payment of premium without the lender first receiving 14 days written notice to the last address advised to the INSURER

Composite Insured & Non Vitiation

INSURERS agree that any act neglect breach of warranty declaration or condition misrepresentation misdescription non-disclosure or want of due diligence fraud and/or failure to comply with policy conditions on the part of any INSURED shall not prejudice the rights of any party noted as COMPOSITE INSURED in the POLICY SCHEDULE provided that such party or parties shall on becoming aware of such act neglect breach of warranty declaration or condition misrepresentation misdescription non-disclosure or want of due diligence fraud and/or failure to comply with policy conditions give notice in writing to INSURERS

Contracts (rights of third parties) act 1999

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

Cover as broad as previous policy

To the extent that the indemnity afforded under this POLICY in respect of any claim hereunder or any part thereof is not as broad as or does not provide as high a limit of liability as the insurance provided under the INSURED'S previous policy the INSURERS shall (at the INSURED'S election) provide indemnity to the INSURED in respect of such claim or part of such claim to the same extent as would have been provided for under the previous policy Accordingly in respect of any such claim or part of such claim the terms conditions exclusions and limitations of the INSURED'S previous policy shall (at the INSURED'S election) be substituted for and take precedence over any terms conditions exclusions or limitations contained in this POLICY which are less favourable to the INSURED

Provided that this General Policy Condition will not apply if it is shown as **"Not Insured"** in the POLICY SCHEDULE

Claims preparation costs

The POLICY includes necessary and reasonable costs incurred in producing and certifying any particulars or details required by INSURERS in connection with DAMAGE or an OCCURRENCE for which liability has been accepted by INSURERS under the POLICY but limited to:

- a) additional costs incurred by employees of the INSURED
- b) additional fees charged by the usual auditors of the INSURED
- c) the cost of materials used in meeting the requirements of INSURERS
- d) fees of any professional adviser or consultant

Duty of Fair Presentation

The INSURED must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this insurance

Non-disclosure, misrepresentation or misdescription

1. Before this POLICY was entered into

If the INSURED has breached its duty to make a fair presentation of the risk to the INSURERS before this POLICY was entered into, then:

- (a) where the breach was deliberate or reckless, the INSURERS may avoid this POLICY and refuse all claims, and keep all premiums paid
- (b) where the breach was neither deliberate nor reckless, and but for the breach
 - (i) the INSURERS would not have agreed to provide cover under this POLICY on any terms, they may avoid this POLICY and refuse all claims, but will return any premiums paid

General Policy Conditions continued...

- (ii) the INSURERS would have agreed to provide cover under this POLICY but on different terms (other than premium terms), INSURERS may require that this POLICY includes such different terms with effect from its commencement and/or
- (iii) the INSURERS would have agreed to provide cover under this POLICY but would have charged a higher premium, liability for any loss amount payable shall be limited to the proportion that the premium the INSURERS charged bears to the higher premium they would have charged, as outlined in Schedule 1 to the Insurance Act 2015

2. Before a variation was agreed

If the INSURED have breached its duty to make a fair presentation of the risk to the INSURERS before any variation to this POLICY was agreed, then:

- (a) where the breach was deliberate or reckless, the INSURERS may cancel this POLICY with effect from the date of the variation, and keep all premiums paid
- (b) where the breach was neither deliberate nor reckless, and but for the breach
 - the INSURERS would not have agreed to the variation on any terms, they may treat this POLICY as though the variation was never made, but will return any additional premiums paid
 - (ii) the INSURERS would have agreed to the variation but on different terms (other than premium terms), they may require that the variation includes such different terms with effect from the date it was made and/or
 - (iii) the INSURERS would have agreed to the variation but would have increased the premium, or would have increased it by more than they did, or would not have reduced it or would have reduced it by less than they did, liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015

This POLICY CONDITION operates in addition to any provisions relating to underinsurance in this POLICY. Where clauses 1(a) or 2(a) do not apply, any provisions relating to underinsurance in this POLICY shall prevail

Non-disclosure, misrepresentation or misdescription – premium remedy (excluding average/underinsurance)

Where it is stated in the POLICY SCHEDULE that the Fair Presentation of Risk premium remedy is applicable the following paragraphs replace the existing clause paragraphs 1(b) (iii) and 2 (b) (iii)

1. Before this POLICY was entered into

- (b) where the breach was neither deliberate nor reckless, and but for the breach
 - (iii) the INSURER would have agreed to provide cover under this POLICY but would have charged a higher premium, then the INSURER shall be entitled to charge the additional premium from the inception of the POLICY

2. Before a variation was agreed

- (b) where the breach was neither deliberate nor reckless, and but for the breach
 - (iii) the INSURER would have agreed to the variation but would have increased the premium, or would have increased it by more than the INSURER did, or would not have reduced it or would have reduced it by less than the INSURER did, the INSURER shall be entitled to charge the additional premium the INSURER would have collected from the date of such variation which the INSURED must pay in full

Headings

Other than where used in General Definitions and specific Section Definitions, the headings are for reference only and shall not be considered when determining the meaning of this POLICY (other than to determine, where relevant, which Section or Sections clauses apply to)

Law and jurisdiction applicable

The parties to a contract of insurance covering a risk in the United Kingdom are allowed to choose the law applicable to the contract

Unless otherwise agreed by the INSURED and the INSURERS this POLICY shall be governed by and construed in accordance with the laws and (subject to any arbitration condition herein) be resolved within the exclusive jurisdiction of that part of the United Kingdom the Channel Islands or the Isle of Man where the INSURED has its principal place of business

In default of agreement as to where the INSURED has its principal place of business the applicable law shall be that of England and Wales and any dispute arising hereunder shall (subject to any arbitration condition herein) be resolved within the exclusive jurisdiction of the courts of England and Wales

Non Invalidation

This insurance shall not be prejudiced by the breach of any condition or by any alteration or act or omission which is unknown to or beyond the control of the INSURED provided that notice is given to the INSURERS as soon as reasonably practicable once it comes to the notice of the INSURED and an appropriate additional premium paid if required.

Onus of proof

The burden shall be on the INSURER to prove any failure to disclose and/or misrepresentation of a material circumstance

Sanctions

Notwithstanding any other terms of this POLICY the INSURERS will be deemed not to provide cover nor will the INSURERS make any payment or provide any service or benefit to the INSURED or any other party to the extent that such cover payment of service benefit and/ or business or activity of the INSURED would violate any applicable trade or economic sanctions or regulation

Severability

The interests of the INSUREDS under this POLICY are several and not joint. The acts, omissions or knowledge of one INSURED shall not be imputed to any other INSURED. Any breach of the terms of this POLICY, or any failure to disclose and/or misrepresentation of a material circumstance, by one or more INSUREDS or their agents to insure shall not affect the rights of any other INSURED who is not in breach of this POLICY and/ or has not failed to disclose and/or misrepresented such material circumstance

General Exclusions

General exclusions applicable to all Sections other than Section 2 Terrorism Insurance and Section 3 Legal Liabilities Insurance

These Sections do not cover:

Electronic risks

DAMAGE to:

- a) DATA which shall include but shall not be limited to:
 - (i) DAMAGE to or corruption of DATA whether in whole or in part
 - (ii) unauthorised appropriation of use of access to or modification of DATA
 - (iii) unauthorised transmission of DATA to any third parties
 - (iv) DAMAGE arising out of any misinterpretation use or misuse of DATA
 - (v) DAMAGE arising out of any operator error in respect of DATA
- b) any items insured arising from:
 - (i) the transmission or impact of any VIRUS
 - (ii) unauthorised access to a SYSTEM
 - (iii) interruption of or interference with electronic means of communication used in the conduct of the BUSINESS but not limited to any diminution in the performance of any website or electronic means of communication
 - (iv) FAILURE OF A SYSTEM
 - (v) anything described in a) above

but this shall not exclude subsequent DAMAGE (or loss resulting from subsequent DAMAGE) which itself results from a cause not otherwise excluded

Radioactive contamination

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

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

Sonic boom

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

Terrorism and Northern Ireland

DAMAGE or loss resulting from DAMAGE occasioned by or happening through or in consequence directly or indirectly as a result of:

 a) TERRORISM regardless of any other cause or event contributing concurrently or in any other sequence to the loss

and

b) civil commotion in Northern Ireland

This POLICY also excludes DAMAGE or loss resulting from DAMAGE directly or indirectly caused by resulting from or in connection with any action aimed at controlling preventing suppressing or in any way relating to an act of TERRORISM

In any action suit or other proceedings where the INSURERS allege that by reason of this Exclusion any DAMAGE or loss resulting from DAMAGE is not covered by this POLICY the burden of proving that such DAMAGE or loss is covered shall be upon the INSURED

War and allied risks

DAMAGE occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

General Exclusions applicable to Section 3 – Legal Liabilities Insurance

This Section does not cover:

Deliberate acts

Liability which results directly from the INSURED deliberately doing or failing to do anything which act or failure to his knowledge will with reasonable certainty result in an occurrence which might be the subject of indemnity under this POLICY it being understood that this General Exclusion will not apply

- a) where such occurrence is caused by the wilful misconduct of an EMPLOYEE or other person not being a director of the INSURED acting for or on behalf of the INSURED or for whom the INSURED is responsible or
- b) in respect of any act performed for the sole purpose of safeguarding life or PROPERTY or to Sub Section 3(A)
 Employers' Liability Insurance

Fines penalties and liquidated damages

- a) fines or penalties
- b) liquidated damages except to the extent that the INSURED would be liable for the payment of unliquidated damages in the absence of a contractual obligation restricting payment to a liquidated sum

but this General Exclusion will not apply in respect of the **Sub Section 3(A) – Employers' Liability Insurance**

Radioactive contamination

Liability for radioactive contamination of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

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

but in respect of BODILY INJURY to an EMPLOYEE this General Exclusion will apply only when the INSURED under a contract or agreement has either undertaken:

- a) to indemnify another party
- b) to assume the liability of another party in respect of such BODILY INJURY

War and allied risks

Liability for any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power but this General Exclusion will not apply in respect of **Sub Section 3(A) – Employers' Liability Insurance**

Section 1 Property Damage and Rent Insurance

Definitions

Assigned premises

"ASSIGNED PREMISES" means any BUILDINGS formerly owned by or leased by or leased to the INSURED which have been assigned to a successor landlord or tenant prior to an OCCURRENCE which may form the subject of a claim under item 1) of the Privity of Contract Cover Clause

For the purposes of this Definition the last paragraph of the Definition of BUILDINGS shall not apply

Buildings

"BUILDINGS" means buildings (including foundations) all alterations improvements extensions repairs therein and thereon including the following:

- landlords fixtures and fittings (including all machinery and plant and goods and or stock of consumables used in connection with the PREMISES) and tenants improvements
- landlords contents including carpets and furnishings and the contents of common parts of the buildings including seasonal items introduced to shopping centres
- building management and security systems
- tunnels gangways pedestrian ways malls and pedestrian access bridges
- services (being telephone computer television electricity cables gas piping water mains drains sewers) including all supporting structures and meters and equipment associated therewith and all such property in adjoining yards and roadways or underground extending to the public mains
- roads forecourts driveways pavements car parks hardstanding and similar surfaces constructed of solid materials and street furniture lamp posts swimming pools and tennis courts
- earthworks landscaping and recreational features including garden furniture ornaments statues trees shrubs plants turf ponds lakes fountains and gardening equipment walls gates fences and hedges
- fixed glass including shelves showcases and mirrors neon and illuminated signs frames and framework
- sanitaryware and fittings
- outside buildings annexes conveniences dust chambers loading bays service areas septic tanks water oil gas fuel and storage tanks and ancillary equipment and pipework and the contents thereof

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 (or in respect of Sub Section 1(B) Rent where the INSURED receive RENT in respect of such property)

Contractor

"CONTRACTOR" means the contractor and shall include the project manager construction manager and sub contractors where required under the terms of the contract conditions

Contract works

"CONTRACT WORKS" means the temporary or permanent works executed or in the course of execution at the PREMISES by or on behalf of the INSURED for the purposes of alterations or improvements to the PREMISES including unfixed site materials for use in connection therewith

Damage

"DAMAGE" means loss destruction or damage

Day one rebuilding value

"DAY ONE REBUILDING VALUE" means the total of the costs as specified within **Section 1(A) – Property Damage** The Basis of Settlement of Claims (at the level of costs applying at the commencement of the PERIOD OF INSURANCE) in rebuilding the BUILDINGS:

• to a condition substantially the same as their condition when new

or if in the POLICY SCHEDULE it is stated that the Indemnity Basis of Settlement applies

less an appropriate deduction for wear and tear

Day one rental value

"DAY ONE RENTAL VALUE" means the actual RENT at the commencement of the PERIOD OF INSURANCE not including PROJECTED INCREASE IN RENT

or if the BUILDINGS are untenanted at that date – the estimated annual RENT at which they were expected to be let

or if the BUILDINGS are subject to a rent free period concession at that date – the actual RENT that applies from the date immediately after the rent free period ceases

In each case the amount to be proportionately increased where the MAXIMUM INDEMNITY PERIOD exceeds 12 months

Declared value

"DECLARED VALUE" means the value declared to INSURERS as representing the DAY ONE REBUILDING VALUES

Extra security costs

"EXTRA SECURITY COSTS" means those costs reasonably incurred and necessitated in order to provide the PREMISES with temporary additional protection including but not limited to:

- a) boarding up windows doors fanlights skylights and or other openings
- b) the provision of temporary doors
- c) weatherproofing the BUILDINGS and making temporary repairs
- d) making the BUILDINGS secure
- e) securing the site

Incident

"INCIDENT" means DAMAGE to BUILDINGS by any of the INSURED PERILS at the PREMISES and as may be extended by any applicable Cover Clauses

Indemnity period

In respect of all Items other than the Item on PROJECTED INCREASE IN RENT "INDEMNITY PERIOD" means the period beginning with the date of the INCIDENT (or in the case of unlet BUILDINGS the period from the date on which but for the INCIDENT the RENT would have been payable) and ending not later than the MAXIMUM INDEMNITY PERIOD during which the results of the BUSINESS shall be affected in consequence of the INCIDENT (including any period allowed by the INSURED after completion of necessary repairs for a tenant to refit and/or refurbish the PREMISES for their use before RENT becomes payable by the tenant)

In respect of PROJECTED INCREASE IN RENT "INDEMNITY PERIOD" means the period beginning with the expiry of the MAXIMUM INDEMNITY PERIOD applicable to the Item on RENT to the date of the next rent review as provided for under the terms of the lease during which the results of the BUSINESS shall be affected in consequence of the INCIDENT but in no case exceeding the MAXIMUM INDEMNITY PERIOD applicable to the item on PROJECTED INCREASE IN RENT

Insured peril

"INSURED PERIL" means each of the insured causes specified under INSURED PERILS

Maximum indemnity period

"MAXIMUM INDEMNITY PERIOD" means the maximum indemnity period(s) as specified in the POLICY SCHEDULE (or elsewhere herein)

Notifiable disease

"NOTIFIABLE DISEASE" means injury or illness sustained by any person resulting from:

- a) food or drink poisoning or
- b) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which is required by law or stipulated by the local or governmental authority to be notified to them

Projected increase in rent

"PROJECTED INCREASE IN RENT" means the anticipated increase in RENT that would have been achieved had the rent review been completed on its anticipated date

Rent

"RENT" means rent including service charges and all other forms of income including car park revenues

Squatters

"SQUATTERS" means any person(s) in unlawful occupation of the PREMISES.

