

## Terrorism Insurance

### Physical Loss or Physical Damage Wording



**Terrorism Insurance**  
**Physical Loss or Physical Damage Wording**

**Table of Contents**

<b>Title</b>	<b>Section</b>
Insuring Clause	1
Losses Excluded	2
Property Excluded	3
Conditions	4
Residential	5
Commercial	6
Provisions applicable to Business Interruption & expenses coverage	7

## Section 1

### INSURING CLAUSE

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property as stated in the Schedule attaching and forming part of this Policy (hereinafter referred to as the "Schedule") against physical loss or physical damage occurring during the period of this Policy caused by an Act of Terrorism or Sabotage, as herein defined, or a Threat or Hoax thereof.

For the purpose of this Insurance, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

For the purpose of this Insurance, an act of sabotage means a subversive act or series of such as is committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

## Section 2

### LOSSES EXCLUDED

This Policy does not insure against:-

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion, or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
4. Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission release, discharge, dispersal or escape or asbestos exposure of any kind.
8. Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.
9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.
10. This exclusion shall not operate to exclude losses (which would otherwise be covered under this policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
11. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Underwriters in writing prior to such measures being taken.
13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, rent, depreciation, reduction in functionality, or increased cost of working.
14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
16. Loss or damage caused by mysterious disappearance or unexplained loss.
17. Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

### **Section 3**

#### **PROPERTY EXCLUDED**

This Policy does not cover physical loss or physical damage to:

1. Land or land values.
2. Power transmission, feeder lines or pipelines not on the Insured's premises.
3. Aircraft or any other aerial device, or watercraft.
4. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
5. Property in transit not on the Insured's premises.

## Section 4

### CONDITIONS

#### 1. JOINT INSUREDS

The Underwriters' total liability for any loss or losses sustained by any one or more of the Insureds under this Insurance will not exceed the sum insured shown in the Schedule. The Underwriters shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the Insureds or any one or more of the Insureds.

#### 2. OTHER INSURANCE

This Policy shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Policy. When this Policy is written specifically in excess of other insurance covering the peril insured hereunder, this Policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this Policy in excess of the deductible with respect to each and every covered loss.

#### 3. SITUATION

This Policy insures property located at the addresses stated in the Schedule.

#### 4. SUM INSURED

The Underwriters hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence and in the Policy aggregate.

#### 5. DEDUCTIBLE

Each occurrence shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted.

#### 6. OCCURRENCE

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

#### 7. DEBRIS REMOVAL

This Policy also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the Schedule damaged by an Act of Terrorism or an Act of Sabotage.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

#### 8. DUE DILIGENCE

The Insured (or any of the Insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

#### **9. PROTECTION MAINTENANCE**

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

#### **10. VALUATION**

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

The Underwriters' liability for loss under this Policy shall not exceed the smallest of the following amounts: -

The Policy limit applicable to the destroyed or damaged property,

The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

The amount actually and necessarily expended in replacing said property or any part thereof.

The Underwriters will normally expect the Insured to carry out repair or replacement of the insured property, but if the Insured and the Underwriters agree that it is not practicable or reasonable to do this, the Underwriters will pay the Insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The Underwriters will only pay the Insured up to the Sum Insured shown in the Schedule.

#### **11. DAY ONE REINSTATEMENT**

This Policy is subject to a one reinstatement of up to 135% of the Limit of liability shown in the Policy Schedule should this Policy be subject to the effect of inflation and/or repair cost inflation.

#### **12. INCORRECT DECLARATION PENALTY**

If the values declared as stated in the Schedule are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co insure for the balance.

#### **13. NOTIFICATION OF CLAIMS**

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Underwriters and or the Broker, named for that purpose in the Schedule, who is to advise the Underwriters within seven (7) days of such knowledge of any occurrence and it is a condition precedent to the liability of Underwriters that such notification is given by the Insured as provided for by this Policy.

If the Insured makes a claim under this Insurance he must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters, the Insured must submit to examination under oath by any person designated by the Underwriters.

#### **14. PROOF OF LOSS**

The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Underwriters have not received such proof of loss within two years of the expiry date of the Policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured.

