

Property Owners Policy

INTRODUCTION

This insurance underwritten by the **company** is provided in return for the premium paid to the **company**.

The **company** agrees, to the extent and in the manner provided by this insurance, to pay the **insured** for any:

- (i) loss or **damage** occurring, or
- (ii) legal liability for accidents happening

during the **period of insurance** after the **insured** has proved such loss, **damage** or liability.

The policy, policy schedule and policy specification should be read together as one contract.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactments thereto.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

The **insured** must inform the **company** on becoming aware of any change in circumstances during the **period of insurance** which will materially affect this insurance. If the **insured** is in any doubt the **insured** should consult their professional adviser.

Please read this insurance policy, together with any endorsements and the policy schedule and policy specification attached, very carefully. If it is incorrect, return it immediately for alteration.

COMPLAINTS PROCEDURE

The **company** aims to provide clients with a high standard of service. Consequently, should the **company** fail to meet the **insured's** expectations the **company** will aim to resolve the **insured's** concerns promptly and fairly.

Who to contact in the first instance

In the first instance, any concerns should be directed to the **insured's** usual contact as they will generally be able to provide the **insured** with an immediate response to the **insured's** satisfaction.

Contact details will be provided on correspondence that the **company** or the **company's** representatives have sent to the **insured**.

If the **company** cannot resolve the **insured's** concerns within 1 working day the **company** will acknowledge the **insured's** complaint in writing within 7 days and the **company** will keep the **insured** informed of progress while the **company's** enquiries are continuing.

Next steps if the insured is not happy with the response provided

If the **insured** remains dissatisfied with the **company's** response the **company** have an escalation process for ensuring that a senior member of staff reviews the **insured's** complaint. The **insured** can invoke this by stating to the individual that is handling the **insured's** complaint that the **insured** wishes to escalate it.

Alternatively the **insured** may write to;

Section A – Material Damage
Section B – Rent
Section C – Liabilities
Section E – Equipment Breakdown
Section F – UK Terrorism

The Compliance Officer
HDI Global SE – UK,
10 Fenchurch Street,
London,
EC3M 3BE
Tel: 0207 696 8099
Email: contactus@uk.hdi.global

Section D – Excess Liabilities
Section H - Environmental

Managing Director
European Property Underwriting Ltd,
Corn Exchange
55 Mark Lane
London,
EC3R 7NE
Tel: 0203 740 4110
www.epul.co.uk

The law & jurisdiction applicable to this contract

Unless otherwise agreed by the **insured** and the **company** the policy shall be solely subject to English law and shall be subject to the sole and exclusive jurisdiction of the courts of England & Wales.

CONTENTS

General Definitions	Pages 4 – 9
General Conditions	Pages 10 – 12
General Claims Procedure	Pages 13 – 15
General Claims Conditions	Page 16
Section A – Material Damage	Pages 17 – 31
Section B – Rent	Pages 32 – 38
Section C – Liabilities	Pages 39 – 53
Section D – Excess Liabilities	Pages 54 - 58
Section E – Equipment Breakdown	Pages 59 – 65
Section F – UK Terrorism	Pages 66 – 68
Section G – Terrorism	Pages 69 – 86
Section H – Environmental	Pages 87 – 99
Policy Additional Covers	Pages 100 – 105
General Exclusions	Pages 106 – 110

GENERAL DEFINITIONS

The following definitions apply to all Sections of this insurance except Section G – Terrorism & Section H - Environmental.

amount insured	the maximum the company will pay as shown in the policy specification. Unless stated otherwise, amounts apply to each occurrence or series of occurrences and will be available again in full to meet further claims provided the insured carry out any recommendations the company may make to prevent further damage .
annual gross revenue	the gross revenue, trend adjusted , during the twelve (12) months immediately before the date of the damage .
associated companies	any company not being a subsidiary company of the insured and declared to and accepted by the company .
awaiting redevelopment	untenanted, empty, void, vacant or disused buildings awaiting refurbishment and/or demolition.
block of flats	a building occupied entirely for residential purposes; (i) in excess of two storeys high (ii) with a single roof (iii) containing two or more residential units .
buildings	the buildings including; i) landlords' fixtures and fittings and tenants improvements ii) outbuildings, extensions, annexes, gangways, canopies, conveniences, foundations or footings (unless otherwise excluded), loading bays, service areas, yards, car parks, access roads, pedestrian ways and other common portions belonging to and used in connection with the buildings iii) video, audio, building management systems and security equipment iv) planters, ornamental features, statues, street furniture, gardening equipment and other moveable property kept in yards, car parks, gardens or other open areas belonging to the insured up to a maximum of £10,000 any one claim and £50,000 in any one period of insurance unless they are more specifically insured v) landscaping, lamp posts, walls, gates, fences, fixed signs, fuel and oil tanks, cess pits, septic tanks including utility services extending to the public main vi) contents including fitted carpets, reception furniture and other similar property for use in conjunction with the communal or storage areas unless they are more specifically insured at the premises declared to the company which belong to the insured or for which the insured are legally responsible, including land sites under the insured's control.

GENERAL DEFINITIONS

The following property is not included within **buildings**:

- (a) structures in course of construction or erection and materials or supplies in connection with such structures
- (b) piers, jetties, bridges, culverts or excavations
- (c) caravans or trailers, railway locomotives or rolling stock, watercraft or aircraft
- (d) livestock, growing crops or trees
- (e) jewellery, precious stones, precious metals, bullion, furs, personal effects, curiosities, rare books or works of art
- (f) contents in any tenants portion of the **buildings** which is not occupied as a **residential unit**.
- (g) money, cheques, stamps, bond, credit cards, securities of any description.

business

the ownership by the **insured** of the property insured including:

- (a) maintenance, occupation or use of the property insured by the **insured**
- (b) the provision and management of canteen, sports, social or welfare organisations for the benefit of **employees** and fire, security, first aid, medical and ambulance services
- (c) private work undertaken with the prior consent of the **insured** by **employees** for any director or senior official of the **insured**.

business hours

the period during which the premises are open for **business** or are otherwise occupied for **business** purposes by the **insured** or an authorised **employee**.

company

Section A – Material Damage
Section B – Rent
Section C – Liabilities
Section E – Equipment Breakdown
Section F – UK Terrorism

HDI Global SE – UK,
10 Fenchurch Street, London, EC3M 3BE

Section H – Environmental

Liberty Mutual Insurance Europe Limited
20 Fenchurch Street, London, EC3M 3AW
Registered in England and Wales. Company Number 1088268.