Stipulations

"STIPULATIONS" means European Union Legislation or Building Regulations or public authority or other statutory requirements

Tenancy agreement

"TENANCY AGREEMENT" means an agreement with a tenant to occupy PREMISES in return for the payment of rent

Section 1 Property Damage and Rent continued...

Conditions

Cessation of insured's interest

This Section shall terminate with respect to any BUILDINGS insured in regard to which there be any alteration after the commencement of this insurance whereby the interest of the INSURED ceases except by will or operation of law unless admitted by the INSURERS in writing

Change of risk

The INSURED shall advise the INSURERS as soon as they become aware of:

- a) any work to be or being carried out in or on the BUILDINGS or the site on which the BUILDINGS stand (other than as set out in the Workmen Condition)
- b) any change in the occupation of the BUILDINGS which materially adversely alters the risk insured against hereunder

Fire protection equipment

The INSURED shall in so far as their responsibility extends take reasonable measures to ensure that:

- a) any sprinkler or fire alarm installation or other fire protection equipment for which a reduced premium rate is allowed is maintained in efficient working order
- b) the routine tests prescribed by the INSURERS in respect of sprinklers or fire alarm installations are carried out and any defects revealed by such tests are promptly remedied
- c) the INSURERS' written consent is obtained to any proposed changes or alterations to any sprinkler or fire alarm installation

Reasonable care

The INSURED shall take reasonable precautions to maintain the BUILDINGS in good condition and repair prevent or minimise DAMAGE as insured hereby

Workmen

Coverage under this Section shall not be prejudiced by the presence of workmen in on or around the PREMISES or on neighbouring PREMISES for the purpose of carrying out decorations repairs and or maintenance and or alterations

The Cover

If in respect of:

- a) Sub Section 1(A) Property Damage Insurance any BUILDINGS at the PREMISES suffers DAMAGE by any of the INSURED PERILS
- b) Sub Section 1(B) Rent Insurance an INCIDENT happens

during the PERIOD OF INSURANCE the INSURERS will in accordance with the terms conditions and exclusions pay the INSURED the amount of the loss as more fully set forth herein provided that the INSURERS' liability shall not exceed:

- (i) in respect of each item on BUILDINGS the SUM INSURED
- (ii) in respect of each item on RENT 200% of the SUM INSURED
- (iii) in respect of each item on PROJECTED INCREASE IN RENT the SUM INSURED in any one PERIOD OF INSURANCE

(iv) any other stated LIMIT OF LIABILITY

Insured perils

The following are the INSURED PERILS except as otherwise stated in the POLICY SCHEDULE:

1. Fire Lightning Explosion

Fire but excluding DAMAGE caused by explosion resulting from fire Lightning Explosion

but in respect of explosion cover excludes the bursting of a boiler or other plant which belongs to or is under the control of the INSURED and in which internal pressure is due to steam only but this exclusion shall not apply:

- a) in respect of Sub Section 1(A) Property
 Damage Insurance a boiler used for domestic purposes only
- b) in respect of Sub Section 1(B) Rent Insurance any boiler or economiser on the PREMISES or a boiler used for domestic purposes only
- c) subsequent DAMAGE which itself results from a cause not otherwise excluded
- d) subsequent DAMAGE (not otherwise excluded) to other parts of the BUILDINGS which results from the bursting of any boiler or any other plant

2. Aircraft

Aircraft or other aerial devices or articles dropped therefrom

3. Earthquake

Earthquake but excluding DAMAGE caused by fire

4. Riot civil commotion malicious persons

Riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons but excluding DAMAGE:

- arising from nationalisation confiscation requisition seizure or destruction by order of the government and or any public authority
- b) arising from cessation of work
- c) caused directly by theft

5. Storm or Flood

Storm or Flood but excluding DAMAGE:

- a) attributable solely to a change in the water table level
- b) caused by frost subsidence ground heave and or landslip
- c) to hedges plants shrubs and turf unless there is DAMAGE to structural parts of the BUILDINGS at the same time

6. Escape of Water

Escape of water oils or other liquids from any tank apparatus or pipe but excluding DAMAGE by water discharged and or leaking from any automatic sprinkler installation

7. Sprinkler Leakage

Accidental escape of water from any automatic sprinkler heads and pipework but excluding DAMAGE:

- a) by heat caused by fire
- b) by freezing in any BUILDING which is disused or unoccupied unless the installation is operational with the prior agreement of INSURERS

8. Impact

Impact by any vehicle or any article falling therefrom or any animal

9. Theft

Theft or attempted theft but excluding DAMAGE which the INSURED is able to recover from any other source

10. Subsidence

Subsidence ground heave or landslip but excluding DAMAGE:

- a) caused by the settlement or movement of made up ground where the property has been constructed for less than 10 years or by coastal or river erosion coastal or river erosion
- b) caused by the normal settlement or bedding down of new structures
- c) caused by the BUILDINGS undergoing demolition construction structural alteration or structural repair
- d) commencing and was known to the INSURED prior to the granting of cover under this POLICY

11. Accidental Damage

Any other other cause but excluding DAMAGE:

- a) by any other of the INSURED PERILS specified in 1-10 above or by any of the exclusions to the INSURED PERILS (whether or not insured)
- b) to any BUILDINGS caused by inherent vice latent defect gradual deterioration wear and tear but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded
- c) to any BUILDINGS caused by its own faulty or defective design or materials but this shall only exclude DAMAGE to the component part of the BUILDINGS immediately affected and shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded
- d) to any BUILDING caused by faulty or defective workmanship on the part of the INSURED or any of their employees but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded
- e) caused by:
 - (i) corrosion rust wet or dry rot marring or scratching vermin or insects or pests
 - (ii) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates
 - (iii) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection herewith

Section 1 Property Damage and Rent continued...

but this shall not exclude:

- i) such DAMAGE which itself results from other DAMAGE that is not otherwise excluded
- ii) subsequent DAMAGE which itself results from a cause not otherwise excluded
- f) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
- g) caused by pollution or contamination unless resulting from a sudden identifiable unintended and unexpected cause which:
 - occurs in its entirety at a specific moment in time and place during any one PERIOD OF INSURANCE
 - is not otherwise excluded
- h) to any BUILDINGS caused by its own collapse or cracking

Additional Cover Clauses

The liability of the INSURERS in respect of any of the following Cover Clauses shall not exceed the appropriate LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE

Adjacent property damage

In the event that premises not the responsibility of the INSURED but adjacent to any BUILDINGS insured under the POLICY suffer DAMAGE and that building is not repaired or reinstated INSURERS will pay costs incurred in rebuilding restoring or making safe the PREMISES to comply with STIPULATIONS and/or to restore the structural waterproofing or weatherproofing integrity of the BUILDINGS

The Insurance provided for RENT extends to include losses arising in consequence of such DAMAGE

Alterations and additions to the premises

In the event that alterations or additions to any PREMISES are effected during the PERIOD OF INSURANCE and are not more specifically insured the following increases in cover shall apply from practical completion until the RENEWAL DATE immediately following such completion In respect of BUILDINGS the DECLARED VALUE and SUM INSURED shall each be increased by a percentage representing the value of the alterations or additions but not exceeding the LIMIT OF LIABILITY stated in the POLICY SCHEDULE (BUILDINGS and RENT combined)

In respect of RENT the SUM INSURED shall be increased by the anticipated amount of the additional RENT for the INDEMNITY PERIOD insured but not exceeding the LIMIT OF LIABILITY stated in the POLICY SCHEDULE (BUILDINGS and RENT combined)

Automatic cover – newly acquired/ constructed/refurbished properties

This Section insures premises newly acquired or newly constructed or refurbished by the INSURED in England Scotland Wales Northern Ireland the Isle of Man or the Channel Islands (or any other territory in which the PREMISES specified in the declaration to INSURERS are located) to the extent that the INSURED'S interest is not protected by any other more specific insurance

Provided that:

- a) as soon as reasonably practicable the INSURED shall notify the INSURERS in writing of each premises acquired/constructed/refurbished and retrospectively from the date at which the INSURED was contractually responsible for insuring the PREMISES arrange specific insurance with the INSURERS whereupon the terms of this Cover Clause will cease to apply
- b) this insurance shall operate from the date the INSURED acquired their interest in the premises until the expiry of the PERIOD OF INSURANCE

Automatic reinstatement

The SUMS INSURED will not be reduced by the amount of any loss

Contracting purchasers

If at the time of or following DAMAGE to any BUILDINGS the INSURED shall have contracted to sell his interest in such BUILDINGS and the purchase shall not have been but shall thereafter be completed the purchaser on completion of the purchase if and so far as the BUILDINGS are not otherwise insured by or on behalf of the purchaser against such DAMAGE shall be entitled to the benefit of this insurance on BUILDINGS and RENT in so far as it relates to such DAMAGE without prejudice to the rights and liabilities of the INSURED or the INSURERS under this insurance up to the date of completion

Deductible option

At the option of the INSURED the DEDUCTIBLE can be applied any one OCCURRENCE any one PREMISES (or any one tenant)

Explosion of steam pressure plant

To the extent that it is otherwise excluded the insurance provided by INSURED PERIL 1 includes the bursting of any boiler or other plant:

- a) which belongs or is under the control of the INSURED and
- b) in which internal pressure is due to steam only and
- c) which is not used for domestic purposes

Provided that:

- a) in respect of **Sub Section 1(A) Property Damage Insurance** a DEDUCTIBLE of GBP 1,000,000 any one OCCURRENCE shall apply
- b) the INSURED may if they so wish arrange a separate engineering insurance for the amount of the DEDUCTIBLE with any insurer
- c) the plant is regularly inspected by an independent competent engineer in accordance with statutory requirements
- d) this Cover Clause shall not apply where **Section 4** Engineering Machinery Damage Insurance is operable

Failure of other insurances

This Section insures BUILDINGS in England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man (or any other territory in which the PREMISES specified in the declaration to INSURERS are located) which the INSURED own or lease or in which the INSURED has any other financial interest (and RENT in respect of such BUILDINGS) and which by the terms of a lease or other contractual arrangements a third party has an obligation to insure and which the third party has:

a) failed to insure against all the INSURED PERILS insured by this POLICY

or

- b) failed to insure for a sufficient amount to provide for reinstatement of the BUILDINGS and loss of RENT as provided for by this POLICY
 - or
- c) failed to obtain a full recovery from the insurers for any reason

Provided that:

- a) for the purposes of this Cover Clause only the last paragraph of the definition of BUILDINGS does not apply
- b) for the avoidance of doubt the INSURED does not need to allow for such BUILDINGS and RENT in the values declared to INSURERS
- c) for the purposes of this Cover Clause item (c) of the Subrogation Claims Condition is replaced by the following "The INSURERS shall not enforce any rights against any tenant of the BUILDINGS in respect of DAMAGE to the part of the BUILDINGS in the demise of that tenant or to common parts of the BUILDINGS irrespective of whether the insurance premium is recoverable or not provided that the DAMAGE did not result from a criminal fraudulent or malicious act of the tenant"
- d) this clause shall not apply to any premises covered under any Automatic Cover – Newly Acquired/ constructed/Refurbished Properties or Inadvertent Omission to Insure Cover Clause(s) and in respect of premises under a) above shall apply only for the INSURED PERILS not insured by the third party's policy
- e) the INSURERS' liability any one OCCURRENCE for BUILDINGS and RENT shall not exceed the LIMIT OF LIABILITY stated in the POLICY SCHEDULE but in no case shall the liability of the INSURERS exceed the difference between the amount payable under any insurance effected by the third party and the total cost or reinstatement and loss of RENT as provided by this POLICY
- f) the INSURERS shall not be liable for the amount of any excess deductible or insured's contribution applying under any other insurance on the premises
- g) the insurance under this Cover Clause shall be subject to all the terms conditions and exclusions of this POLICY

Failure of equipment

The INSURED shall not be prejudiced in any way in the event of the failure of any detection protection and/or extinguishment or similar system due to any unforeseen defect in the said system or any unforeseen cause extraneous to the PREMISES unknown to or beyond the control of the INSURED provided that all reasonable precautions have been taken by the INSURED to prevent such failure and provided that notice is given to the INSURERS as soon as possible after it comes to the notice of the insurance manager of the INSURED or equivalent responsible person

Section 1 Property Damage and Rent continued...