#### **15. SUBROGATION**

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. The right of subrogation against The Managing Agent, lender or any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived;

In the event of any payment under this Policy, the Underwriters shall be subrogated to the extent of such payment to all the Insured's right of recovery therefore. The Insured shall execute all papers required, shall cooperate with Underwriters and, upon the Underwriters' request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Underwriters will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

(i) Any interest, (including the Insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);

(ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy;

(iii) The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.



**16. SALVAGE AND RECOVERIES**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

**17. FALSE OR FRAUDULENT CLAIMS**

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims and benefit hereunder shall be forfeited.

**18. MISREPRESENTATION**

If the Insured has concealed or misrepresented any material fact or circumstance relating to this Insurance, this Insurance shall become void. If the Insured is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

**19. ABANDONMENT**

There shall be no abandonment to the Underwriters of any property.

**20. INSPECTION AND AUDIT**

The Underwriters or their agents shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

**21. ASSIGNMENT**

Assignment or transfer of this Policy shall not be valid except with the prior written consent of the Underwriters.

**22. RIGHTS OF THIRD PARTIES EXCLUSION**

This Policy is effected solely between the Insured and the Underwriters.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy.

This clause shall not affect the rights of the Insured.

**23. CANCELLATION**

This Policy shall be non-cancellable by the Underwriters or the Insured except in the event of non payment of premium where the Underwriters may cancel the Policy at their discretion.

In the event of non-payment of premium this Policy may be cancelled by or on behalf of the Underwriters by delivery to the Insured or by mailing to the Insured or the Broker by registered, certified, or other first class mail, at the Insured's address as shown in this Policy, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

#### **24. ARBITRATION**

If the Insured and Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the Insured and Underwriters shall fail to agree and shall make an award thereon and the award in writing of any two (2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

#### **25. SEVERAL LIABILITY**

The Underwriters' obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. The Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

#### **26. LEGAL ACTION AGAINST UNDERWRITERS**

No one may bring a legal action against Underwriters unless:

There has been full compliance by the Insured with all of the terms of this Policy; and the action is brought within two (2) years after the expiry or cancellation of this Policy.

#### **27. MATERIAL CHANGES**

The Insured shall notify the Underwriters of any change of circumstances which would materially affect this Insurance.

#### **28. EXPERTS FEES**

This Insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this Policy.

#### **29. LAW & JURISDICTION**

This Insurance shall be governed and construed according to the laws of England and Wales. The courts of England and Wales shall have exclusive jurisdiction of the parties hereto on all matters relating to this Insurance.

### 30. COMPLAINTS

Both St Luke and Markel are committed to providing a high quality and professional service and to maintain fair outcomes for our customers. If you are dissatisfied or have any complaints about the service you have received or your policy or the handling of a claim you should, in the first instance, contact Legal, Regulatory & Compliance on the following contact details:

#### **For St Luke:**

By telephone: +44 (0)20 7629 3176

By email: [ac@stgilesgroup.co.uk](mailto:ac@stgilesgroup.co.uk)

By writing to: Legal, Regulatory & Compliance  
St Luke Underwriting Limited  
4 Tenterden Street  
London  
W1S 1TE

#### **For Markel:**

By telephone: +44 (0)20 7953 6020

By email: [complaints@markelintl.com](mailto:complaints@markelintl.com)

By writing to: Legal, Regulatory & Compliance  
Markel International Insurance Company Limited  
20 Fenchurch Street  
London  
EC3M 3AZ

The aim of this procedure is to settle the complaint fairly and as quickly as possible. We will use our best endeavors to comply with the timeframes set out below.

A complaint received by St Luke Underwriting Services Limited and/or Markel International Insurance Company Ltd (whether by letter, facsimile, e-mail, telephone conversation or other oral representation) will be allocated to an appropriate person to carry out an independent review of the justification of the complaint.

- Complaints will be acknowledged in writing no later than five business days after receipt. That acknowledgement will include the name of the person who will be reviewing the complaint and a copy of this Complaint Procedure.
- St Luke and/or Markel will try to resolve a complaint within four weeks and give a written final response, or send an interim response explaining why St Luke and/or Markel are not yet in a position to resolve matters.
- By the end of eight weeks following receipt of a complaint, a final response will be issued or a further interim response giving an indication as to when a final response can be expected.
- When St Luke and/or Markel issue our final response they will include a copy of a leaflet published by Financial Ombudsman Service (“FOS”).