The companies mentioned above are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

GENERAL DEFINITIONS

contract works	<p>(a) the permanent or temporary works executed in performance of the contract and materials</p> <p>(b) constructional plant, tools, scaffolding and equipment the property of the insured</p> <p>(c) site huts and temporary buildings, office furniture, fixtures and fittings the property of the insured</p> <p>(d) property hired in by the insured</p> <p>(e) employees tools and other personal effects for which the insured is responsible and for an amount not exceeding £500 any one employee after the application of a £100 excess for use in connection with the contract.</p>
damage	direct physical loss or destruction of or damage to the property insured which is both sudden and accidental.
defined peril	fire, lightning, explosion, collision or impact involving any aircraft or other aerial devices dropped from them, riot, violent disorder, civil commotion, labour disturbances, malicious persons and acts of vandalism, earthquake, storm or flood, escape of water or oil or impact by any animal or by mechanically propelled vehicle.
earthquake	earth movement, including landslide, mudflow, tsunami, volcanic eruption, earth sinking, earth rising or shifting, including collapse, cracking or shifting of buildings, structures or their parts, as a direct and immediate result of a sudden release of energy in the earth's crust creating seismic waves.
employee	<p>(a) any person under a contract of service or apprenticeship with the insured</p> <p>(b) any person who is hired to or borrowed by the insured</p> <p>(c) any person engaged in connection with a work experience or training scheme</p> <p>(d) any labour master or person supplied by him</p> <p>(e) any person engaged by labour-only sub-contractors</p> <p>(f) any self-employed person working on a labour only basis under the control or supervision of the insured</p> <p>(g) any person engaged on a voluntary basis</p> <p>(h) any person engaged whilst being assessed for suitability as an employee.</p>
estimated gross revenue	the amount declared by the insured to the company as representing not less than the gross revenue which it is anticipated will be earned by the business during the financial year most nearly concurrent with the period of insurance (or a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months).
excess	the amount excluded in respect of each and every occurrence or series of occurrences as ascertained after the application of all other terms and conditions of the policy including any under insurance provision.

GENERAL DEFINITIONS

flood	<p>the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, surface water or waves, tidal waves or tidal water, overflow of streams, rivers lakes, ponds, or other bodies of water, spray from any of the foregoing, all whether driven by wind or not, but excluding windstorm and stormsurge. Damage by fire, explosion or sprinkler leakage resulting from flood is not considered to be flood within the terms and conditions of this policy.</p> <p>With respect to flood, damage shall mean all damage, wherever occurring which arise between the time movement of water into, onto, or over the property insured and the receding of the same, regardless of the period of time so embraced, except, no damage shall be deemed to commence earlier than the date and time of the happening of the first recorded individual occurrence to the insured during the period of insurance, nor to extend to beyond thirty (30) days after the expiry of this policy.</p>
franchise	<p>the amount in respect of each & every occurrence which is the insured's retained liability and excluded from the cover provided by the policy. Each & every occurrence exceeding this retained amount will be paid in full by the company as ascertained after the application of all other terms and conditions of the policy including any under insurance provision below.</p>
gross revenue	<p>the money paid or payable to the insured for services rendered in the course of the business at the premises.</p>
indemnity period	<p>the period beginning with the occurrence of the damage and ending no later than the maximum indemnity period thereafter during which the results of the business will be affected in consequence of the damage.</p>
injury	<p>bodily injury, death, disease, illness or nervous shock.</p>
insured/insured's/insureds	<p>the person, firm or company shown in the policy schedule including:</p> <ul style="list-style-type: none">(a) the parent insured; and(b) subsidiary companies and associated companies of the parent insured but domiciled and registered in the territories specified in Table A; and(c) and at the parent insured's request:<ul style="list-style-type: none">i) any principal in respect of liability arising out of the performance by the insured of any agreement entered into by the insured with the principal to the extent required by such agreement;ii) any director, partner or employee of the insured in respect of liability arising in connection with the business; provided that the insured would have been entitled to indemnity under this master policy if the claim had been made against the insured;iii) any director or senior official of the insured in respect of private work undertaken by any employee for such director or senior official;iv) any officer, committee or member of the insured's canteen, sports, social, or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;

GENERAL DEFINITIONS

	<p>provided that:</p> <p>(1) each person shall as though he were the insured observe fulfil and be subject to the terms to this master policy insofar as they can apply; and</p> <p>(2) the company shall retain the sole conduct and control of all claims; and</p> <p>(3) it would be permissible by the terms of the company's licence or otherwise to provide such an indemnity.</p> <p>(d) in the event of the death of any person entitled to indemnity under this master policy the company will indemnify in the terms of this master policy the deceased's legal personal representatives but only in respect of liability incurred by such deceased person.</p>
maisonette	a residential unit occupying two or more floors of a larger building having its own entrance from outside.
maximum indemnity period	the period from the date on which the damage occurs and ending no later than the maximum indemnity period declared to the company .
negotiable money	cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, savings stamps and certificates, National Insurance stamps, trading stamps, gift tokens, customer redemption vouchers, credit card company sales vouchers, credit card counterfoils travellers tickets, phonecards (excluding phonecards held in stock for resale), VAT purchase receipts, contents of franking machines and insofar as they are not otherwise insured holiday-with-pay stamps and luncheon vouchers.
North America	the United States of America or its territories or possessions or Canada.
period of insurance	the time for which this insurance is in force as shown in the policy schedule.
portion of a building	any part of a building that the insured has free rights of access to enter and is responsible for the upkeep and maintenance.
rent	the actual and anticipated income for accommodation and services provided by the insured in the course of their business at the buildings including all service charges which are the legal obligations of the tenants.
resident	the owner, lessee or tenant of any block of flats, maisonette or private dwelling house and any member of the owner, lessee or tenant's family permanently residing with the owner, lessee or tenant.
residential unit	an individual self contained living area with a separately controlled entry and exit point with any building .
standard gross revenue	the gross revenue, trend adjusted , during that period in the twelve (12) months immediately before the date of the damage which corresponds with the indemnity period .

GENERAL DEFINITIONS

territorial limits	Great Britain, Northern Ireland, The Channel Islands or the Isle of Man excluding any and all offshore installations or other sea going or fixed (temporary or permanent) structure situate offshore unless otherwise stated herein unless as defined otherwise.
trend adjusted	adjustments will be made to figures as may be necessary to provide for the trend of the business and for variations in or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted will represent as nearly as may be reasonable practicable the results which but for the damage would have been obtained during the relative period after the damage .
United Kingdom	England, Wales, Scotland and Northern Ireland unless as defined otherwise
unoccupied	at the time of damage the buildings have not been used by the insured or their lessees or licensees during the preceding 45 days.
windstorm	rainstorm, windstorm, hailstorm, hurricane, tempest, typhoon, tornado, cyclone and sandstorm, including ensuing damage caused by water that backs up from a sewer or drain as a direct result thereof, but excluding the escape of water from its normal natural or artificial confines (other than tanks, apparatus or pipes) or tsunami or tidal wave or any other inundation from the sea, whether or not driven by wind.

GENERAL CONDITIONS

These conditions apply to all sections of this insurance except Section G – Terrorism & Section H - Environmental.

The **company** shall not be liable to pay any claim under this insurance unless the **insured** complies with all the requirements in conditions **1** to **6** below.

1. **Reasonable Precautions**

The **insured** must:

- (i) maintain the insured property in good condition and repair
- (ii) take reasonable steps to safeguard against accident, injury, loss or **damage**
- (iii) comply with all statutory or local authority obligations or requirements.

The **insured** must also advise the **company** as soon as reasonably possible if for any reason any security system or physical protection is not working properly, or has been withdrawn, altered or varied in any way. The **company** may then vary the terms and conditions of this insurance.