Inadvertent omission to insure

This Section includes cover for premises in England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man (or any other territory in which the PREMISES specified in the declaration to INSURERS are located) which the INSURED own or which they are responsible to insure:

- a) which the INSURED has inadvertently failed to insure under this or any other policy
- b) which the INSURED has inadvertently failed to insure against all the INSURED PERILS insured by this POLICY

But the cover under this Cover Clause in respect of premises under b) is restricted to the uninsured INSURED PERILS only

Provided that:

- a) immediately on becoming aware of:
- i) premises not insured the INSURED shall arrange insurance with the INSURERS with effect from inception of this POLICY or the date upon which the insurance should have been arranged whichever is the later
- ii) any premises not insured for all the INSURED PERILS insured by this POLICY the INSURED shall arrange insurance for the uninsured INSURED PERILS with effect from inception of this POLICY or the date upon which the insurance should have been arranged whichever is the latter

This Cover Clause shall not apply to any premises covered under any Automatic Cover – Newly Acquired/ Constructed/Refurbished Properties Cover Clause

This Section also covers any accidental errors in fixing or maintaining the amounts of insurance provided that the INSURED notifies the INSURERS as soon as practicable after the error comes to the INSURED's notice

Joint & composite insured

Insofar as is necessary to comply with the terms of any contractual agreement the contracting parties and others named therein will be indemnified as a JOINT INSURED (where their insurable interests are identical) or COMPOSITE INSURED (where their insurable interests are different) by the INSURERS as if they were the INSURED

Munitions of war

General Exclusion War and allied risks will not apply to the presence of or the detonation of munitions of war or parts thereof at the PREMISES or in the vicinity of the PREMISES provided that the presence of such munitions does not result from a state of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power current at the time of DAMAGE or INCIDENT

For the purposes of this Cover Clause vicinity shall mean within one mile of the boundary of the PREMISES

Other interests

The interests of freeholders lessees underlessees assignees mortgagees and /or other parties in respect of BUILDINGS are noted in the insurance provided subject to their names being disclosed to INSURERS by the INSURED in the event of any claim arising

Post loss support fees

Insofar as these are not insured elsewhere herein this Section insures the fees of any professional adviser or consultant incurred as a result of the DAMAGE (or INCIDENT in respect of **Sub Section 1(B) – Rent Insurance**):

- a) in the maintenance or recovery of the BUSINESS
- b) in preparing presenting supporting or validating any claim made under this POLICY by the INSURED

Privity of contract

The insurance provided by this Cover Clause is on a CLAIMS MADE basis with the costs and expenses of the claimant and the costs and expenses of the INSURED included within the LIMIT OF LIABILITY

This insurance is extended to provide an indemnity to the INSURED in respect of ASSIGNED PREMISES in England Wales Scotland Northern Ireland the Isle of Man and the Channel Islands (or any other territory in which the PREMISES specified in the declaration to INSURERS are located):

- against legal liability as former landlord or tenant to any current landlord or tenant to insure repair or reinstate DAMAGE to the BUILDINGS of such premises which:
 - arises from a breach by any current landlord or tenant of its obligations under a lease to insure repair or reinstate DAMAGE by any of the

INSURED PERILS insured by this Cover Clause to any ASSIGNED PREMISES such that the INSURED is also thereby in breach of those obligations

and

- b) arises out of any claim which is first made in writing to the INSURED during any PERIOD OF INSURANCE and notified to INSURERS during or within 30 days after expiry of the same PERIOD OF INSURANCE
- 2) against legal liability for claimant's costs and expenses in connection with 1) above
- 3) in respect of:
 - a) costs of legal representation at proceedings in any court arising out of any event specified in 1) above which may be the subject of indemnity under this Cover Clause
 - all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under 1) above

incurred with the INSURERS' written consent (such consent not to be unreasonably withheld)

Provided that:

- a) the indemnity shall not apply to legal liability arising out of any event happening before the Retroactive Date (if any) stated in the POLICY SCHEDULE
- b) the INSURERS' liability any one OCCURRENCE shall not exceed the LIMIT OF LIABILITY stated in the POLICY SCHEDULE
- c) notwithstanding proviso b) above in no case shall the INSURERS' liability exceed the lesser of
- i) the difference between:
 - (a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and
 - (b) the total cost of insurance repairs or reinstatement as provided by this POLICY

except in cases which fall within ii) below

- ii) the difference between:
 - (a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and

(b) the amount payable under the Indemnity Basis of Settlement

if at the date of the event the ASSIGNED PREMISES are undergoing or awaiting refurbishment redevelopment renovation or demolition

but in no case under i) or ii) above shall the INSURERS' liability exceed the rateable portion of the DAMAGE calculated according to the number of persons (whether or not insured) who have at any time held or who held the reversion of the lease of the ASSIGNED PREMISES

 d) the INSURED must take all reasonable steps including but not limited to making or joining in any necessary application to court to obtain release from its liabilities as former landlord or tenant of the ASSIGNED PREMISES following disposal

For the purposes of this Cover Clause the last paragraph of the Definition of BUILDINGS is replaced by the following:

"all formerly the property of the INSURED or formerly leased by or leased to the INSURED"

Sale during reinstatement

In the event that the INSURED enters into a contract of sale whilst the PREMISES are undergoing reinstatement following DAMAGE INSURERS will pay the reduction in sale value incurred directly related to the DAMAGE but not exceeding the amount which would have been payable under the cost of rebuilding

Seventy Two Hours clause

All DAMAGE occurring continuously or intermittently during any one period of 72 consecutive hours arising from:

- a) INSURED PERIL 3 (Earthquake)
- b) INSURED PERIL 4 (Riot Civil Commotion Malicious Persons)
- c) INSURED PERIL 5 (Storm or Flood)
- c) INSURED PERIL 6 (Escape of Water)
- e) INSURED PERIL 7 (Sprinkler Leakage)

shall for the purposes of the number of DEDUCTIBLES that apply be deemed as one OCCURRENCE

Provided that there shall be no overlapping in any two or more such periods in the event of DAMAGE occurring over a more extended period of time

Section 1 Property Damage and Rent continued...

VAT clause

This Section insures the cost of Value Added Tax (VAT) paid by the INSURED (including self supply VAT where appropriate) which is not subsequently recoverable following DAMAGE as insured hereby to BUILDINGS provided that:

- a) i) the INSURED'S liability for such tax arose solely as a result of the reinstatement and or repair of the PREMISES to which such items relates following DAMAGE
 - ii) INSURERS have paid and or have agreed to pay for such DAMAGE
 - iii) if any payment made by the INSURERS in respect of the reinstatement and or repair of such DAMAGE shall be less than the actual cost of the reinstatement and or repair any payment under this Cover Clause resulting from the DAMAGE shall be reduced in like proportion
- b) the INSUREDS' liability for such tax does not arise from the replacement PREMISES having greater floor area than and or being better and or more extensive than the destroyed and or damaged PREMISES

- c) where an option to reinstate on another site is exercised the INSURERS' liability shall not exceed the amount of tax that would have been payable had the PREMISES been rebuilt on its original site
- d) the INSURERS' liability shall not include amounts payable by the INSURED as penalties and or interest for non-payment and or late payment of tax
- e) terms to the contrary elsewhere in this POLICY are over-ridden as follows in respect of those items to which this Cover Clause applies
 - i) for the purposes of the Condition of Average (Underinsurance) Cover Clause reinstatement costs and RENT shall be exclusive of VAT
 - ii) the liability of INSURERS may exceed the SUM INSURED by an individual item on BUILDINGS or RENT or in the whole the total SUM INSURED where such excess is solely in respect of VAT

The INSURED shall include their VAT liability within the BUILDING DECLARED VALUE where it is known to be non-recoverable

Sub Section 1(A) Property Damage Insurance

The Basis of Settlement

The INSURERS will pay to the INSURED the following amounts

- the cost of rebuilding being the cost incurred in rebuilding the BUILDINGS (or of restoring the damaged parts):
 - to a condition substantially the same as but not better or more extensive than their condition when new

or if in the POLICY SCHEDULE it is stated that the Indemnity Basis of Settlement applies:

- less an appropriate deduction for wear and tear
- (ii) or if the INSURED elects not to rebuild or restore the BUILDINGS (and the INSURERS do not exercise the option allowed by the Insurers' Option to Rebuild Condition)

The loss of market value being the reduction in the market value of the BUILDINGS immediately following the DAMAGE solely as a result of the DAMAGE but not exceeding the amount which would have been payable had the BUILDINGS been rebuilt or repaired

(iii) or if the INSURED is unable to rebuild or restore the BUILDINGS totally or partially in their original form by virtue of STIPULATIONS

The loss of market value and capital sums payable being the reduction in the market value of the BUILDINGS immediately following the DAMAGE solely as a result of the DAMAGE in excess of the amount payable under the cost of rebuilding plus any capital sums payable to any lessees under the terms of the lease or otherwise in consequence of such STIPULATIONS

Provided that:

- a) the INSURED have made every effort to regain the original planning consent
- b) the INSURED shall not have nor had any reason to be aware of STIPULATIONS which could result in the BUILDINGS not being repaired or restored in their original form
- c) the amount payable in excess of the cost of rebuilding shall be reduced by any compensation received as a result of STIPULATIONS being imposed

- d) the INSURERS' liability shall not exceed the LIMIT OF LIABILITY amount specified in the POLICY SCHEDULE
- (iv) The cost of complying with STIPULATIONS being such additional cost of rebuilding or repair as may be incurred with the INSURERS' consent in complying with STIPULATIONS first imposed upon the INSURED following the DAMAGE

The INSURERS' liability in respect of the cost of complying with STIPULATIONS relating to undamaged portions of the BUILDINGS (other than foundations) is limited to 15% of the amount the INSURERS would have been liable to pay to reinstate the BUILDINGS had it been wholly destroyed

The INSURERS shall not be liable for any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the STIPULATIONS

- (v) The cost of removing debris being the costs and expenses necessarily incurred in:
 - a) removing debris dismantling demolishing shoring up or propping making safe or fencing off portions of BUILDINGS
 - b) clearing cleaning or repairing drains gutters sewers and other underground services
 - c) demolition and removal of undamaged BUILDINGS where such is rendered necessary
 - removal of uninsured property not the property of the INSURED nor for which the INSURED is responsible where such is rendered necessary
 - e) cleaning up of pollution or contamination of the BUILDINGS and or site on which the BUILDINGS stand

The INSURERS will not pay for any costs and expenses:

- (a) incurred in removing debris from outside the site of the PREMISES other than from the surface area immediately adjacent to the perimeter of the PREMISES
- (b) incurred or arising from pollution or contamination howsoever caused of property not covered by this insurance or where the pollution or contamination existed prior to the DAMAGE
- (c) in respect of DAMAGE which occurred prior to the granting of cover under this insurance

Sub Section 1(A) Property Damage Insurance continued...

Provided that in respect of pollution or contamination the INSURERS' liability arising from the removal of debris from roads forecourts driveways pavements car parks hardstanding and similar surfaces all constructed of solid materials shall not exceed the LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE for Pollution or Contamination Removal of Debris Roads etc

(vi) The cost of professional fees being architects' surveyors' consulting engineers' legal and other professional fees necessarily incurred in the rebuilding or repair of the BUILDINGS including the reasonable fees of Managing Agents (and fees payable to any company which is a parent company of the INSURED or which is a subsidiary of a parent company of which the INSURED are themselves a subsidiary) when acting as professional advisers

The fees of such advisers will be accepted as reasonable where:

- a) they are in respect of work of benefit to the INSURERS
- b) they relate to work which is necessary for rebuilding or repair
- c) they have been agreed with the INSURERS in advance

Provided that this shall not include:

- a) professional advisers' fees which are incurred through general administrative duties
- b) any fees in connection with the preparation or administrative handling of a claim
- (vii) The cost of landscaping being the cost incurred in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established
- (viii) The cost of any insurance premiums or in respect of inherent defects policies technical agents' fees being those necessarily and reasonably incurred by the INSURED in arranging contract works policies with the INSURERS (or with other insurers if applicable) or in continuing any pre-existing inherent defects policies

Except that in the event of underinsurance the amount payable shall be adjusted in accordance with the Condition of Average (Underinsurance) – Buildings Condition

Conditions

Buildings awaiting demolition

Unless specifically agreed to the contrary by INSURERS if at the time of the DAMAGE any BUILDINGS are awaiting demolition the liability of the INSURERS shall be limited to the additional cost of removing debris as detailed in The Basis of Settlement of Claims paragraph (v) which are incurred by the INSURED solely as a result of such DAMAGE

Buildings awaiting refurbishment redevelopment or renovation

If at the time of the DAMAGE any BUILDINGS are awaiting refurbishment redevelopment or renovation the INSURERS shall not be liable for any costs which would have been incurred by the INSURED in the absence of such DAMAGE

Condition of average (underinsurance) – buildings

If the total of the DECLARED VALUES by all BUILDINGS is less than 85% of the total of the DAY ONE REBUILDING VALUES then the INSURERS' liability for any loss shall be limited to that proportion of the amount otherwise payable which the total DECLARED VALUE on BUILDINGS bears to the total DAY ONE REBUILDING VALUES

If the loss is settled under the Indemnity Basis of Settlement the DECLARED VALUE shall be 105% of the base value shown or if no base value is shown it shall be deemed to be the SUM INSURED

Provided that this Condition of Average (Underinsurance) – Buildings Condition shall not apply in the event of DAMAGE if the INSURED can demonstrate that

- a) it has in place processes to make sure that each individual BUILDING is valued for insurance purposes by or under the supervision of a Royal Institute of Chartered Surveyors qualified surveyor at intervals not exceeding three years
- b) at each RENEWAL DATE in respect of those BUILDINGS where no valuation has taken place in the previous 12 months the relevant Declared Values have been adjusted to reflect the appropriate level of rebuilding costs inflation prevailing since the last valuation for insurance purposes

Designation

For the purpose of determining where necessary the heading under which any property is insured the INSURERS agree to accept the designation under which such property has been entered in the records of the INSURED

Insurers' option to rebuild

The INSURERS may at their option rebuild or restore the BUILDINGS destroyed or portions damaged without being bound to rebuild or restore the BUILDINGS in exactly the same form as immediately prior to the DAMAGE where circumstances do not reasonably permit

The INSURED shall at their own expense produce and give to the INSURERS all such plans documents books and information as the INSURERS may reasonably require

Partial damage

Where DAMAGE occurs to only part of the PREMISES INSURERS' liability shall not exceed for all costs in total the amount which the INSURERS would have been liable to pay to rebuild the BUILDINGS had they been totally destroyed

Additional Cover Clauses

The liability of the INSURERS in respect of any of the following Cover Clauses shall not exceed the LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE

Abortive repairs investigations and tests

In respect of any DAMAGE as insured hereby INSURERS will pay costs and expenses reasonably incurred by the INSURED with the INSURERS' prior consent in abortive repairs investigations and tests

Additional costs

Insofar as these are not insured elsewhere herein this Sub Section insures installation testing supervision freight and all other additional costs necessarily and reasonably incurred to reinstate the BUILDINGS following DAMAGE as insured hereby including but not limited to additional costs to expedite repairs additional costs of making a temporary repair and also additional costs necessarily to maintain habitability and tenantability

Aerials

This Sub Section insures DAMAGE resulting from breakage collapse and or falling aerials and or satellite dishes and or any other communication equipment

Changing locks

This Sub Section insures reasonable and necessary costs incurred as a result of the replacement of locks and keys following DAMAGE as insured hereby to keys and or to the BUILDINGS and or the accidental loss of keys and or substitutes/alternatives for keys by theft from the PREMISES or from the homes of principals directors or authorised employees or by unauthorised duplication of such keys (or substitutes/alternatives thereof) including electronic keys or cards and associated reprogramming costs

Contract works

The insurance by each item on BUILDINGS shall include CONTRACT WORKS for which the INSURED is responsible if and in so far as the contract works are not otherwise insured

Provided that a DEDUCTIBLE of GBP 250 any one OCCURRENCE shall apply

Contract works - joint insured contractors

Where the INSURED is required to effect insurance on the BUILDINGS in the joint names of themselves and the CONTRACTOR under the terms of a contract condition then the interest of the contractor in the BUILDINGS as a Joint Insured is noted subject to details of any single contract where the original contract price exceeds the amount specified in the POLICY SCHEDULE having been advised to the INSURERS prior to work commencing

Emergency services

This Sub Section insures the costs and expenses incurred by the INSURED following DAMAGE as insured hereby resulting from the actions of the emergency services including deliberate acts

Sub Section 1(A) Property Damage Insurance continued...