The FOS operates a dispute resolution facility for consumers, micro-enterprises (small businesses), small charities and trustees. An eligible Complainant has up to six months to register a complaint with the FOS if the outcome was not to their satisfaction.

If you do not refer your complaint in time, the Ombudsman may not have the permission of St Luke and/or Markel to consider the complaint and will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

## Section 5

### RESIDENTIAL

#### LOSS OF RENTAL INCOME EXTENSION &/OR ALTERNATIVE ACCOMODATION

For the purposes of this Extension “Rental Income & or Alternative Accommodation” is defined as the sum of:-

- a) The anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the insured, and
- b) The amount of all charges which are the legal obligations of the tenants and which would otherwise be obligations of the Insured, and
- c) The fair rental value of any portion of such property which is occupied by the Insured.
- d) Additional cost of alternative accommodation, substantially the same as your existing accommodation which you have to pay for while the buildings cannot be lived in following loss or damage.
- e) Cost of alternative accommodation for domestic pets, limited to cats and dogs only, up to £12,000 any one event.
- f) Cost of up to seven nights alternative, emergency accommodation, to a limit of £30,000 in any one event per policy. This shall be covered even where alternative accommodation is shown as ‘not insured’ in the schedule.

In determining Rental Income due consideration shall be given to the rental experience before the date of the damage or destruction and the probable experience thereafter had no loss occurred at the maximum amount payable shall not exceed the sum insured shown on the schedule.

#### LOSS OF METERED WATER EXTENSION:

Loss of metered water is covered to a limit as shown on the schedule per event.

#### CONDITIONS

1. Direct Loss or Damage: - No claim shall be payable under these Extensions unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to Property Insured under the Certificate to which this Extension is attached and which gave rise to Loss of Rental Income.  
This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Certificate which excludes liability for losses below a specified amount.
2. Values Declared (and Incorrect Declaration Penalty): - The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule. If any of the individual values declared are less than the equivalent amount of the Coinsurance percentage, as stated in the Schedule, of the Loss of Rental Income values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.
3. Resumption of Operations: - If the Insured could reduce the loss of Rental Income,
  - a) by complete or partial resumption of operation of the property and/or
  - b) by using or increasing operations elsewhere, then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

4. Expenses to reduce Loss: - This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any Finished Stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

## **EXCLUSIONS**

This Extension does not insure against:-

1. an increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. an increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from untenability and then the Underwriters shall be liable for only such loss as affects the Insured's earnings or income during, and limited to, the period of indemnity covered under this Certificate;
3. an increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. loss of market or any other consequential loss

## **LIMITATIONS**

1. The Underwriters shall not be liable for more than the smaller of either:-
  - a) any specific Loss of Rent Sum Insured stated in the Schedule; or,
  - 1) the Sum Insured stated in the Schedule, where such includes Loss of Rent, in respect of such loss, regardless of the number of locations suffering a Loss of Rent as a result of any one occurrence.
  - 2) With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Underwriters shall be liable hereunder shall not exceed:-
    - a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation whichever is less; or,
    - b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding twelve (12) calendar months, whichever is the greater length of time.

## Section 6

### COMMERCIAL

#### BUSINESS INTERRUPTION EXTENSION WORDING GROSS PROFITS

In consideration of the premium paid, and subject to the exclusions, conditions and limitations of the Policy to which this Extension is attached, and also to the following additional conditions, exclusions and limitations, this Policy is extended to cover loss resulting from necessary interruption of business, relating only to the premises affected by the Act or series of Acts of Terrorism, caused by direct physical loss or physical damage by an Act or series of Acts of Terrorism, as covered by the Policy to which this Extension is attached, to Property Insured by this Policy.