2. **Alteration**

The **insured** must advise the **company** as soon as reasonably possible of any change in the management, ownership or control of the **insured's business** and any change in circumstances following the agreement of this insurance or during the **period of insurance** which will materially affect this insurance. The **company** may then vary the terms and conditions of this insurance.

3. **Change of Use**

The **insured** must tell the **company** immediately they become aware of;

- (i) any **buildings**, or portions of any **buildings**, being or becoming **unoccupied**
- (ii) any **unoccupied buildings** or portions of **unoccupied buildings** are again occupied.

The **company** may then charge an additional premium as required.

If the **insured** has inadvertently omitted to tell the **company** of a short term letting of any **unoccupied buildings**, the **company** will continue to cover the **buildings** for the causes of loss and **amounts insured** shown in the policy specification provided the **insured** tell the **company** immediately they become aware of such omission and an additional premium is paid as required.

4. **Fair Presentation of the Risk, Non-Disclosure & Misrepresentation**

- (A) The **insured** is under a duty at inception, renewal and upon any alteration of the policy to make a fair presentation of the risk including to (1) disclose to the **company** all material facts and/or circumstances in a clear and accessible manner; and (2) not misrepresent any material facts and/or circumstances.

This policy shall be voidable in the event of a breach of the duty of fair presentation where;

- 1) the **insured's** breach is deliberate or reckless

or

- 2) the **insured's** breach (being non-deliberate and non-reckless) has been of such nature that if the material particular or circumstance had been fairly presented the **company** would not have entered into this policy on any terms

Where the policy is voided the **company** shall recover from the **insured** any amount already paid for any claims including costs or expenses incurred.

GENERAL CONDITIONS

Where any breach is deliberate or reckless the **company** need not refund or return the premium paid to the **insured**.

- (B) In the event of a breach of the duty of fair presentation of the risk where paragraphs (A) 1) or 2) do not apply, this policy may be affected in one or more of the following ways depending on what the **company** would have done if there had not been any such breach.

If the **company** would;

- 1) have applied different terms to the cover (other than terms relating to the premium) the **company** may treat the policy as if those different terms apply with effect from inception or if applicable the date of alteration

The **company** may recover any payments made on claims including costs and expenses which have already been paid to the extent that such claims would not have been payable had such additional terms been applied.

- 2) have charged the **insured** a higher premium for providing the cover the **company** may charge the **insured** the additional premium which shall be payable with effect from inception or if applicable the date of alteration and which the **insured** must pay in full.

5. *Rights of the company*

If following **damage** which may lead to a claim the **company** may;

- (i) enter or take possession of the **building**
- (ii) take possession of, or require to be delivered to the **company**, the property insured without incurring liability or reducing the **company's** rights.

The **company** will not pay for any **damage** if the **insured** or anyone acting on their behalf;

- (a) do not comply with the **company's** requirements
- (b) hinder or obstruct the **company**.

The **insured** is not entitled to abandon property to the **company**.

6. *Illegal Cultivation of Drugs in Residential Units*

The **company** will not pay for any **damage** arising from the **residents** use of the premises for the manufacture, cultivation, harvest or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act 1971 if the **insured**, or anyone acting on the **insured's** behalf do not;

- (i) carry out internal and external inspections of the **buildings** at least every three months or as permitted under the tenancy agreement;
 - a) maintain a log of such inspections and retain that log for at least 24 months
 - b) carry out a six month management check of the inspection log
- (ii) obtain and record written formal identification of any prospective tenant
- (iii) obtain and retain a written employers reference for any new tenant
- (iv) obtain and record details of the tenants bank account and verify those details by receiving at least one payment from such account
- (v) advise the tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in terms (ii), (iii) and (iv) above for all lettings that they arrange.

GENERAL CONDITIONS

7. *Cancellation*

The **company** can cancel any cover or section of this insurance by giving the **insured** 30 days written notice by registered post, sent to the **insured** at their last known address.

The **company** can cancel this insurance from the inception of the **period of insurance** if the premium has not been paid and written notice by registered post will be sent to the **insured** at their last known address.

The **company** will return any premium the **insured** has paid for the remaining **period of insurance** provided that there have been no;

- (i) claims made under this policy for which the **insured** has made a payment
 - (ii) claims made under this policy which are still under consideration
 - (iii) incidents which the **insured** are aware of and are likely to give rise to a claim which have yet to be reported to the **company**
- during the **period of insurance**.

8. *Designation of Property*

For the purpose of determining whether any item falls within the definition of **buildings** the **company** will accept the designation under which such property has been entered in the **insured's** books or which has been used by the **insured** in computing the **amount insured**. All items for which the **insured** is responsible under the terms of the lease are also accepted as falling within the definition of **buildings**.

9. *Contract Rights of Third Party Act*

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this contract.

10. *Lease Break Clause*

This insurance shall not be prejudiced by any insurance or causality break clause in a lease which enables a lessee to determine the lease in event of **damage**.

GENERAL CLAIMS PROCEDURE

The following procedures apply to all sections of this insurance except Section G – Terrorism & Section H - Environmental.

1. *Insured's Responsibilities*

In the first instance the **insured** should contact the broker or intermediary or agent who arranged this policy and provide the **company** with any reasonable assistance and evidence that the **company** require concerning the cause and value of any claim, including;

- a) the **insured's** name, address and contact details
- b) the policy number
- c) the date of the incident
- d) the cause of the **damage**
- e) the address where the incident took place
- f) an estimate of the claim value
- g) the names and addresses of the parties involved in any incidents of personal injury including details of injuries and names and addresses of any witnesses.

Claims Conditions apply to this policy and in the event of a claim and it is important that the **insured** complies with all policy conditions.

The **insured** must:

- (i) notify the police, garda or other appropriate local or civil authority immediately they become aware that a crime has been committed and notify the **company** in writing no later than 7 days after the date of such incident.
- (ii) make every reasonable effort to minimise any loss, damage or liability and take appropriate emergency measures immediately, as required to reduce any claim. The **insured** must keep the invoices because they may form part of the claim.
- (iii) give the **company** an opportunity, where practical, to inspect the damage before work begins, so that the **company** may approve any estimate for repair work to damaged property.
- (iv) notify the **company** as soon as reasonably possible in writing, and on no account later than 30 days after the date of the incident, of any loss, damage, or any claim made against the **insured**, or any circumstance or occurrence which may subsequently give rise to a claim under this insurance.
- (v) not acknowledge receipt of and forward to the **company** every writ, summons, legal process, letter or other communication in connection with any circumstance which may give rise to a claim immediately upon receipt.
- (vi) not admit liability or make an offer or promise of payment or agree to settle any claim without the **company's** written consent.
- (vii) advise the **company** in writing immediately they have any knowledge of any impending prosecution inquest Fatal Accident or Ministry Enquiry.

In the event that the **insured** is unable to contact the broker or intermediary or agent who arranged this policy the **insured** can satisfy the terms of the policy by advising European Property Underwriting Limited by email at claims@epul.co.uk.

European Property Underwriting Limited
Registered Address : 50 Fenchurch Street, London, EC3M 3JY.
Registered in England and Wales. Company Number 06686913.
Regulated by the Financial Conduct Authority.