Eviction of squatters

INSURERS will indemnify the INSURED in respect of reasonable and necessary costs incurred with INSURER'S prior consent to remove or evict squatters from PREMISES

INSURERS will not be liable under this Cover Clause for:

- a) fines penalties compensation or damages arising in the course of the removal or eviction
- b) occupation of squatters occurring prior to the inception of this cover

Extra security costs

This Sub Section insures reasonable and necessary EXTRA SECURITY COSTS incurred with the INSURERS' consent by the INSURED following DAMAGE as insured hereby

Exhibitions and models

The Definition of BUILDINGS extends to include exhibition or display models and similar promotional equipment provided that:

- a) such equipment is the property of the INSURED or the INSURED has accepted responsibility for the equipment at the time of DAMAGE
- b) no other more specific insurance has been arranged

Fire extinguishing costs

This Sub Section insures the cost of refilling any fire extinguishing appliances or media recharging gas flooding systems replacing used sprinkler heads refilling sprinkler tanks where water is metered and for any fire brigade charges and/or other extinguishing expenses and/or resetting fire alarms burglar alarms and close circuit television and similar systems for which the INSURED may be assessed following DAMAGE as insured hereby

Fly tipping

This Sub Section insures costs and expenses necessarily and reasonably incurred in:

- a) clearing treating and removing anything illegally or maliciously deposited in or around the BUILDINGS
- b) site cleaning as a result of a) above to a depth not exceeding one metre or a greater depth if the INSURERS agree (such agreement not to be unreasonably withheld) as a result of anything having been illegally or maliciously deposited in and or around the BUILDINGS

Glass

This Sub Section in respect of fixed glass includes the reasonable cost of:

- a) any necessary boarding up or temporary glazing pending replacement of broken glass
- b) removing and refixing window fittings and other obstacles to replacement
- c) alarm foil lettering painting embossing silvering or other ornamental works or signs

Green reinstatement

Applicable to the items covering BUILDINGS only

In so far as it is not covered elsewhere herein this insurance covers such reasonable additional costs of reinstatement (as more fully set out elsewhere in this insurance) as may be incurred solely by reason of the election by the INSURED to rebuild replace repair or restore following a loss falling to be paid under this insurance in a manner that aims to minimise potential harm to the environment utilising the latest available technology known as "Greening" and this will not be considered betterment

Where the cost of rebuilding replacing repairing or restoring is increased as a result of Greening the INSURERS will pay such additional costs provided that:

- a) Greening shall include but not be limited to the upgrading of taps showers urinal toilets grey water and rainwater systems air conditioning and building cooling systems ventilation systems provision of hot water and heating systems lighting and the provision of "green" roofs
- b) The INSURED shall endeavour to work to a Greening standard (where applicable) being the Building Research Establishments Environmental Assessment Methodology (BREEAM)

Where the cost of reinstatement is increased as a result of Greening and the INSURED has not made allowance for Greening in the declared values the liability of the INSURERS shall not exceed the LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE

Investigation expenses

Where a PREMISES has suffered DAMAGE as insured hereby and in the opinion of a competent construction professional there is reasonable possibility of other DAMAGE to portions of the same PREMISES which is not immediately apparent this Sub Section insures the reasonable costs incurred by the INSURED with the INSURERS' prior consent in establishing whether or not such DAMAGE has occurred

The INSURERS will also pay the reasonable and necessary costs incurred by the INSURED with the INSURERS' consent in establishing whether or not other PREMISES in the immediate vicinity have suffered DAMAGE as insured hereby in the same incident but only if such PREMISES are subsequently found to have suffered such DAMAGE as insured hereby

Involuntary bailee

This Sub Section insures DAMAGE to bailors' goods in the care custody and or control of the INSURED and or the Managing Agent and for which they are otherwise responsible

Provided that:

- a) the INSURERS' liability shall not exceed the LIMIT OF LIABILITY stated in the POLICY SCHEDULE per repossession
- b) a signed inventory be issued to the tenant as soon as the repossession takes place
- c) new locks are fitted to the BUILDINGS and a recorded weekly inspection made to ensure adequate security remains in place
- d) no claim shall be paid in respect of theft of items comprising gold silver other precious metals bullion precious stones furs curiosities works of art rare books audio visual goods computer equipment cameras jewellery money wine spirits
- e) no claim shall be paid in respect of unaccountable loss

Involuntary betterment

- a) 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 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
- b) The INSURERS 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 DAMAGE and undamaged existing equipment at the same or an

interdependent location provided that:

- the INSURERS shall be liable only for the amount sufficient to enable the INSURED to resume operations in substantially the same manner as before the DAMAGE
- the INSURERS 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
- c) For the purposes of the application of any DEDUCTIBLES the DAMAGE and the necessity to replace incompatible equipment shall be regarded as one OCCURRENCE

Leasehold premises

If any PREMISES held by the INSURED on lease shall suffer DAMAGE as insured hereby and not be reinstated in their original form within four years of the date of the DAMAGE by a party other than the INSURED the INSURERS will pay to the INSURED the saleable value of the lease of the original premises assuming vacant possession calculated on the value at the time of the occurrence of the DAMAGE less

- a) the actual saleable value of the lease if the property has been reinstated in a different form from the original and
- b) the amount of any compensation or other sums paid or payable to the INSURED in consequence of the PREMISES not being rebuilt or being rebuilt in a different form

Loss reduction expenses

This Sub Section insures costs and expenses necessarily and reasonably incurred by or on behalf of the INSURED to prevent or minimise actual or imminent DAMAGE as insured hereby at the PREMISES provided such costs are

- a) directly related to DAMAGE as insured hereby which is likely to occur in the immediate future unless urgent preventative action be taken
- b) not more specifically insured under this or any other policy bond indemnity security or other legal binding contract

Provided that a DEDUCTIBLE of GBP 250 any one OCCURRENCE shall apply

Metered supplies

The INSURERS will pay the cost of additional metered supplies or services incurred following DAMAGE as insured

Sub Section 1(A) Property Damage Insurance continued...

hereby but excluding those in respect of any loss which has not been discovered and remedial action taken within 30 days of the happening of the DAMAGE

Obsolete building materials

This Sub Section insures the reasonable additional costs incurred in the replacement of damaged BUILDINGS which given consideration to the scientific and technical knowledge at the time of installation construction or fitting were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials after the DAMAGE

The BUILDING shall not be regarded as being better or more extensive than when new provided that the INSURERS' liability shall not exceed 10% of the relevant DECLARED VALUE of such BUILDING in respect of such additional costs

Party wall

This Sub Section insures costs incurred by the INSURED in reinstating a party wall following DAMAGE as insured hereby whether the responsibility to reinstate is with the INSURED or not provided that the INSURERS' liability shall not exceed 10% of the relevant DECLARED VALUE of the relevant BUILDING in respect of such additional costs

Payments on account

Payments on account will be made to the INSURED as required

Personal possessions

This Sub Section insures directors' partners' customers' visitors' and employees' personal effects of every description (other than motor vehicles) insofar as they are not otherwise insured

Rebuilding on another site

The BUILDINGS may be wholly or partially rebuilt on another site and in any manner suitable to the requirements of the INSURED provided that it does not increase the INSURERS' liability

Reinstatement to match

This Sub Section extends to include the cost of replacement repair or modification of undamaged parts

of BUILDINGS that form part of a suite common design or function where the DAMAGE is restricted to a clearly identifiable area or to a specific part

The INSURERS' liability under this Cover Clause shall not exceed the amount that would have been payable for replacement repair or modification of the whole BUILDING forming a suite common design or function if such BUILDING had been wholly destroyed

Removal of insect nests

This Sub Section insures the reasonable and necessary costs incurred by the INSURED with the INSURERS' consent in removing wasp bee hornet and other harmful insect nests from BUILDINGS

Removal of vermin

This Sub Section insures the reasonable and necessary costs incurred by the INSURED where required by a Local Authority or similar body to have vermin removed from the PREMISES

Spontaneous combustion

This Sub Section includes DAMAGE to property caused by its own spontaneous fermentation heating or combustion

Sprinkler up-grading costs

In the event of DAMAGE as insured hereby to the BUILDINGS this Sub Section shall insure the costs incurred in upgrading an automatic sprinkler system to the current LPC rules solely as imposed upon the INSURED by insurers provided that at the time of DAMAGE the installation conformed to the 28th or 29th Edition Rules or to the LPC rules current at the time of installation but did not conform to subsequent amendments to those rules

Temporary removals

This Sub Section insures landlords fixtures and fittings or other property within the definition of BUILDINGS whilst temporarily removed from the PREMISES for storage cleaning renovating repair or other similar purposes including whilst in transit all within any of the territories in which the PREMISES specified in the POLICY SCHEDULE are located but only to the extent such property is not otherwise insured

Trace and access

In the event of DAMAGE resulting from escape of water or oil (if insured hereby) the INSURERS will pay:

- a) the costs necessarily and reasonably incurred in:
 - locating the source of such DAMAGE
 - repairing and making good any DAMAGE caused in locating the source
- b) the cost of repairing or replacing tanks apparatus pipes or appliances which have been damaged by freezing

Trees

This Sub Section insures DAMAGE resulting from falling trees including the cost of removing the fallen tree and or parts thereof and or the cost of felling and or lopping and removing trees which represent an immediate threat to the safety of life and or DAMAGE as insured hereby to BUILDINGS

Tunnels

In respect of any DAMAGE as insured hereby to tunnels earthworks or other natural or artificial features which form part of any BUILDINGS at the PREMISES this Sub Section insures any reasonable and necessary costs or expenses incurred by the INSURED with the INSURERS' consent in making such features safe

Unauthorised use of public utilities

This Sub Section insures loss resulting from use of electricity gas water oil and or telecommunications services by persons without the authority or permission of the INSURED to the extent that such loss is determined by measurement from meters at or otherwise relating to the BUILDINGS

Provided that practicable steps are taken to terminate such unauthorised use as soon as it is discovered

Sub Section 1(B) Rent Insurance

The Basis of Settlement

The INSURERS will pay to the INSURED the following amounts:

Items on rent

- (i) The loss of RENT being the actual amount of the reduction in the RENT receivable by the INSURED during the INDEMNITY PERIOD solely in consequence of the INCIDENT (including reductions as a direct consequence of the revenue of the lessee's business being reduced)
- (ii) The cost of releting being the costs necessarily and reasonably incurred from the date of the DAMAGE until the expiry of the INDEMNITY PERIOD in releting the BUILDINGS (including legal fees in connection with the releting) solely in consequence of the INCIDENT
- (iii) Additional expenditure Increased Cost of Working being the expenditure (other than that recoverable under (ii) The cost of reletting above) necessarily and reasonably incurred in consequence of the INCIDENT solely to avoid or minimise the loss of RENT during the INDEMNITY PERIOD but not exceeding:
 - the amount of the reduction avoided by such additional expenditure plus
 - the LIMIT OF LIABILITY for Uneconomic Additional Expenditure – Increased Cost of Working specified in the POLICY SCHEDULE
- (iv) Accelerated reinstatement expenditure being the further additional expenditure (other than that recoverable under (ii) The cost of reletting and (iii) Additional expenditure – Increased Cost of Working as described above) necessarily and reasonably incurred during the INDEMNITY PERIOD in consequence of the INCIDENT solely to avoid or minimise any loss of RENT not recoverable by the INSURED under this or any other POLICY during the period of twelve months immediately after the expiry of the INDEMNITY PERIOD but not exceeding the amount of the reduction in RENT avoided by such expenditure

Except that in the event of underinsurance the amount payable shall be adjusted in accordance with the Underinsurance – Rent Cover Clause

Items on projected increase in rent

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 INCIDENT due to the INSURED being precluded from exercising their right to implement a rent review under the terms of the lease on its anticipated due date

Further the Underinsurance – Rent Condition shall not apply in respect of any claim for loss of PROJECTED INCREASE IN RENT

Conditions

Material damage proviso

In respect of DAMAGE to BUILDINGS this Sub Section shall not apply unless at the time of the DAMAGE there shall be in force an insurance covering the interest of the INSURED in the BUILDINGS where the DAMAGE has occurred and:

- a) payment shall have been made or liability admitted under such insurance
 - or
- b) payment would have been made or liability would have been admitted thereunder but for the operation of a proviso excluding liability for losses below a specified amount