In the event of such direct physical loss or physical damage, Underwriters shall be liable for the actual loss sustained by the Assured resulting directly from such necessary interruption of business, but not exceeding the Sum Insured stated in the Schedule due to:-

- a) reduction in Turnover; and
- b) increase in cost of working;

and the amount payable as indemnity thereunder shall be:

- i) in respect of reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of an Act or series of Acts of Terrorism fall short of the Standard Turnover,
- ii) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of an Act or series of Acts of Terrorism but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided, less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of an Act or series of Acts of Terrorism. Provided that if the Sum Insured by this Extension be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

#### CONDITIONS

1. Direct Loss or Damage: - No claim shall be payable under these Extensions unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to Property Insured under the Certificate to which this Extension is attached and which gave rise to Loss of Rental Income.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Certificate which excludes liability for losses below a specified amount.

2. Values Declared (and Incorrect Declaration Penalty): - The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule.

If any of the individual values declared are less than the equivalent amount of the Coinsurance percentage, as stated in the Schedule, of the Loss of Rental Income values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.

3. Resumption of Operations: - If the Insured could reduce the loss of Rental Income,

- a) by complete or partial resumption of operation of the property, and/or
- b) by making use of Merchandise, Stock (Raw, In Process or Finished), or any other property at the Insured's locations or elsewhere,

and/or

- c) by using or increasing operations elsewhere, then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

4. Expenses to reduce Loss: - This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any Finished Stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

## EXCLUSIONS

This Extension does not insure against:-

1. an increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. an increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from untenability and then the Underwriters shall be liable for only such loss as affects the Insured's earnings or income during, and limited to, the period of indemnity covered under this Certificate;
3. an increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. loss of market or any other consequential loss

## LIMITATIONS

1. The Underwriters shall not be liable for more than the smaller of either:-
  - a) any specific Loss of Rent Sum Insured stated in the Schedule; or,
  - b) the Sum Insured stated in the Schedule, where such includes Loss of Rent, in respect of such loss, regardless of the number of locations suffering a Loss of Rent as a result of any one occurrence.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Underwriters shall be liable hereunder shall not exceed:-
  - a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding twelve (12) calendar months, whichever is the greater length of time.





## Section 7

### **PROVISIONS APPLICABLE TO BUSINESS INTERRUPTION AND EXPENSES COVERAGE**

This policy subject to all the provisions and without increasing the limit of the policy, also insures against loss resulting from damage to insured risks of:

- 1) **Suspension of Services:** For the suspension or reduction of energy, water and gas services, as consequence of the occurrence of one of the events covered by this policy, which affects the insured locations as provided with the schedule. It is a mandatory condition for this extension to operate, that the suspension of supply is due to an insured peril hereunder causing accidental and sudden damage to equipment of providers of such services. As a result, suspensions attributed to defects in quality of service or fuel are not covered.
- 2) **Interruption by the Civil or Military Authority:** This policy extends to cover the loss suffered at named locations, when, as a direct result of an insured risk occurring within a one (1) kilometer radius, access to the movable or immovable property is prohibited by order of the civil or military authority.
- 3) **Access Disability:** The company shall be liable for the damage caused by stoppage actually suffered by the insured due to physical damage or destruction of the access roads to the Insured property, which absolutely prevents the passage to and from said premises, causing them to interrupt the work of the Insured at locations named within the schedule, provided they cause a real effective loss to the Insured and subject also to the following conditions:
  - a. Such interruption due to obstruction or loss due to physical damage to access roads to the insured location and that such physical damage, had the roads been insured in this policy, would have been covered by the physical damage suffered.
  - b. That the physical damage of the road occurs within a maximum radius of one (1) kilometer from the insured location as shown in the schedule.

The company will not be responsible for a loss occurred in any period caused by delay in reconstructing, repairing or replacing the expressed roads that have been damaged or destroyed, when such reconstructions, repair, replacement or delay in delivery, extends beyond the term in which it could have been carried out with due diligence and promptness.

Coverage afforded in items 1, 2 and 3 of the Provisions Applicable to Business Interruption and expenses coverage shall, in all cases, be in excess of a 24 hour period and the company shall not be liable for more than the smaller of either:

- a) 10 consecutive days period after the applicable excess period  
or
- b) Ten percent (10%) of the Business Interruption Sum Insured stated in the Schedule where such includes Business Interruption. For the avoidance of doubt, Business Interruption in this Policy refers to either the loss of rent if purely commercial, Alternative Accommodation/loss of rent if residential, or a combination of the two when its mixed occupation.