GENERAL CLAIMS PROCEDURE

2. *Seventy-Two Hours Provision*

The word occurrence shall mean any one (1) occurrence or series of occurrences arising out of and directly occasioned by one (1) event or one (1) original cause. However, the duration and extent of any one (1) occurrence shall be limited to;

- (a) seventy-two (72) consecutive hours as regards **earthquake, flood, windstorm or terrorism**;
- (b) seventy-two (72) consecutive hours and within the limits of one (1) city, town or village as regards riot, civil commotion, malicious damage and vandalism.

The **insured** may choose when any of the periods commence and if the event or common cause is of greater duration than the above periods, the **insured** may decide to divide that event or common cause into two (2) or more occurrences provided that no two (2) periods overlap.

Should any such period extend beyond the expiry or cancellation date, the **company** shall be liable as if such period had fallen entirely within the **period of insurance**.

3. *Subrogation Waiver*

The **company** shall be entitled at their discretion to take over and conduct in the **insured's** name the investigation, defence or settlement of any claim and to pursue any right of recovery in the **insured's** name following any payment which the **company** make under this insurance. The **insured** must give the **company** any information or assistance the **company** may reasonably require for these purposes.

Further, the **company** agrees to waive any rights remedies or relief to which they might have become entitled by subrogation against:

- (a) any Company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the **insured** as defined in the Companies Act or the Companies (N.I.) Order, as appropriate, current at the time of the **damage**
- (b) any Company which is a subsidiary of a Parent Company of which the **insured** are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order, as appropriate, current at the time of the **damage**
- (c) a tenant or lessee unless;
 - i) the **damage** arises out of a criminal, fraudulent or malicious act of the tenant or lessee
 - ii) the law of the country where the insured **damage** has occurred permits subrogation

4. *Payments on Account*

Payments on account will be made to the **insured** in respect of claims for;

- i) **damage to buildings**
- ii) loss of **rent or gross revenue** on the date upon which but for the **damage** the **rent or gross revenue** would have been due from the lessee unless the claim is under investigation by the **company**.

GENERAL CLAIMS PROCEDURE

5. *Multiple Insureds Clause*

- i) If the **insured** described in the policy schedule comprises more than one insured party each operating as a separate and distinct entity then cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each such **insured** party provided that the total liability of the **company** to all of the insured parties collectively shall not exceed the **amount insured** including any inner limits set by memorandum or endorsement stated in the policy
- ii) Any payment or payments by the **company** to any one or more such insured parties shall reduce to the extent of that payment the **company's** liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate
- iii) The insured parties will at all times preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss or **damage**
- iv) The **company** shall be entitled to avoid liability to or (as may be appropriate) claim damages from any of the insured parties in circumstances of a breach of any condition of this policy referred to in this clause as a Vitiating Act
 - a) in the event of a breach of the duty of fair presentation where
 - i) the breach is deliberate or reckless or
 - ii) the breach (being non-deliberate and non-reckless) has been of such nature that if the material particular or circumstance had been fairly presented the **company** would not have entered into this policy on any terms
 - b) in circumstances of the fraud by the **insured** or any one acting on their behalf
 - c) in the event any condition of this policy is breached
- v) a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a Vitiating Act.

6. *Alternative Trading*

If during the **maximum indemnity period** the **business** shall be conducted elsewhere than at the insured premises for the benefit of the **business** the money paid or payable to the **insured** in respect of such other premises will be brought into account in calculating the loss of **rent** or **gross revenue** receivable during the **maximum indemnity period**.

7. *Payment*

The **company** reserves the right to make a claim payment under this **master policy** to either the **parent insured** as identified in the policy schedule or any **insured** where it is legally permissible to do so.

8. *Professional Accountants*

Any particulars or details contained in the **insured's** books of account or other business books or documents which may be required by the **company** for the purpose of investigating or verifying any claim made under this policy may be produced by professional accountants if at the time they are regularly acting as such for the **insured** and their report will be prima facie evidence of the particulars and details to which such report relates.

GENERAL CLAIMS CONDITIONS

These conditions apply to all sections of this insurance except Section G – Terrorism & Section H - Environmental.

The **company** shall not be liable to pay any claim under this insurance unless the **insured** complies with all the requirements in conditions **1** to **4** below.

1. Arbitration

If any dispute shall arise as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an arbitrator in England to be appointed by the parties in accordance with the statutory provisions. Where any difference is by this condition to be referred to arbitration the making of an award shall be condition precedent to any right of action against the **company**.

2. Contribution

- (i) Where any **damage** or legal liabilities covered by this policy is also covered by another policy the **company** will only pay a rateable share of the loss.
- (ii) If the other insurance is subject to an underinsurance condition, and this policy is not, this policy will become subject to the same underinsurance condition.
- (iii) If the property insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part the payment the **company** will make will be limited to the proportion of the **damage** as the **amount insured** bears to the value of the property.

3. Discharge of Liability

The **company** may at any time pay;

- (i) the **amount insured**
 - (ii) a lesser amount for which a claim can be settled
- after deduction of any sum already paid and the **company** will not make any further payments except for costs and expenses incurred prior to the payment of the claim.

4. Subrogation Rights

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

The **company** shall be entitled to take over and conduct in the name of the **insured** the defence or settlement of any claim or to prosecute in the name of the **insured** at its own expense and for its own benefit any claim for indemnity or damages or otherwise.

SECTION A – MATERIAL DAMAGE

The **insured** should check the policy specification to see whether this section is in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the terms, special conditions and exclusions shown below will apply to this section.

COVER

The **buildings** as declared to the **company** are insured against **damage** occurring during the **period of insurance** directly caused by the following perils:

1. Fire and lightning.
2. Explosion including 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 purposesprovided that the plant is regularly inspected by an independent qualified engineer in accordance with statutory requirements.

This peril does not cover the first £1,000,000 of each and every occurrence in respect of bursting of any boiler or other plant which belongs or is under the control of the **insured** and in which internal pressure is due to steam only and which is not used for domestic purposes.

3. Collision or impact involving any aircraft or other aerial devices or articles dropped from them.
4. Riot, violent disorder, civil commotion and labour disturbances.
5. Malicious persons and acts of vandalism.

This peril does not cover loss or **damage**:

- (i) caused by theft or attempted theft
- (ii) by any **resident** to the **block of flats, maisonette** or private dwelling house in which the **resident** resides.

6. **Earthquake.**
7. **Windstorm or flood.**

This peril does not cover loss or **damage**;

- (i) to gates, fences and moveable property in the open
- (ii) caused by frost, subsidence, ground heave or landslide.

8. Escape of water from any tank, apparatus or pipe including the cost of replacing any tank apparatus or pipe which has suffered **damage** at the time of the occurrence.

This peril does not cover loss or **damage** caused by water discharged or leaking from any automatic sprinkler installation.

9. Escape of oil from any fixed heating installation.
10. Impact by any animal or by mechanically propelled vehicle including goods falling from them, falling trees, branches, aerials, masts or television satellite dishes.
11. Accidental discharge from any automatic sprinkler installation including **damage** to sprinkler heads and pipe work.