Except that this Condition shall not apply in respect of any PREMISES where another party (not being the INSURED) is responsible for insuring the BUILDINGS by virtue of lease or other contractual arrangements

Savings

If any charge or expense payable out of RENT shall cease or reduce during the INDEMNITY PERIOD in consequence of the INCIDENT the sum saved shall be deducted from the amount otherwise payable under this insurance before the application of the Underinsurance – Rent Cover Clause

Underinsurance - rent

If the total of the RENT SUMS INSURED on all the PREMISES insured is less than the total of the DAY ONE RENTAL VALUES the INSURERS' liability for any loss shall be limited to that proportion of the amount otherwise payable which the RENT SUM INSURED bears to the total DAY ONE RENTAL VALUES

For the purposes of calculating the DAY ONE RENTAL VALUE annual service charges not exceeding GBP 100,000 in respect of any one PREMISES may be ignored

Additional Cover Clauses

The liability of the INSURERS in respect of any of the following Cover Clauses shall not exceed the appropriate LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE

Anticipated rent

If at the time of the INCIDENT the PREMISES are unlet INSURERS will pay the loss of RENT incurred from the date which but for the INCIDENT the RENT would have been payable

Where there is no rental agreement in place INSURERS will have regard for:

- a) negotiations with prospective tenants both before and after the INCIDENT
- b) the demand for similar accommodation in the locality
- c) the general level of rents payable in the locality

If required the advice of letting agents acceptable to both the INSURED and INSURERS will be sought and any fees incurred as a result included in the claim settlement

Break clause

This Sub Section shall not be prejudiced by any insurance or causality break clause in a lease which enables a lessee to determine the lease in the event of an INCIDENT

Buildings awaiting letting at commencement of the period of insurance

If at the time of the INCIDENT PREMISES have been newly leased since commencement of the PERIOD OF INSURANCE but no SUM INSURED on RENT has been allocated to the new tenancy the insurance extends to include such RENT for an amount not exceeding 5% of the total SUM INSURED for RENT for a MAXIMUM INDEMNITY PERIOD of 36 months

Buildings awaiting sale

If at the time of the INCIDENT 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 INCIDENT then provided that the INSURED shall make reasonable efforts to complete the sale of the PREMISES as soon as practicable after the INCIDENT the INSURED may opt for the amount payable by the INSURERS to be as follows:

- a) during the period prior to the date upon which but for the INCIDENT the PREMISES would have been sold The loss of RENT being the actual amount of the reduction in the RENT receivable by the INSURED solely in consequence of the INCIDENT (including reductions as a direct consequence of the turnover of the lessee's business being reduced)
- b) during the period commencing with the date upon which but for the INCIDENT 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 in respect of investment interest being:

- the actual investment interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the BUSINESS
- the investment interest lost to the INSURED on any balance of the sale proceeds after deduction of any capital borrowed as provided under 1)

Less any amount receivable in respect of RENT

- c) the additional expenditure being:
 - the additional expenditure and the accelerated reinstatement expenditure as defined in The Basis of Settlement of Claims
 - the additional legal fees and other expenditure reasonably and necessarily incurred solely as a result of the cancellation or delay in consequence of the INCIDENT but not exceeding the expenditure incurred immediately prior to the INCIDENT except
 - the amount payable 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
 - ii) in the event of underinsurance the amount payable shall be adjusted in accordance with the Underinsurance – Rent condition
Sub Section 1(B) Rent Insurance continued...

Denial of access

INCIDENT extends to include:

1) DAMAGE by any of the INSURED PERILS to property within the vicinity of the PREMISES

or

- (notwithstanding the Terrorism & Northern Ireland General Exclusion) the PREMISES or any property or rights of way within the vicinity of the PREMISES being
 - (a) occupied by any person or persons carrying out or thought to be carrying out an act of TERRORISM including but not limited to the use of force or violence and/or 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 governments(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
 - (b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers
 - (c) thought to contain or actually containing a harmful device provided that the police are immediately informed
 - (d) closed down or sealed off in accordance with instructions issued by the police or any other statutory body except where the cause of such closure or sealing off is
 - (i) the condition of the PREMISES or the business carried on within the PREMISES
 - (ii) the INSURED'S non compliance with a prior order of the police or any statutory body
 - (iii) action taken as a result of drought or diseases or other hazards to health which prevents or hinders access to or use of the PREMISES

Provided that INSURERS shall not be liable under this Cover Clause for:

- (i) loss arising from any cause within the control of the INSURED
- (ii) 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 but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

Denial of access – notifiable disease vermin defective sanitary arrangements murder suicide and rape

INCIDENT extends to include the closure of the PREMISES or any part thereof on the order or advice of any local or governmental public authority due to:

- 1) (a) any outbreak of NOTIFIABLE DISEASE
 - (i) at the PREMISES or
 - (ii) attributable to food or drink supplied from the PREMISES
 - (b) any discovery of an organism at the PREMISES likely to result in the outbreak of a NOTIFIABLE DISEASE at the PREMISES
- 2) the discovery of vermin or pests at the PREMISES
- 3) any accident causing defects in the drains or other sanitary arrangements at the PREMISES
- 4) murder suicide or rape occurring at the PREMISES
- 5) a notice issued under the Food Safety Act or similar legislation whether or not in error which relates to the PREMISES

Provided that the INSURERS shall not be liable under this Cover Clause:

- (i) for any costs incurred in the cleaning repair replacement recall or checking of property
- (ii) for loss arising at PREMISES which are not wholly or partially closed on the order or advice of the local or governmental public authority

Denial of access - legionella

INCIDENT extends to include (to the extent that it is not covered under the Denial of Access – Notifiable Disease Vermin Defective Sanitary Arrangements Murder Suicide and Rape Cover Clause) any outbreak of LEGIONELLA at the PREMISES causing restrictions on the use thereof on the order or advice of a competent public authority

Provided that:

- a) for the purposes of this Cover Clause PREMISES means PREMISES which are directly affected by the outbreak of LEGIONELLA
- b) the INSURERS shall not be liable under this Cover Clause for any costs incurred in cleaning repair replacement or inspection of property except those costs and expenses necessarily incurred with the INSURERS' consent in cleaning and decontamination of the air-conditioning or water supply equipment at the PREMISES the use of which has been restricted on the order or advice of a competent public authority

Engineering machinery damage

INCIDENT extends to include DAMAGE to PROPERTY INSURED

Provided that:

- a) for the purposes of this Cover Clause DAMAGE and PROPERTY INSURED shall have the same meaning as set out in **Section 4 – Engineering Machinery Damage**
- b) this Cover Clause shall apply to DAMAGE (subject to a) above) insured under any Engineering Machinery Damage policy in force covering the PROPERTY provided INSURERS have admitted liability for the DAMAGE under their policy (or would have admitted liability but for the operation of a proviso excluding losses below a specified amount)

Foul or surface water drainage

INCIDENT is extended to include (to the extent that it is not covered under the Denial of Access – Notifiable Disease Vermin Defective Sanitary Arrangements Murder Suicide and Rape Cover Clause) the failure of the foul or surface water drainage facilities servicing the PREMISES

Provided that the INDEMNITY PERIOD shall not commence until 48 hours after the INCIDENT

Loss of attraction (leased premises)

INCIDENT extends to include DAMAGE to property by any of the INSURED PERILS at any location in the vicinity of the PREMISES in consequence of which the RENT receivable by the INSURED is reduced

Provided that the INSURERS shall not be liable under this Cover Clause for 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 but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

Loss of attraction (unleased premises)

INCIDENT extends to include DAMAGE to property by any of the INSURED PERILS at any location in the vicinity 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 the INSURERS shall not be liable under this Cover Clause for 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 but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

Managing agents

INCIDENT extends to include DAMAGE to property by any of the INSURED PERILS at any PREMISES in England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man (or any other territory in which the PREMISES specified in the declaration to INSURERS are located) owned or occupied by the INSURED'S Managing Agents for the purposes of their business

Provided that the INSURERS shall not be liable under this Cover Clause for 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 but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

Sub Section 1(B) Rent Insurance continued...

Payment of rates

The insurance by each item on RENT extends to include the costs of local authority rates provided that such costs:

- (i) are incurred by the INSURED solely as a result of the lessee being able to determine or frustrate the lease following an INCIDENT
- (ii) shall not be payable in respect of any portion or portions of the PREMISES that were untenanted at the time of the INCIDENT unless a tenancy agreement had been signed within 3 months of the date of INCIDENT and subsequently cancelled solely as a result of the INCIDENT occurring

No payment under this clause 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

Payments on account

Payments on account will be made to the INSURED as required subject to any necessary adjustments at the end of the INDEMNITY PERIOD

Where the INSURERS have agreed to indemnify the INSURED in respect of loss of RENT and the payment by the INSURERS 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 INSURERS will pay a further sum representing the interest which the INSURED would have earned during the delay period

Professional accountants and legal fees

Any particulars or details contained in the INSURED'S books of account or other business books or documents which may be required by the INSURERS 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

The INSURERS will pay to the INSURED the reasonable charges payable by the INSURED to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the INSURERS under the terms of POLICY claims conditions and reporting that such particulars or details are in accordance with the INSURED'S books of account or other business books or documents The INSURERS will pay to the INSURED the reasonable charges payable by the INSURED to their lawyers for determining their contractual rights under any rent cessor clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim

Public relations expenses

Insofar as these are not insured elsewhere herein this Sub Section insures the cost of employing suitable public relations personnel to deal with press and public announcements and other necessary activities reasonably incurred in consequence of the INCIDENT

Rent of residential buildings

In the event that PREMISES occupied totally or partially for residential purposes suffer an INCIDENT and no SUM INSURED on RENT for the residential portions has been allocated then this POLICY extends to include such loss of RENT and anticipated loss of RENT in respect of unlet PREMISES and other costs as specified under The Basis of Settlement of Claims or in any relevant Cover Clause applicable to this Sub Section

For the purposes of this Cover Clause only:

- a) MAXIMUM INDEMNITY PERIOD shall be 36 months
- b) the Underinsurance-rent condition is deleted

This extension will also cover, at the INSURED's request at the time of any such claim, the reasonable additional cost of similar comparable accommodation for the benefit of any lessee sub lessee or occupier including temporary furniture storage costs and accommodation for domestic pets or other animals other than farm stock normally kept within the vicinity of the damaged PREMISES until the residential portion is habitable and accessible

Provided that the INSURERS' liability any one OCCURRENCE under this Cover Clause shall not exceed 30% of the SUM INSURED applicable to the residential BUILDINGS (or residential portion of the BUILDINGS) concerned in respect of loss of RENT

Rent free period

If at the date of the INCIDENT any PREMISES insured by this POLICY are subject to a rent free period concession under the terms of the lease then the MAXIMUM INDEMNITY PERIOD stated in the POLICY SCHEDULE shall be adjusted by adding the unexpired portion of the rent free period to the period shown in the POLICY SCHEDULE provided that the INSURERS' liability shall in no case exceed 200% of the SUM INSURED specified against the relative item or any LIMIT OF LIABILITY stated in the POLICY whichever is the lower

Stepped rent

If at the commencement of the PERIOD OF INSURANCE the INSURED is precluded from exercising their right to receive the full RENT that they would have received but for a stepped rent clause in accordance with lease provisions and the INSURED declares a reduced DAY ONE RENTAL value accordingly the INSURER will nevertheless pay the actual loss of RENT sustained in respect of the BUILDINGS which have suffered the INCIDENT

Tenant relocation

In the event of an INCIDENT as insured hereby requiring the tenant to vacate the PREMISES the relocation of the tenant to vacant PREMISES will not be taken into account or otherwise affect the settlement of the claim arising from the PREMISES suffering an INCIDENT

Utilities and services

INCIDENT extends to include the failure of the supply of:

- a) electricity at the terminal ends of the supplier's service feeders at the PREMISES
- b) gas at the supplier's meters at the PREMISES
- c) water at the supplier's main stopcock serving the PREMISES
- d) telecommunication services from any land based supplier

from which the INSURED obtains electricity gas water or telecommunications services all in England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man (or any other territory in which the PREMISES specified in the POLICY SCHEDULE are located)

by any cause other than:

- (i) the deliberate act of any supplier
- (ii) by any such supplier exercising its power to withhold or restrict supply
- (iii) by drought

Section 2 Terrorism Insurance

Definitions (applicable to Terrorism Insurance)

Damage

"DAMAGE" means loss destruction or damage

Denial of service attack

"DENIAL OF SERVICE ATTACK" means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks or network services or network connectivity or information systems

The definition of DENIAL OF SERVICE ATTACK includes but is not limited to the generation of excess traffic into network addresses and the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Great Britain

"GREAT BRITAIN" means England (England shall include the Channel Tunnel up to the frontier with the Republic of France as set out by the Treaty of Canterbury) Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987)

Hacking

"HACKING" means unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data whether the property of the INSURED or not

Nuclear installation

"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 or
- 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 the production or use of nuclear fuel

Nuclear reactor

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

Phishing

"PHISHING" means any access or attempted access to data or information made by means of misrepresentation or deception

Private individual

"PRIVATE INDIVIDUAL" means any person other than a:

- a) company association or partnership or similar
- b) trustee or body of trustees where insurance is arranged under the terms of a trust or similar
- c) person who owns RESIDENTIAL PROPERTY for the purpose of their business as a sole trader or similar
- d) person who owns or occupies RESIDENTIAL PROPERTY of which in excess of 20% of the property is commercially occupied

Note:

(a) Where the RESIDENTIAL PROPERTY is occupied by a trustee or a sole trader or similar as a private residence and where the property is not a block of flats each will be deemed to be a PRIVATE INDIVIDUAL in respect of that same property

and

(b) Where two or more persons have arranged insurance on RESIDENTIAL PROPERTY in their several names and/or the name of the INSURED includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the property insured they will be deemed to be a PRIVATE INDIVIDUAL in respect of that property

Property

"PROPERTY" means all property insured by **Section 1 Property Damage** but shall not include:

- a) RESIDENTIAL PROPERTY insured in the name of a PRIVATE INDIVIDUAL unless shown as "Insured" in the POLICY SCHEDULE
- b) 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

Residential property

"RESIDENTIAL PROPERTY" means houses and blocks of flats and other dwellings (including household contents and personal effects of every description) the property of the INSURED or for which they are responsible

Territory

"TERRITORY" means GREAT BRITAIN and if shown as "**Insured**" in the POLICY SCHEDULE the Isle of Man and the Channel Islands

Virus or similar mechanism

"VIRUS OR SIMILAR MECHANISM" means any programme code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect any computer programmes data files or operations whether involving self-replication or not

The definition of VIRUS OR SIMILAR MECHANISM includes but is not limited to trojan horses worms and logic bombs

The Cover

Notwithstanding any provisions to the contrary within this POLICY the insurance in respect of **Section 1 Property Damage and Rent** is extended to include Terrorism as specified below

This POLICY includes cover for DAMAGE to PROPERTY which happens during the PERIOD OF INSURANCE and consequential loss resulting therefrom insofar and to the extent that it is insured by this POLICY whilst situate within the TERRITORY caused by or resulting from an act of TERRORISM

Provided always that Section 2 Terrorism Insurance is:

- a) subject to the Exclusions set out below
- b) not subject to any other exclusions stated elsewhere in this POLICY

Exclusions

This Section does not cover:

Electronic risks

Directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:

a the alteration modification distortion corruption of or damage to any computer or other equipment or component or system or item which processes, store transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programme(s) or software)

or

 b) any alteration modification distortion erasure corruption of data processed by any such computer or other equipment or component or system or item

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

Section 2 Terrorism Insurance continued...