SECTION A – MATERIAL DAMAGE

12. Theft or attempted theft.

This peril does not cover loss or **damage**:

- (i) caused by malicious persons and acts of vandalism
- (ii) by any **resident** to the **block of flats, maisonette** or private dwelling house in which the **resident** resides.

13. Subsidence or ground heave of the site on which the **buildings** stand or landslip.

This peril does not cover:

- (i) loss or **damage** while the **buildings** or structures are undergoing demolition, structural repair or alteration, construction or erection
- (ii) loss or **damage** to gangways, canopies, conveniences, service areas, yards, car parks, access roads, pedestrian ways, planters, ornamental features, statues, street furniture, landscaping, lamp posts, walls, gates, fences, fixed signs, fuel and oil tanks, cess pits, septic tanks including utility services extending to the public main unless also affecting the **buildings** insured hereby
- (iii) **damage** to **buildings** which have been erected for less than ten years resulting from the settlement or movement of infilled or made up ground
- (iv) loss or **damage** caused by:
 - (a) normal settlement or bedding down of new structures
 - (b) coastal or river erosion
 - (c) defective design, inadequate construction of foundations or the use of defective materials
 - (d) ground works or excavation
 - (e) fire, explosion, earthquake or escape of water
- (v) loss or **damage** to the **buildings** caused by its own collapse or cracking
- (vi) loss or **damage** which originated prior to the inception of this cover.

14. Accidental breakage or **damage** of fixed glass or fixed sanitary ware and the reasonable cost of boarding-up.

The **company** will also cover the necessary and reasonable cost of temporary repairs, removal of debris and obstructions, removing or replacing frames, alarm foil, lettering, painting, embossing, silvering or other ornamental work including neon and other fixed signs which are also damaged up to a maximum of £2,000 in any one **period of insurance**.

This peril does not cover:

- (i) loss or **damage** to any glass flawed or broken at the start of this insurance
- (ii) loss or **damage** by workmen carrying out alterations or repairs to the **buildings**
- (iii) dilapidated frames and framework
- (iv) loss or **damage** caused by adjustments, repair, dismantling or erection of neon or other fixed signs or any part while removed from its normal working position
- (v) mechanical or electrical fault or breakdown
- (vi) scratching or chipping
- (vii) misuse, faulty workmanship, defective design, the use of faulty materials, inherent vice, or latent defect.

SECTION A – MATERIAL DAMAGE

15. Accidental damage.

This peril does not cover:

- (i) loss or **damage** caused by misuse, faulty workmanship, defective design, the use of faulty materials, inherent vice or latent defect unless such loss or **damage** subsequently results in physical loss or **damage** by another cause
- (ii) loss or **damage** caused by collapse
- (iii) loss or **damage** caused by or resulting from corrosion, rust, frost, change in temperature, rot, shrinkage, evaporation, loss of weight, contamination, change in colour, flavour, texture or finish, vermin, insects, marring or scratching unless resulting from an insured cause of loss
- (iv) disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- (v) cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes or pipes, nipple leakage and/or the failure of welds of boilers
- (vi) mechanical or electrical fault or breakdown
- (vii) loss or **damage** to property as a result of its undergoing any process
- (viii) loss of **rent** or **gross revenue**
- (ix) loss or **damage** resulting from any of the;
 - (a) other insured perils
 - (b) causes expressly excluded from the other insured perils.

SPECIAL CONDITIONS

The following conditions apply to Section A – Material Damage in addition to the General Conditions.

1. *Inspecting the Insured Premises*

Access to the **buildings** must be made available to the **company** at all reasonable times for the purposes of inspection.

2. *Sprinklers*

Any faults or defects found or alterations or modifications made to any automatic sprinkler system must be notified to the **company** by the **insured** immediately they become aware.

3. *Demolition Works*

The **insured** must notify the **company** immediately they become aware of any demolition, ground works, excavations or construction being carried out on any adjoining site or of any subsidence in the immediate area of the insured premises.

The **company** shall then have the right to vary or cancel the cover provided by this insurance.

SECTION A – MATERIAL DAMAGE

ADDITIONAL COVERS

The **company** will also cover the following, subject to the additional terms and exclusions shown below:

1. *Temporary Removal*

This insurance is extended to include **damage** to property temporarily removed from;

- (a) property insured for cleaning, renovation, repair or similar process
or
- (b) deeds, documents and plans to any **building** within the **territorial limits** including whilst in transit.

This insurance does not cover;

- (i) property more specifically insured
- (ii) documents, manuscripts, business books, data storage materials, plans, designs, stock and materials in trade
- (iii) property removed for more than 90 consecutive days.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

2. *Value Added Tax*

The insurance of **buildings** as advised to the **company** extends to include Value Added Tax paid by the **insured** (including "Self-Supply" Value Added Tax) which is not subsequently recoverable provided that:

- (a)
 - (i) the **insured's** liability for such tax arises solely as a result of the rebuilding or repair of the **buildings** to which such item relates following **damage**
 - (ii) the **company** have paid or agreed to pay for such **damage**
 - (iii) if any payment made by the **company** in respect of the rebuilding or repair is less than the actual cost of the rebuilding or repair any payment resulting from that **damage** shall be reduced in like proportion
- (b) the **company's** liability for such tax does not arise from the replacement **buildings** having greater floor area than or being better or more extensive than the destroyed or damaged **buildings**
- (c) where an option to reinstate on another site is exercised the **company's** liability under this insurance shall not exceed the amount of tax that would have been payable had the **buildings** been rebuilt on its original site
- (d) the **company's** liability shall not include amounts payable by the **insured** as penalties or interest for non-payment or late payment of tax
- (e) the **insured** has taken all reasonable precautions to insure adequately for VAT liability at inception of the policy and at each subsequent renewal date.

SECTION A – MATERIAL DAMAGE

3. *Landscaping*

The **company** will pay towards the costs and expenses incurred in making good **damage** to landscaped gardens and grounds as a result of **damage** to the property insured.

This insurance does not cover;

- (i) the cost of moving soil other than as necessary for surface preparation
- (ii) the failure of trees, shrubs, plants or turf to become established
- (iii) the failure of seeds to germinate
- (iv) **damage** caused by disease, infection or application of chemicals.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

4. *Replacement of Locks*

The **company** will pay towards the cost incurred if the **insured's** keys including but not limited to digital access cards to external doors and windows, safe keys or safe combination access codes are stolen from the **buildings**, the **insured's** home or a director's or **employees** home.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

5. *Fire Extinguisher and Alarm Resetting Expenses*

The **company** will pay the reasonable costs incurred by the **insured** in resetting fire and burglar alarms and CCTV equipment and refilling or recharging portable fire extinguishing appliances, local and fixed fire suppression systems and sprinkler installations and replacing used sprinkler heads solely in consequence of **damage** to the insured property.

This insurance does not cover any costs and expenses recoverable from;

- (i) the **insured's** maintenance company
- (ii) the Fire & Rescue Services.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

6. *Contract Works & Contractor's Interest*

This insurance is extended to include the **contract works** and contractor's interest as joint named **insured** in respect of the **buildings** where required under the terms of any contract awarded under the JCT Standard Form of Building Contract incorporating the 1986 Amendment to Insurance and related Liability Provisions (or equivalent thereof) where the contract value does not exceed the limits shown in the policy specification.

7. *Unauthorised Use of Electricity, Gas and Water*

The **company** will pay the cost of electricity, gas and metered water for which the **insured** are legally responsible arising from its unauthorised use by persons occupying **buildings** without the **insured's** authority, provided that the **insured** shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION A – MATERIAL DAMAGE

8. *Additional Metered Services Charges*

The **company** will pay the additional electricity, gas and metered water charges incurred by the **insured** following **damage** to the **buildings**.

This insurance does not cover any loss which has not been discovered and remedial action taken within 30 days of the **damage** occurring.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

9. *Tenants Stock & Possessions*

Tenants stock and possessions are insured against **damage** occurring during the **period of insurance** lawfully secured by the **insured** in lieu of **rent** owed provided that;

- (a) the goods are stored in a secure building in the **territorial limits**
- (b) an inventory is signed by the **insured** and issued to the tenant as soon as the goods are taken into the **insured's** custody
- (c) the goods are inspected at least every seven days.

This insurance does not cover;

- (i) loss or **damage** insured by a more particular policy
- (ii) theft or attempted theft not involving entry to or exit from the **building** where the goods are stored by forcible and violent means
- (iii) loss or **damage** in respect of audio or visual equipment, cigarettes, cigars, tobacco, wines and spirits
- (iv) any shortfall in the **amount insured** or **excess** applicable under a more particular policy.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

10. *Personal Possessions*

Directors, partners, customers, visitors and **employees** personal effects of every description (other than motor vehicles) are insured against **damage** insofar as they are not otherwise insured.

The maximum the **company** will pay in respect of any one person shall not exceed the loss limits shown in the policy specification.

11. *Insurance Premiums*

The **company** will pay towards the cost of any additional insurance premiums incurred solely as a result of insured **damage** to the property insured.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

12. *Fly Tipping*

The **company** will pay the reasonable costs of clearing and removing any property illegally deposited in or around the **buildings**.

This insurance does not cover the first £200 of each and every occurrence

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION A – MATERIAL DAMAGE

13. *Removal of Nests*

The **company** will pay for the cost of removing wasps, bees or hornets nests from the **building**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

14. *Tree Felling or Lopping*

The **company** will pay the cost of felling or lopping trees at the premises which are an immediate threat to the safety of life or property as a result of **damage** by Covers 1 to 13.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

15. *Trace & Access*

The **company** will pay the costs and expenses necessarily and reasonably incurred by the **insured** in locating the actual source of the escape of water from any tank, apparatus or pipe and subsequent making good **damage** arising directly from the actual source with the **company's** prior consent.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

16. *Loss Minimisation Costs & Prevention Expenditure*

The **company** will pay the costs and expenses necessarily and reasonably incurred by the **insured** to prevent or minimize **damage** at the premises with the **company's** prior consent provided such costs are;

- (a) directly related to **damage** which would have been covered under this insurance which is likely to occur unless urgent preventative action is taken
- (b) not more specifically insured under this or any other policy, bond, indemnity, security or legally binding contract
- (c) incurred with the consent of the **company**.

This insurance does not cover;

- (i) the first £250 of each and every occurrence
- (ii) any costs and expenses which exceed the reduction in loss or **damage** avoided
- (iii) any costs and expenses otherwise incurred under General Condition 1. Reasonable Precautions.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION A – MATERIAL DAMAGE

17. Money & Assault

The **insured** should check the policy specification to see whether this Additional Cover is in force.

The **company** will pay for any loss of the **insured's negotiable money** held in connection with the **business**;

- a) whilst in transit within the **territorial limits** or in a bank night safe up to a maximum amount of £2,000 for any one occurrence
- b) whilst at the private residence of any principal or authorised **employee** up to a maximum amount of £500 for any one occurrence
- c) from the premises during **business hours** up to a maximum amount of £2,000 for any one occurrence
- d) from the premises outside **business hours** not contained within a locked safe up to a maximum amount of £500 for any one occurrence
- e) from the premises outside **business hours** contained within a locked safe up to a maximum amount of £2,000 for any one occurrence.

The **company** will also pay;

- f) for the compensation stated below to the **insured** for **injury** caused by theft or attempted theft of **negotiable money** which happens in the course of the **business** and resulting in the following contingencies;
 - (i) death £10,000
 - (ii) total and permanent loss of sight on one or both eyes £10,000
 - (iii) loss of one or both limbs £10,000
 - (iv) total disablement which prevents the **insured** from pursuing their normal occupation £100 per week
 - (v) reimbursement of incurred medical expenses up to £250
- g) up to £250 in respect of such **damage** to their personal effects following an attempted theft to steal **negotiable money** covered by this policy.

This insurance does not cover;

- (i) the £100 of each and every occurrence
- (ii) losses due to the dishonesty of the **insured, employees, partners** or directors;
 - (a) not discovered within seven working days of the occurrence
 - (b) where a more specific insurance is in force
- (iii) shortages due to clerical errors
- (iv) loss of money from unattended vehicles
- (v) any contribution towards a more particular insurance.

It is further agreed as a condition precedent to liability under this clause that keys and/or combination codes to safes are not left on the premises unless the premises are still attended by the **insured** or an authorised **employee** in which case such keys and/or combination codes shall be deposited in a secure place not in the vicinity of any safe.

SECTION A – MATERIAL DAMAGE

18. *Privity of Contract*

This insurance is extended to include all such sums that the **insured** shall become legally liable to pay as a former landlord pursuant to the lease of any property previously owned by the **insured** which constitutes a “new tenancy” under the Landlord and Tenant (Covenants) Act 1995 provided that the **insured** takes all appropriate steps to obtain a release from their obligations under any Covenants to insure property on disposal including where necessary applying to the Courts for a release.

This insurance;

- (i) will not contribute in respect of any more particular insurance effected by the new owner, tenants or sub-tenants
- (ii) does not cover any premises disposed of more than seven years prior to the commencement of the current **period of insurance**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

19. *Eviction of Squatters Costs*

The **company** will pay towards the legal expenses incurred by the **insured** in evicting squatters from any of the **buildings** subject to the **insured** obtaining the prior written consent of the **company**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

20. *Inflation Protection*

Only where shown as insured in the policy specification the **amount insured** for **buildings** will be adjusted each month in accordance with the appropriate rebuilding index issued by the Royal Institution of Chartered Surveyors.

No adjustment in premium will be made for each monthly increase, but at each renewal the premium will be calculated on the adjusted **amount insured**.

The **insured** must obtain a professional valuation of the **buildings** at least every three years and the resulting valuations being used in the setting of the **buildings** reinstatement value and subsequently annually adjusted in accordance with the appropriate index.

SECTION A – MATERIAL DAMAGE

BASIS OF SETTLEMENT

The **insured** should check the policy specification to see whether option **1.A, B, C, D,** or **E** below has been selected.