Marine

Losses that would be insured under any marine policy

Riot civil commotion war and allied risks

Any losses 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

Nuclear chemical biological and radiological contamination risks

Applicable only in respect of RESIDENTIAL PROPERTY insured in the name of a PRIVATE INDIVIDUAL and any PROPERTY situated in the Isle of Man or the Channel Islands

Any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- a) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- b) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
- c) chemical and/or biological and/or radiological irritants contaminants or pollutants

This Exclusion is not applicable to:

- RESIDENTIAL PROPERTY insured in the name of a PRIVATE INDIVIDUAL if it is shown as "Not Insured" in the POLICY SCHEDULE
- PROPERTY situated in the Isle of Man or the Channel Islands if they are shown as "Not Insured" in the POLICY SCHEDULE

Special Conditions

All the general terms definitions provisions conditions and extensions of the POLICY apply except in so far as they are hereby expressly varied

Adjustments

Any terms in this POLICY which provide for adjustments of premium based upon declarations on expiry or during the PERIOD OF INSURANCE do not apply to this Section

Long term agreement

If this POLICY is subject to any Long Term Agreement/ Undertaking it does not apply to this Section

Period of insurance longer than 12 months

If the PERIOD OF INSURANCE is longer than 12 months then in respect of **Section 2 Terrorism Insurance** it shall be limited to 12 months from the date of inception of this POLICY

Residential property and property in the isle of man/channel islands

In respect of RESIDENTIAL PROPERTY insured in the name of a PRIVATE INDIVIDUAL and any PROPERTY situated in the Isle of Man or the Channel Islands:

- a) all LIMITS OF LIABILITY are in the aggregate any one PERIOD OF INSURANCE
- b) the Automatic Reinstatement General Additional Cover Clause shall not apply

This Special Condition is not applicable to:

- RESIDENTIAL PROPERTY insured in the name of a PRIVATE INDIVIDUAL if it is shown as "Not Insured" in the POLICY SCHEDULE
- PROPERTY situated in the Isle of Man or the Channel Islands if they are shown as "Not Insured" in the POLICY SCHEDULE

Reverse onus of proof

In any action suit or other proceedings where the INSURERS alleges that any DAMAGE or loss resulting from DAMAGE is not covered by this POLICY the burden of proving that such DAMAGE or loss is covered under this Section shall be upon the INSURED

Section 3 Legal Liabilities Insurance

Definitions

Aircraft

"AIRCRAFT" means any craft designed to travel through air or space other than hovercraft

Asbestos

"ASBESTOS" means crocidolite amosite chrysotile fibrous actinolite anthophyllite or fibrous tremolite or any mixture containing any of those minerals

Asbestos dust

"ASBESTOS DUST" means fibres or particles of ASBESTOS

Asbestos containing materials

"ASBESTOS CONTAINING MATERIAL" means any material containing ASBESTOS or ASBESTOS DUST

Bodily injury

"BODILY INJURY" includes but will not be limited to bodily injury death illness disease(or sickness) mental injury mental anguish or shock

Breach of professional duty

"BREACH OF PROFESSIONAL DUTY" means an act error or omission by the INSURED occurring in the provision of advice consultancy design formula specification supervision feasibility studies prototype PRODUCTS or testing services in the course of the BUSINESS provided for a fee and without the provision of the PRODUCTS and will include but not be limited to non performance or improper performance of such work

For the purposes of this Definition only the INSURED extends to include any EMPLOYEE or former EMPLOYEE or any partner or former partner or any director or former director arising out of their employment in the BUSINESS or by any person or company including consultants directly appointed by the INSURED to act on their behalf

Clean up

"CLEAN UP" means the cost of REMEDIATION incurred by the INSURED (or for which they are legally liable to pay) as required by any ENFORCING AUTHORITY but shall not include the costs of achieving any improvement or alteration in the condition of the land the atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time REMEDIATION commences

It shall include the costs necessarily incurred by the INSURED or for which they are legally liable to pay to curtail or minimise POLLUTION or CONTAMINATION once it has occurred to prevent further harm being caused but only to the extent required by any ENFORCING AUTHORITY

Damage

"DAMAGE" means loss of destruction of or damage to material property

Employee

"EMPLOYEE" means any person under a contract of service or apprenticeship with the INSURED which includes:

- a) any labour masters and persons supplied by them
- b) labour only sub-contractors and persons supplied by them under the direct control and supervision of the INSURED
- c) self employed persons
- d) drivers or operators of plant hired to the INSURED
- e) any person gaining education study training work experience or similar activity
- f) former EMPLOYEES of the INSURED re-hired by the INSURED on an internal consultancy basis
- g) any other person who is hired to or borrowed by the INSURED including home workers and volunteers
- h) 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

while working under the control of the INSURED in connection with the BUSINESS

Section 3 Legal Liabilities Insurance continued...

Enforcing authority

"ENFORCING AUTHORITY" means any government or statutory authority or body implementing or enforcing environmental protection legislation

Financial loss

"FINANCIAL LOSS" means a pecuniary loss cost or expense incurred by any person other than the INSURED

Infringement of intellectual property rights

"INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS" means infringement of patent rights copyright registered and unregistered trademark and design rights breach of confidence actions for passing off injurious falsehood and unauthorised use of systems or programmes of others

Legal costs

"LEGAL COSTS" means:

- a) all costs and expenses incurred with the written consent of the INSURERS in relation to the investigation or defence or settlement of any claim arising under this POLICY or any occurrence which may be the subject of indemnity under this POLICY including costs and expenses of litigation other than claimants' costs and expenses awarded against the INSURED
- b) legal costs and expenses incurred with the written consent of the INSURERS for representation of the INSURED at
 - proceedings in any court including a criminal court arising out of an alleged breach of a statutory or common law duty
 - (ii) any Coroner's inquest or fatal injury inquiry or similar hearing
 - (iii) any arbitration hearings in connection with any occurrence which may be the subject of indemnity under this POLICY

Offshore work

"OFFSHORE WORK" means from the time when an EMPLOYEE embarks on to a conveyance at the point

of final departure to an offshore rig offshore platform or offshore installation until such time as such EMPLOYEE disembarks from the conveyance onto land upon return from an offshore rig offshore platform or offshore installation

Personal injury

"PERSONAL INJURY" means BODILY INJURY humiliation false or malicious arrest invasion of the right of privacy wrongful accusation of shoplifting wrongful detention false imprisonment false or wrongful entry or eviction or other invasion of the right of private occupancy malicious prosecution injurious falsehood libel slander and defamation of character

Pollution or contamination

"POLLUTION or CONTAMINATION" means all pollution or contamination of buildings or other structures or of water or land or the atmosphere

Products

"PRODUCTS" means any goods or products (including packaging containers and labels) which in the course of the BUSINESS have been sold supplied distributed processed manufactured designed repaired altered tested serviced installed erected financed or let on hire or recommended by or on behalf of the INSURED and will include labelling and packaging and containers after such products have ceased to be in the custody or control of the INSURED

"PRODUCTS" does not mean food or drink for consumption on the INSURED'S premises

Property

"PROPERTY" means material property but shall not include DATA

Remediation

"REMEDIATION" means remedying the effects of POLLUTION or CONTAMINATION

Conditions applicable to Section 3

Alteration of risk

The cover provided under this Section will apply automatically to all activities of the INSURED established created acquired or disposed of including premises during the PERIOD OF INSURANCE but the INSURED will notify the INSURERS in writing within 30 days of those alterations that represent a material change to the nature of the BUSINESS

Application of deductible

It is agreed that:

- a) the obligation of the INSURERS to indemnify the INSURED applies only to amounts payable in excess of any DEDUCTIBLE stated in the POLICY SCHEDULE
- b) the DEDUCTIBLE applies to all sums (including claimants' costs) which the INSURED becomes legally liable to pay
- c) the terms of this POLICY apply irrespective of the application of the DEDUCTIBLE amount
- d) the INSURERS may pay any part or all of the DEDUCTIBLE amount to effect settlement of any claim or action and upon notification of the action taken the INSURED will promptly reimburse the INSURERS for such part of the DEDUCTIBLE amount as has been paid by the INSURERS

Automatic waiver of subrogation rights

In respect of contracts or agreements which impose upon the INSURED conditions waiving the rights of the INSURED to recover from any other party the INSURERS agree to the extent required by such contract or agreement to waive any rights of subrogation to which they might otherwise have been entitled in such circumstances in respect of any payments which they may make under this Section

Compensation for court attendance

Where at the request of the INSURERS any of the under mentioned persons attends court as a witness in connection with a claim in respect of which the INSURED is entitled to indemnity under this POLICY the INSURERS will provide compensation to the INSURED (in addition to the LIMITS OF LIABILITY) at the under noted rates per day for each day on which attendance is required

- a) any partner or director of the INSURED or senior EMPLOYEE GBP 750
- b) any other EMPLOYEE GBP 500

Cross liabilities

Where the INSURED comprises more than one person or where the indemnity applies to other parties the INSURERS will indemnify each person insured separately in the same manner and to the same extent as if a separate POLICY had been issued to each but the maximum liability of the INSURERS will not exceed the applicable LIMIT OF LIABILITY

Jurisdiction

This Section will apply to OCCURRENCES happening anywhere in the world unless stated to the contrary elsewhere and to actions brought against the INSURED in a court of law under any jurisdiction provided that:

- a) the INSURED will be required to handle the defence and investigation of claims arising in any country outside the United Kingdom where the INSURERS are by law or circumstance outside their control prevented from doing so
- all claims for which the INSURERS accept liability under this POLICY will be payable in sterling in the United Kingdom at the rate of exchange applicable between the currency of the jurisdiction where the claim arose and sterling as at the day of settlement whether interim or final payment

Sub Section 3(A) Employers' Liability Insurance

The Cover

- The INSURERS will indemnify the INSURED for all sums which the INSURED becomes legally liable to pay as damages and claimants costs and expenses in respect of BODILY INJURY to an EMPLOYEE caused during the PERIOD OF INSURANCE arising out of and in the course of employment by the INSURED in the BUSINESS whilst
 - anywhere in the world in respect of employment or engagement entered into in Great Britain Northern Ireland the Isle of Man and the Channel Islands
 - b) in Great Britain Northern Ireland the Isle of man and the Channel Islands in respect of employment or engagement entered into outside the aforementioned territories
- 2) The INSURERS will also pay all LEGAL COSTS

The indemnity granted by this POLICY is deemed to be in accordance with the provisions of any law enacted in Great Britain Northern Ireland the Isle of man and the Channel Islands relating to the compulsory insurance of liability to employees

Limit of Liability

The liability of the INSURERS for all sums payable by the INSURED including claimants' costs and expenses and LEGAL COSTS will not exceed the amount stated as the LIMIT OF LIABILITY

Exclusions

This Sub Section does not cover:

Offshore work

Liability in respect of any OFFSHORE WORK

Road Traffic Act liability

Liability in respect of which compulsory insurance or security is required under the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981 or any subsequent legislation amending or replacing such Act or Order

Workmen's compensation social security or health insurance legislation

Any amount payable under any workmen's compensation social security or health insurance legislation except for any compensation recovery payments that may be required in Great Britain Northern Ireland the Isle of Man and the Channel Islands

Additional Cover Clauses

Indemnity to other persons

For the purpose of this Sub Section the following are also indemnified as if they were the INSURED:

- (a) any partner or director of the INSURED or at the request of the INSURED any former partner or director
- (b) any EMPLOYEE or at the request of the INSURED any former EMPLOYEE
- (c) any officer committee member EMPLOYEE paid or voluntary helper member or family of a member of the INSURED'S social sports welfare or theatrical organisations or clubs first aid fire or ambulance services or security services in their respective capacity as such
- (d) the INSURED'S executor administrator or personal representative but only in respect of liability incurred by the INSURED
- (e) any party including any principal whom under contract or agreement the INSURED has agreed to indemnify and/or to insure but only to the extent required by such contract or agreement
- (f) at the request of the INSURED any partner or director or executive of the INSURED in respect of private work undertaken by an EMPLOYEE for such partner or director or executive
- (g) at the request of the INSURED any officers or trustees of the INSURED'S pension scheme(s)

Data protection act

Under this Cover Clause the INSURERS will:

- (a) indemnify the INSURED in respect of their liability to pay compensation and claimants costs and expenses in respect of damage or distress arising under the Data Protection Act 1998 (and any subsequent or similar legislation) in relation to a claim made by an EMPLOYEE arising from a breach or alleged breach occurring during the PERIOD OF INSURANCE
- (b) pay defence costs (including in connection with any appeal) incurred with the consent of the INSURERS (and then indemnify the INSURED for legal costs and expenses awarded against the INSURED) in relation to a prosecution brought under the Data Protection Act 1998 and any subsequent or similar legislation arising from a breach or alleged breach occurring during the PERIOD OF INSURANCE
- (c) also pay LEGAL COSTS