1. A. Reinstatement

Where the insured property has been lost, damaged or destroyed the **company** will pay the cost of:

- (i) rebuilding or repairing the **buildings**
- (ii) repairing or replacing contents where insured hereunder with other similar property in either case to a condition equal to but not better or more extensive than its condition when new.

Reinstatement may be carried out upon another site and in any manner suitable to the **insured's** requirements subject to the **company's** liability not being increased.

B. Day-One Non-Adjustable

Where the insured property has been lost, damaged or destroyed the **company** will pay the cost of:

- (i) rebuilding or repairing the **buildings**
- (ii) repairing or replacing contents where insured hereunder with other similar property in either case to a condition equal to but not better or more extensive than its condition when new.

Reinstatement may be carried out upon another site and in any manner suitable to the **insured's** requirements subject to the **company's** liability not being increased.

Provided the **insured** notify the **company** at the beginning of this insurance of the actual reinstatement cost of the insured property shown in brackets below the **amount insured** on the certificate(s), the **company** will pay up to the **amount insured** in order to take account of any inflationary increases during the reinstatement period which may affect the reinstatement cost of the insured property.

C. Indemnity Value

Where the insured property has been lost, damaged or destroyed the **company** will pay the;

- (i) costs of replacing, repairing or rebuilding the lost, damaged or destroyed property to a condition as good as, but not more extensive than, its condition immediately prior to the **damage**

or

- (ii) at the **company's** option the reduction in the value of the insured property.

D. Demolition Value

Where the **buildings** have been destroyed the **company** will pay the market value of the building materials only.

SECTION A – MATERIAL DAMAGE

E. Additional Debris Removal Costs

Applicable to **buildings awaiting redevelopment**.

Where the **buildings** have been destroyed the **company** will pay the cost of removal of debris, dismantling, demolition and shoring up or propping of those parts of the damaged **buildings** beyond the amount the **insured** would have incurred had the **buildings** not been damaged.

The **company** will not cover any expenses incurred in removing debris from anywhere other than the site of the damaged **buildings** and the area immediately adjacent to it.

2. Undamaged Portions of Buildings

The **company** will also cover the cost of replacing or modifying undamaged portions of the **buildings** in so far as it is necessary to effect alterations in keeping with the repairs, restoration or replacement of the damaged portion of the **buildings** provided that the amount recoverable in respect of undamaged portions of the **buildings** (other than foundations) shall not exceed 20% of the total cost of rebuilding had the damaged **buildings** been totally destroyed.

OTHER COSTS AND EXPENSES

The **company** will also cover the following costs and expenses:

1. Additional Sprinkler Costs

If required by the **company**, the **company** will at their expense pay for the costs in upgrading an automatic sprinkler installation to the current Loss Prevention Council (LPC) rules solely following **damage** to the **buildings**, provided that at the time of the **damage** the installation conformed to the:

- (a) 28th or 29th edition rules, or
- (b) Rules for Automatic Sprinkler Installations as issued by the Fire Officers Committee and/or Loss Prevention Council current at the time of installation but did not conform to subsequent amendments to those rules.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

2. Investigation Expenses

If, following **damage** covered under this insurance, in the opinion of a competent construction professional there is a reasonable possibility of other **damage** to portions of the same **buildings** which is not immediately apparent, the **company** will pay the reasonable costs incurred by the **insured**, with the **company's** prior consent, in establishing whether or not such **damage** has occurred.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION A – MATERIAL DAMAGE

3. *Government Legislation, Removal of Debris and Professional Fees*

The **company** will pay the following necessary and reasonable costs and expenses which the **insured** incur in rebuilding or repairing the **buildings** following **damage** including:

- (a) fees to architects, surveyors and consulting engineers not otherwise insured elsewhere and incurred with the **company's** prior consent.

The **company** will not cover the cost of fees incurred in preparing a claim.

- (b) the cost of complying with any European Community Legislation, government or local authority requirement, unless notice was served before the **damage**, and provided the **buildings** were originally built in accordance with any government and local authority requirements in force at the time.
- (c) the cost of removal of debris, dismantling, demolition and shoring up or propping of those parts of the damaged **buildings**.

The **company** will not cover any expenses incurred in removing debris from anywhere other than the site of the damaged **buildings** and the area immediately adjacent to it.

- (d) the cost of clearing, cleaning or repairing drains, gutters and sewers.
- (e) the cost of removing debris of tenants property, not otherwise insured elsewhere, from the **buildings** and the immediately adjacent site for the sole purpose of accelerating the reinstatement of the property insured.

The maximum the **company** will pay shall not exceed £100,000 for each occurrence provided that the **company's** liability shall not exceed the **amount insured**.

The **company** will not cover:

- (i) the amount of any rate, tax, duty development or other charge or assessment arising out of capital appreciation which may be payable in order to comply with any European Community Legislation, government or local authority requirement
- (ii) costs or expenses arising from any discharge and/or seepage of pollution or contamination to land, water or other property not covered by this insurance.

4. *Additional Management Fees*

The **company** will pay towards the managing agents fees necessarily and reasonably incurred in respect of the management and supervision of repair or rebuilding work following **damage** covered under this insurance when the insured cost exceeds £25,000, where the fees are in respect of additional work which would not have been necessary had the **damage** not occurred.

The **company** will not cover the cost of preparing any claim under this insurance.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION A – MATERIAL DAMAGE

5. *Reinstatement to Match*

Where the **buildings** suffer **damage** the **company** will pay for the replacement, repair or restoration of exterior portions of the **buildings** with equivalent property which may employ current technology and replacement, repair or restoration with such property shall not be regarded as being better or more extensive than when new.

Furthermore, the **company** will pay for the replacement or modification of undamaged exterior portions of the **buildings** insofar as it is necessary to adapt it to or replace or to operate in conjunction with the **buildings** suffering **damage** and which has been replaced, repaired or restored.

Where the **buildings** are partially damaged the **company's** liability shall not exceed the sum representing the cost which the **company** could have been called upon to pay for reinstatement if the **buildings** had been wholly damaged.

6. *Environmental Protection*

Where following **damage** in respect of losses over £100,000 the **insured** elects to rebuild in a manner that aims to limit potential harm to the environment using the latest available materials and methods in this regard it will not be considered betterment to the **insured**.

Where the cost of rebuilding is increased as a result the **company** will pay such additional costs provided that the **company's** liability in respect of any one occurrence shall not exceed the **amount insured**.

7. *Loss of Investment Value*

The **company** will pay the difference between the investment value of the **building** prior to the **damage** covered under this insurance and the sale price of the **building**, less any amounts recovered from any other source, if;

- (a) as result of **damage** to any **building** insured planning consent in respect of that **building** is lost and as a result the investment value of the **building** is reduced
- and
- (b) at the time of the **damage** the **insured** had intended to sell the **building** and the sale is completed at a reduced price the **insured** having made every effort in the meantime to regain planning consent.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

8. *Loss of Market Value*

The **company** will cover the reduction in the market value of the **buildings** immediately following **damage** covered under this insurance solely as a result of **damage**.