This Additional Cover Clause will not apply to the extent that an indemnity is provided elsewhere in this POLICY

This Cover Clause is subject to the INSURED having registered in accordance with the terms of the Data Protection Act 1998 and any subsequent or similar legislation provided that this Clause will not apply in respect of:

- (i) the payment of fines or penalties
- (ii) the cost of replacing reinstating rectifying or erasing any DATA

Legal expenses arising from employee related legislation

Under this Cover Clause the INSURERS will in respect of (a) and (b) pay for and in respect of (c) indemnify the INSURED (and where applicable and at the request of the INSURED EMPLOYEES) against legal costs and expenses:

- (a) incurred in the defence of
- (b) incurred with the consent of INSURERS in connection with any appeal of
- (c) awarded against the INSURED (and where applicable and at the request of the INSURED EMPLOYEES) in any civil or criminal tribunal conciliation arbitration or with the consent of the INSURERS appeals arising out of a breach or alleged breach occurring during the PERIOD OF INSURANCE of any Statute (including the Corporate Manslaughter and Corporate Homicide Act 2007 and any subsequent or similar legislation) Ordinance Regulation Directive or other legal requirement imposed upon the INSURED and where applicable and at the request of the INSURED EMPLOYEES (or the offence of manslaughter or culpable homicide or equivalent committed or alleged to have been committed by EMPLOYEES during the PERIOD OF INSURANCE) in respect of the health and safety of any EMPLOYEE

The INSURERS will not be liable for fines or penalties of any kind

The indemnity provided by this Cover Clause includes the salary or wages of any director of the INSURED or EMPLOYEE for the period that he is absent from work to attend any civil criminal tribunal conciliation or arbitration proceedings at the request of the solicitor accountant or other similar person appointed to act for the INSURED

Unsatisfied court judgements

Where a judgement for damages has been obtained by any EMPLOYEE or the legal personal representatives of any EMPLOYEE in respect of BODILY INJURY to the EMPLOYEE arising out of and in the course of employment by the INSURED in the BUSINESS against any company partnership or limited liability partnership or individual operating from or resident in premises within any member country of the European Union in any court situated in the European Union and such judgement remains unsatisfied in whole or in part six months after the date of judgement then at the request of the INSURED the INSURERS will under this Cover Clause pay for the EMPLOYEE or the said legal personnel representatives 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 by the INSURERS the EMPLOYEE or the said legal personal representatives will assign the judgement to the INSURERS
- (c) the total amount payable in respect of this Cover Clause shall not exceed the amount stated as the LIMIT OF LIABILITY in respect of this POLICY as if such amounts were all sums payable by the INSURED

Associated companies – application of limits

Where this Sub Section provides an indemnity to any associated company that is deemed to be a separate employer from the parent organisation and its subsidiaries and in the event that the total LIMIT OF LIABILITY in respect of this Sub Section together with any excess employers liability coverage fails to provide a minimum limit of GBP 5,000,000 any one claim or number of claims arising out of one occurrence including claimants' costs and expenses and LEGAL COSTS for each separate associated company and to the parent organisation and its subsidiaries the INSURERS will nevertheless provide a minimum limit of GBP 5,000,000 any one claim or number of claims arising out of one occurrence including claimants' costs and expenses and LEGAL COSTS for each separate associated company and to the parent organisation and its subsidiaries the INSURERS will nevertheless provide a minimum limit of GBP 5,000,000 any one claim or number of claims arising out of one occurrence including claimants' costs and expenses and LEGAL COSTS for each separate associated company and to the parent organisation and its subsidiaries the INSURERS will nevertheless provide a minimum limit of GBP 5,000,000 any one claim or number of claims arising out of one occurrence including claimants' costs and expenses and LEGAL COSTS for each separate associated company and to the parent organisation and its subsidiaries

Provided that this Cover Clause will only apply:

- a) following the exhaustion of all excess Employers Liability covers
- b) in circumstances governed by the provisions of any Law Ordinance or Statute relating to compulsory insurance of liability to EMPLOYEES

Sub Section 3(B) Public and Products Liability Insurance

The Cover

- The INSURERS will indemnify the INSURED for all sums which the INSURED becomes legally liable to pay and claimants costs and expenses in respect of or arising out of:
 - a) PERSONAL INJURY to any person
 - b) DAMAGE to PROPERTY
 - c) obstruction interference with traffic loss of amenities trespass nuisance or any like cause

happening anywhere in the TERRITORIAL LIMITS during the PERIOD OF INSURANCE in connection with the BUSINESS

2) The INSURERS will also pay all LEGAL COSTS

Limit of Liability

The liability of the INSURERS under this Sub Section for all sums payable by the INSURED other than claimants costs and expenses and LEGAL COSTS will not exceed the amount stated as the LIMIT OF LIABILITY

Exclusions

This Sub Section does not cover:

Aircraft

Liability arising from the ownership possession or use by the INSURED of any AIRCRAFT

Asbestos

- a) Liability in respect of mental injury or fear of suffering PERSONAL INJURY arising out of actual or suspected exposure to ASBESTOS ASBESTOS DUST or ASBESTOS CONTAINING MATERIALS
- b) the costs of remedying the presence of ASBESTOS ASBESTOS DUST or ASBESTOS CONTAINING MATERIALS in premises disposed of by the INSURED
- c) the costs of management (including those of any persons under any statutory duty to manage) removal repair alteration recall replacement or reinstatement of any property or part thereof arising out of the presence of ASBESTOS ASBESTOS DUST or ASBESTOS CONTAINING MATERIALS

Aviation products

Liability arising from PRODUCTS incorporated in AIRCRAFT which have been specifically supplied by the INSURED for that purpose and which are directly connected with the safety propulsion or navigation of such AIRCRAFT

Damage to property in the custody or control of the insured

Liability for DAMAGE to PROPERTY in the custody or control of the INSURED other than:

- a) i) the property or personal effects of EMPLOYEES visitors or directors of the INSURED including vehicles and their contents
 - ii) premises and their contents not owned or rented by the INSURED but which are temporarily occupied by the INSURED for the purpose of carrying out work
 - iii) waste skips containers and the like being loaded or unloaded
- b) premises including fixtures and fittings leased to or rented by the INSURED in connection with the BUSINESS but excluding liability assumed by the INSURED under the terms of a lease or other contract that would not have attached in the absence of such lease or other contract but this will not exclude liability which arises solely through inadvertent breach of warranty by the INSURED under a landlord's fire insurance
- c) PROPERTY not belonging to the INSURED on which the INSURED is or has been working if the DAMAGE to PROPERTY arises out of such work except that part of the PROPERTY on which the INSURED has been working

Damage to products recall and repair

- a) Liability for DAMAGE to PRODUCTS if such loss or DAMAGE is attributable to any known or suspected defect or deficiency therein
- b) the costs of recalling removing repairing or replacing PRODUCTS if such PRODUCTS are withdrawn from sale or from use because of any known or suspected defect or deficiency therein

Liability to employees

Liability in respect of BODILY INJURY sustained by any EMPLOYEE arising out of and in the course of employment by the INSURED in the BUSINESS

Motor

Liability arising from the ownership possession or use by or on behalf of the INSURED of any mechanically propelled vehicle:

- a) where such liability is the subject of compulsory insurance or security requirements under the provisions of any road traffic legislation and/or
- b) in respect of which an indemnity is provided by any other more specific motor insurance

Pollution or contamination

Liability for POLLUTION or CONTAMINATION other than POLLUTION or CONTAMINATION caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the PERIOD OF INSURANCE

Provided that:

- a) all POLLUTION or CONTAMINATION which arises out of one incident will be deemed to have occurred at the time such incident takes place
- b) the liability of the INSURERS for all sums payable other than claimants' costs and expenses and LEGAL COSTS in respect of POLLUTION or CONTAMINATION which is deemed to have occurred during the PERIOD OF INSURANCE will not exceed the amount stated as the LIMIT OF LIABILITY for POLLUTION or CONTAMINATION and such sums shall not reduce the amount stated as the LIMIT OF LIABILITY for PRODUCTS

Watercraft

Liability arising from the ownership possession or use by the INSURED of any craft made or intended to float on or in or travel through water or any hovercraft other than those used for business entertainment on inland or territorial waters but not exceeding 50 feet in length

In the event that the INSURED shall have the benefit of a more specific marine liability insurance the indemnity provided by this Exclusion will operate only in excess of such more specific insurance

Additional Cover Clauses

Data Protection Act

Under this Cover Clause the INSURERS will:

- a) indemnify the INSURED in respect of their liability to pay compensation and claimants costs and expenses in respect of damage or distress arising under the Data Protection Act 1998 (and any subsequent or similar legislation) in relation to a claim made by any person other than an EMPLOYEE
- b) pay defence costs (including in connection with any appeal) incurred with the consent of the INSURERS (and then indemnify the INSURED for legal costs and expenses awarded against the INSURED) in relation to a prosecution brought under the Data Protection Act 1998 and any subsequent or similar legislation arising from a breach or alleged breach occurring during the PERIOD OF INSURANCE
- c) also pay LEGAL COSTS

This Additional Cover Clause will not apply to the extent that an indemnity is provided elsewhere in this Section

This Cover Clause is subject to the INSURED having registered in accordance with the terms of the Data Protection Act 1998 and any subsequent or similar legislation provided that any claim for compensation is first made or prosecution first brought against the INSURED during the PERIOD OF INSURANCE

This Cover Clause will not apply in respect of:

- i) the payment of fines or penalties
- ii) the cost of replacing reinstating rectifying or erasing any DATA

Defective Premises Act

Under this Cover Clause the INSURERS will:

- a) indemnify the INSURED for all sums which the INSURED becomes legally liable to pay as damages and claimants costs and expenses for PERSONAL INJURY or DAMAGE to PROPERTY arising by virtue of the UK Defective Premises Act 1972 or the UK Defective Premises Act (Northern Ireland) Order 1975 (and subsequent or similar legislation) in connection with any premises which have been disposed of by the INSURED and which prior to disposal were owned by the INSURED provided that INSURERS will not be liable for the cost of rectifying any defects in such premises
- b) also pay LEGAL COSTS

Sub Section 3(B) Public and Products Liability continued...

Indemnity to other persons

For the purpose of this Sub Section the following are also indemnified as if they were the INSURED:

- a) any partner or director of the INSURED or at the request of the INSURED any former partner or director
- b) any EMPLOYEE or at the request of the INSURED any former EMPLOYEE
- c) any officer committee member EMPLOYEE paid or voluntary helper member or family of a member of the INSURED'S social sports welfare or theatrical organisations or clubs first aid fire or ambulance services or security services in their respective capacity as such
- d) the INSURED'S executor administrator or personal representative but only in respect of liability incurred by the INSURED
- e) any party including any principal whom under contract or agreement the INSURED has agreed to indemnify and/or insure but only to the extent required by such contract or agreement
- f) at the request of the INSURED any partner or director or executive of the INSURED in respect of private work undertaken by an EMPLOYEE for such director or executive
- g) at the request of the INSURED any officers or trustees of the INSURED'S pension scheme(s)

Legal expenses arising from regulatory legislation

Under this Cover Clause the INSURERS will in respect of (a) and (b) pay for and in respect of (c) indemnify the INSURED (and where applicable and at the request of the INSURED EMPLOYEES) against legal costs and expenses:

- a) incurred in the defence of
- b) incurred with the consent of the INSURERS in connection with any appeal of
- c) awarded against the INSURED (and where applicable and at the request of the INSURED EMPLOYEES) in any civil or criminal tribunal conciliation arbitration or with the consent of the INSURERS appeals arising out of a breach or alleged breach occurring during the PERIOD OF INSURANCE of any Statute (including The Corporate Manslaughter and Corporate Homicide Act 2007 and any subsequent or similar legislation) Ordinance Regulation Directive or other legal requirement imposed upon the INSURED (and where applicable and at the request of the INSURED

EMPLOYEES) (or the offence of manslaughter or culpable homicide or equivalent committed or alleged to have been committed by EMPLOYEES during the PERIOD OF INSURANCE) in respect of:

- i) the health and safety of any person other than EMPLOYEES
- ii) work undertaken or the supply of goods or services
- iii) the ownership or occupation of PROPERTY

The indemnity provided by this Cover Clause includes cover in the manner set out above where the breach or alleged breach relates to LEGIONELLA

The indemnity provided by this Cover Clause includes the salary or wages of any director of the INSURED or EMPLOYEE for the period that he is absent from work to attend any civil criminal tribunal conciliation or arbitration proceedings at the request of the solicitor accountant or other similar person appointed to act for the INSURED

Motor contingent liability

The Motor Exclusion to this Sub Section shall not apply in respect of the legal liability of the INSURED arising out of the use of any motor vehicle:

- a) i) not owned or leased by the INSURED being used in connection with the BUSINESS
 - ii) owned or leased by the INSURED being used in circumstances unauthorised by the INSURED by any person including a director of the INSURED or any EMPLOYEE
- b) by or on behalf of any person to whom the vehicle is lent leased or hired in circumstances where such person has failed to arrange insurance cover

Provided that the INSURERS will not be liable:

- a) in respect of DAMAGE to PROPERTY to any such vehicle owned or leased by the INSURED
- b) if the INSURED is entitled to indemnity under any other insurance except in respect of any amounts in excess of the limits applying under such insurance in which case the maximum liability of the INSURERS under this Cover Clause will be the difference between the limit applicable to such policy and the LIMIT OF LIABILITY in respect of this Sub Section

Overseas personal liability

The indemnity provided by this POLICY extends to include any director of the INSURED or any EMPLOYEE and their family or persons normally resident with them whilst travelling outside their usual country of residence in connection with the BUSINESS whether or not such liability is incurred directly in connection with the BUSINESS

Pollution and contamination clean up

The INSURERS will indemnify the INSURED for CLEAN UP to the extent not already included

Provided that:

- a) The indemnity provided by this Cover Clause shall not:
 - include CLEAN UP in or on any site watercourse or body of water owned leased or rented by the INSURED
 - ii) include the cost of reinstatement or reintroduction of flora or fauna
 - iii) override any POLICY exclusion in respect of POLLUTION or CONTAMINATION liability (except to the extent such exclusion may specifically exclude CLEAN UP happening elsewhere than the United States of America or Canada) which exclusion shall take precedence to the extent that it conflicts with any provision of this Cover Clause
- b) For the purposes of applying any monetary limit to INSURER'S liability (or DEDUCTIBLE if applicable) CLEAN UP shall be treated as damages in respect of POLLUTION or CONTAMINATION liability and the appropriate LIMIT OF LIABILITY (and DEDUCTIBLE if applicable) shall apply

Nothing in the Cover Clause shall be construed as increasing such LIMIT OF LIABILITY

Public relations expenses

Insofar as these are not insured elsewhere herein this Sub Section insures the cost of employing suitable public relations personnel to deal with press and public announcements and other necessary activities reasonably incurred in consequence of the INCIDENT

Unauthorised movement

The Motor and the Damage to Property in the Custody or Control of the Insured Exclusions to this Sub Section shall not apply in respect of the legal liability of the INSURED arising from or in connection with any vehicle (including DAMAGE to PROPERTY to such vehicle and its contents) not the property of or hired under a hire purchase agreement to or leased under a vehicle leasing agreement or lent to the INSURED that is causing an obstruction and interfering with the BUSINESS and is moved by the INSURED or an EMPLOYEE or to which a wheel clamp is applied

Provided that the indemnity afforded by this Cover Clause will not apply to the extent that an indemnity is provided to the INSURED by a more specific motor insurance policy or where insurance or security is required by law

Sub Section 3(C) Legionella Liability Insurance

The Cover

The indemnity provided by this Sub Section is on a CLAIMS MADE basis:

- The INSURERS will indemnify the INSURED for all sums which the INSURED becomes legally liable to pay and claimants costs and expenses in respect of any claim or claims resulting from LEGIONELLA causing:
 - a) PERSONAL INJURY
 - b) DAMAGE to PROPERTY

for which a claim is first made against the INSURED during the PERIOD OF INSURANCE in connection with the BUSINESS

2) The INSURERS will also pay all LEGAL COSTS

Limit of Liability

The liability of the INSURERS under this Sub Section for all sums payable by the INSURED other than claimants' costs and expenses and LEGAL COSTS will not exceed the amount stated as the LIMIT OF LIABILITY

Exclusions

This Sub Section does not cover:

Indemnity elsewhere

Claims for which an indemnity is provided under any other Sub Section of this POLICY

Known circumstances

Claims which arise out of any circumstances notified to previous INSURERS or known to the INSURED at the inception of this POLICY

Personal injury arising from employment

Liability arising from PERSONAL INJURY sustained by an EMPLOYEE and arising out of their employment or engagement by the INSURED in the BUSINESS

Retroactive date

Claims made against the INSURED where the OCCURRENCE giving rise to the claim happened prior to the Retroactive Date (if any) stated in the POLICY SCHEDULE

Additional Cover Clauses

Indemnity to other persons

For the purpose of this Sub Section the following are also indemnified as if they were the INSURED

- a) any director of the INSURED or at the request of the INSURED any former partner or director
- b) any EMPLOYEE or at the request of the INSURED any former EMPLOYEE
- c) any officer committee member EMPLOYEE paid or voluntary helper member or family of a member of the INSURED'S social sports welfare or theatrical organisations or clubs first aid fire or ambulance services or security services in their respective capacity as such
- d) the INSURED'S executor administrator or personal representative but only in respect of liability incurred by the INSURED
- e) any party including any principal whom under contract or agreement the INSURED has agreed to indemnify and/or insure but only to the extent required by such contract or agreement
- f) at the request of the INSURED any partner or director or executive of the INSURED in respect of private work undertaken by an EMPLOYEE for such partner or director or executive
- g) at the request of the INSURED any officers or trustees of the INSURED'S pension scheme(s)

Sub Section 3(D) Financial Loss Liability Insurance

The Cover

The indemnity provided by this Sub Section is on a CLAIMS MADE basis:

- The INSURERS will indemnify the INSURED for all sums which the INSURED becomes legally liable to pay and claimants costs and expenses in respect of any claim or claims for FINANCIAL LOSS first made against the INSURED during the PERIOD OF INSURANCE in connection with the BUSINESS
- 2) The INSURERS will also pay all LEGAL COSTS

Limit of Liability

The liability of the INSURERS for all sums payable by the INSURED including claimants' costs and expenses and LEGAL COSTS will not exceed the amount stated as the LIMIT OF LIABILITY

Exclusions

This Sub Section does not cover:

Actions brought in USA/Canada

Claims made in the courts of the United States of America its territories or dependencies or Canada

Aircraft

Liability arising from the ownership possession or use by the INSURED of any AIRCRAFT

Asbestos

Liability of whatsoever nature directly or indirectly caused or contributed to or occurring by:

- a) the presence of ASBESTOS ASBESTOS DUST or ASBESTOS CONTAINING MATERIALS
- b) the release of ASBESTOS DUST
- c) the exposure of persons buildings or property to ASBESTOS ASBESTOS DUST or ASBESTOS CONTAINING MATERIALS

Breach of professional duty

Liability resulting from BREACH OF PROFESSIONAL DUTY

Computer data or facilities

Liability arising from any reciprocal agreement for the storage or processing of computer DATA or use of computer facilities

Contractual liability

Liability assumed by the INSURED under the terms of any contract which would not have attached in the absence of such contract or agreement except:

- a) where the prior written consent of the INSURERS to such terms has been granted
- b) for liability which under a contract for the supply of goods or the provision of services would also have attached by reason of implied contractual obligations imposed by law into such contracts

in which case as far as concerns liability which would not have attached in the absence of such contract this POLICY will only apply if as far as may be practicable the conduct or control of claims is vested in the INSURERS

Costs of rectification product recall and repair

- a) The cost of rectifying defective work
- b) The costs of recalling removing repairing or replacing PRODUCTS if such PRODUCTS are withdrawn from sale or from use because of any known or suspected defect or deficiency therein

Data

Liability arising out of:

- a) The transmission or impact of any VIRUS
- b) any unauthorised access to a SYSTEM
- c) interruption of or interference with electronic means of communication used in the conduct of the BUSINESS including but not limited to any diminution in the performance of any website or electronic means of communication
- d) FAILURE OF A SYSTEM
- e) damage to DATA including but not limited to any
 - i) loss or destruction or corruption of DATA whether in whole or in part
 - ii) unauthorised appropriation use access to or modification of DATA
 - iii) unauthorised transmission of DATA to any third party
 - iv) misinterpretation use or misuse of DATA
 - v) operator error

Sub Section 3(D) Financial Loss Liability continued...

Delays strikes or labour disturbances

Liability arising out of or in connection with any delays strikes or labour disturbances

Diminution in property values

Liability for the diminution of the value of any property

Infringement of intellectual property rights

Liability resulting from INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS by the INSURED

Known circumstances

Claims which arise out of any circumstances notified to previous INSURERS or known to the INSURED at the inception of this POLICY

Motor

Liability arising from the ownership possession or use by or on behalf of the INSURED of any mechanically propelled vehicle:

- a) where such liability is the subject of compulsory insurance or security requirements under the provisions of any road traffic legislation and/or
- b) in respect of which an indemnity is provided by any other more specific motor insurance or under any other Sub Section

Personal injury and damage

Claims in respect of or arising out of:

- a) PERSONAL INJURY or DAMAGE to PROPERTY
- b) obstruction interference with traffic loss of amenities trespass nuisance or any like cause

Persons employed

Liability sustained by any EMPLOYEE arising out of and in the course of employment by the INSURED in the BUSINESS

Retroactive date

Claims made against the INSURED where the OCCURRENCE giving rise to the claim happened prior to the Retroactive Date (if any) stated in the POLICY SCHEDULE

Statutory authority

Liability to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties

Watercraft

Liability arising from the ownership possession or use by the INSURED in respect of any craft made or intended to float on or in or travel through water or any hovercraft other than those used for business entertainment on inland and terrestrial waters but not craft exceeding 50 feet in length

In the event that the INSURED shall have the benefit of a more specific marine liability insurance the indemnity provided by this exclusion will operate only in excess of such more specific insurance

Additional Cover Clauses

Indemnity to other persons

For the purpose of this Sub Section the following are also indemnified as if they were the INSURED:

- any partner or director of the INSURED or any partner or director or at the request of the INSURED any former partner or director
- b) any EMPLOYEE or at the request of the INSURED any former EMPLOYEE
- c) any party including any principal whom under contract or agreement the INSURED has agreed to indemnify and/or insure but only to the extent required by such contract or agreement

Section 4 Engineering Machinery Damage Insurance

Definitions

Damage

"DAMAGE" means sudden and unforeseen loss destruction damage derangement breakdown explosion or collapse

Property insured

"PROPERTY INSURED" means all installed plant and machinery which is the property of the INSURED or owned or leased by the INSURED or for which they are responsible but excluding its foundations or surrounding masonry or brickwork

The Cover

INSURERS will indemnify the INSURED against DAMAGE to the PROPERTY INSURED occurring at the PREMISES and which requires its immediate repair or replacement before it can resume normal working

The liability of the INSURERS under this Section (including any Cover Clause) and the Engineering Machinery Damage Cover Clause of **Sub Section 1(B) Rent Insurance** shall not exceed the appropriate LIMIT OF LIABILITY amount specified in the POLICY SCHEDULE

The Basis of Settlement

Reinstatement

The basis on which any settlement is made will be:

- a) where the PROPERTY INSURED is lost or destroyed its replacement by similar property in a condition equal to but not better than its condition when new
- b) where the PROPERTY INSURED is damaged the cost of repair of the DAMAGE

Reinstatement will also include any additional costs incurred solely to comply with any European Union Legislation Act of Parliament or with the Bye Laws of any Local Authority except:

(i) costs incurred in respect of complying with such Legislation Act of Parliament or Bye Laws under which notice has been served on the INSURED prior to the happening of the insured DAMAGE or in respect of undamaged parts of the PROPERTY INSURED PROPERTY or other property

- (ii) under which notice has been served upon the INSURED prior to the happening of the DAMAGE where there is an existing requirement under such Legislation Act of Parliament or Bye Law which has to be completed within a given period
- (iii) the amount of any rate tax duty development or other charge or assessment which may become payable following compliance with such Legislation Act of Parliament or Bye Law

Provided that:

- Where the PROPERTY INSURED is damaged the amount payable shall not exceed the reinstatement costs that would have been incurred if it had been destroyed
- 2) No payment will be made (other than as set out in the Payments on Account Condition applicable to this Section) until the work of Reinstatement has been completed
- The work of reinstatement may be carried out on another site subject to INSURERS liability not being increased thereby
- 4) Reinstatement will not apply where the necessary parts to repair DAMAGE to the PROPERTY INSURED are not available from the manufacturer at listed prices in which case settlement will be by payment of the cost of an equivalent repair to similar property of modern manufacture for which all spare parts are obtainable from the manufacturer at listed prices

Exclusions

This Section does not cover:

Insured perils - Sub Section 1(A) Property Damage

Any DAMAGE for which the INSURED is entitled to an indemnity under the **Sub Section 1(A) Property Damage Insurance** of this POLICY

Consequential loss

Liquidated damages penalties for delay or detention or guarantees of performance or efficiency or consequential loss except as specifically provided for herein

Wear and tear

DAMAGE caused by the inevitable wear and tear erosion corrosion slowly developing deformation or distortion or any other gradual deterioration but this shall not exclude subsequent DAMAGE which itself is not otherwise excluded

Section 4 Engineering Machinery Damage continued...

Scratching and chipping

The scratching or chipping of any painted or polished surface (unless caused by other DAMAGE for which the INSURER has admitted liability) but this shall not exclude subsequent DAMAGE which itself is not otherwise excluded

Maintenance

- a) The cost of maintenance work
- b) DAMAGE to any safety or protective device caused by its operation

Excluded parts and components

DAMAGE to:

- a) pipe work buried in the ground or in concrete masonry or brickwork
- b) belts trailing cables flexible hoses non metallic linings electric elements or filaments cathode ray tubes or X-ray tubes or cutting edges and similar items that require periodic repair unless caused by other DAMAGE for which INSURERS have admitted liability

Overloading and abnormal working conditions

DAMAGE caused by or arising from:

- a) the conducting of any test experiment or routine inspection
- b) the imposition of abnormal working conditions including intentional overloading

unless occurring without the knowledge or consent of the INSURED

Additional Cover Clauses

The liability of the INSURERS in respect of any of the following Cover Clauses shall not exceed the appropriate LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE

Capital additions

Additional items of plant and machinery of the same class or type as insured under this POLICY following completion of successful testing and commissioning and where required statutory inspection and certification

Provided that so far as the Insured is aware the plant and machinery is free from any material defect

Debris removal

This Section insures any reasonable costs in:

- a) dismantling or removing the PROPERTY INSURED or other debris
- b) the shoring propping or protecting of any property whether damaged or not

following DAMAGE which is insured under this Section but excluding costs arising from pollution or contamination of property not insured by this Section

Temporary hire of replacement plant

This Section insures any reasonable costs for the temporary hire or rental of replacement plant and equipment following DAMAGE to the PROPERTY INSURED which is insured under this Section

INSURERS' liability shall not include any hire or rental costs incurred for the 48 hours immediately following the DAMAGE

Section 1 cover clauses to apply

The Section 1 Property Damage and Rent Cover Clauses specified below also apply to Section 4 provided that:

- a) the appropriate LIMIT OF LIABILITY amount (if any) specified in the POLICY SCHEDULE for such Cover Clauses shall be deemed also to apply to Section 4
- b) the definitions of Section 4 shall apply where they are different from those used in Section 1 and where the word "BUILDINGS" appears in such Cover Clauses it shall be replaced with the word "PROPERTY INSURED"

Specified clauses:

- Automatic Cover Newly Acquired/ Constructed/ Refurbished Properties
- Failure of Equipment
- Inadvertent Omission to Insured other than item b)
- Joint Insured
- Other Interests
- Post Loss Support Fees
- VAT Clause other than e)
- Abortive Repairs Investigations and Tests
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