If the **insured** is unable to rebuild or restore the **buildings** totally or partially in their original form by virtue of stipulations the **company** will cover the reduction in market value of the **buildings** immediately following **damage** solely as a result of the **damage** in excess of the amount payable under the cost of rebuilding provided that;

- (a) the **insured** have made every effort to regain any 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 reduced compensation received as a result of stipulations being imposed.

SECTION A – MATERIAL DAMAGE

9. *Obsolete Building Materials*

The policy extends to include the reasonable additional costs incurred following **damage** covered under this insurance in replacement of materials 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 purposes intended but require replacement with more suitable modern materials.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

UNDER INSURANCE

If at the time of **damage** the reinstatement cost advised to the **company** of the damaged or destroyed **buildings**, exclusive of Value Added Tax for property which is exempt of such tax, represents less than 85% of the actual reinstatement cost, then the **insured** will only be entitled to recover such proportion of the insured loss which the reinstatement cost declared to the **company** bears to the actual reinstatement cost.

SECTION A – MATERIAL DAMAGE

UNOCCUPIED PROPERTIES RISK PRECAUTIONS

In the event that any **building** becomes **unoccupied**, or partly **unoccupied**;

- (i) the **insured** or a delegated representative should inspect the **building** internally and externally as often as is practical, but at least once every seven days. A log of these inspections should be retained to ensure the compliance of the delegated representative. Any defects found during such inspections should be rectified immediately and the **company** informed.
- (ii) the **building** should be secured against unauthorised entry using at least five lever mortice deadlocks and window locks on all accessible doors and windows.
- (iii) the letter box(es) should be sealed shut to avoid the accumulation of mail.
- (iv) the electricity supply should be disconnected at the mains in a manner that will prevent unauthorised reconnection, unless the supply is required to provide power for an intruder alarm system, security lighting or CCTV cameras etc.
- (v) the water supply should be disconnected at the mains in a manner that will prevent unauthorised reconnection and the water system drained, unless the supply is required in order to achieve activation of the heating systems during the months of September to March inclusive. During the months of April to August inclusive the water system should be drained. If the heating systems are to be activated then the temperature must be maintained at a temperature of at least six degrees centigrade at all times to avoid freezing.
- (vi) all trade refuse and waste materials should be removed from the interior of the **building** and no accumulation of refuse or waste should be allowed in the adjoining yards or spaces under the control of the **insured**.

SECTION B – RENT

The **insured** should check the policy specification to see whether this section is in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the terms shown below will apply to this section.

COVER

1. Rent

The **company** will pay the **insured** for the loss of **rent** and increased costs reasonably incurred in minimising a loss during the **maximum indemnity period** if the **buildings** are rendered uninhabitable directly as a result of **damage** occurring during the **period of insurance**

2. Gross revenue

The **company** will pay the **insured** for the loss of **gross revenue** in the event that any **buildings** used for the purpose of the **business** is damaged directly as a result of **damage** occurring during the **period of insurance** and in consequence the **business** carried on by the **insured** at the premises is interrupted or interfered with

provided that at the time the **damage** occurs;

- a) there is in force an insurance policy covering the interest of the **insured** in the **buildings** against such **damage**
- b) the **insured** has claimed under the policy referred to in a) above and the relevant insurer has paid such claim in full or admitted liability for such claim, or would have done so but for the operation of a proviso in such insurance policy excluding liability for losses below a specified amount.

BASIS OF SETTLEMENT

The basis of settlement will be as follows:

1. Rent

The **company** will pay the **insured** the difference between the **insured's** actual **rent** during the interruption or restriction to the **insured's business** and the probable **rent**, including any rent reviews, had no interruption or restriction occurred, less any savings that result from reduced costs and expenses during the interruption or restriction.

- (a) When adjusting the **insured's** claim in respect of:
 - (i) **unoccupied** premises
 - (ii) new property developmentswhere there is no lease or licence in force account shall be taken of any negotiations the **insured** have had with prospective tenants, both before and after the **damage**, demand for similar accommodation in the area and an allowance will be made for all extraordinary and other circumstances of the **business** including, but not limited to, fluctuations in market conditions.
- (b) In the event that the **insured's** tenant is relocated to an empty **building** also covered under Section A – Material Damage then the **insured's** resultant loss of **rent** in relation to the **buildings** that have suffered the **damage** will not be reduced.

SECTION B – RENT

2. Gross revenue

The **company's** liability is limited to the amount by which the **gross revenue** during the **indemnity period** will, in consequence of the **damage**, fall short of the **standard gross revenue** less any sum saved during the **indemnity period** in respect of the charges and expenses of the **business** payable out of **gross revenue** as may cease or be reduced in consequence of the **damage**.

The **company** will also pay:

- (i) the additional necessary and reasonable costs the **insured** incur in order to minimise the **insured's** loss of **rent** or **gross revenue**, less any savings that result from the reduced costs and expenses during the interruption or restriction. The expense incurred to minimise the loss may not be more than the amount of income that would otherwise have been lost
- (ii) the reasonable charges of a professional accountant for producing information or details required by the **company**
- (iii) the additional necessary and reasonable costs incurred by the **insured** with the **company's** written consent in re-letting a formally tenanted **building** up to a maximum of £10,000 for each incident
- (iv) the actual loss of investment interest to the **insured** due to the late payment of any loss of **rent** or **gross revenue**.
- (v) the loss of income and increased costs reasonably incurred in minimising a loss resulting directly from the restriction on the use of the **buildings** due to **damage**, as would be covered under Section A – Material Damage of this insurance to property within one mile of the **buildings** or at the premises of the **insured's** managing agents.

The **company** will not cover any incidents involving an interruption of less than 48 hours.

- (vi) the loss of income if the **insured** have contracted to sell the **buildings** and the sale is subsequently delayed or cancelled as a direct result of **damage** as covered under Section A – Material Damage.

The **company** will pay:

- a) the actual interest charges incurred by the **insured** on capital borrowed in anticipation of the sale proceeds from the **buildings**
- or
- b) for the loss of actual investment interest lost on sale proceeds

less any amount receivable in respect of loss of **rent** or **gross revenue** provided every reasonable effort is made by the **insured** to complete the sale of the property. The above interest will be calculated from the date of the proposed sale and end on the date of actual sale or the expiry of the **maximum indemnity period**, whichever is the earlier.

SECTION B – RENT

ADDITIONAL COVERS

The **company** will also cover the following, subject to the additional terms and exclusions shown below:

1. **Action of Competent Authority, Bomb scare or Unlawful Occupation**

The **company** will pay for any reduction in **rent** or **gross revenue** in respect of interruption of or interference with the **business** due to:

- (a) access being denied by the police, garda or other competent local, civil or military authority
- (b) the suspected or actual presence of an incendiary or explosive device on or within one mile of the **buildings**
- (c) occupation of the **buildings** or other property within one mile of the **buildings** by members of a terrorist or criminal organisation or other unlawful occupants.

The **company** will not cover:

- (i) any incidents involving an interruption of less than 48 hours duration
- (ii) any period other than the actual period of prevention or hindrance of access to the **buildings**.

The **company's** liability shall only apply for the period beginning with the interruption of or interference with the **business** and ending not later than three months thereafter during which the results of the **business** shall be affected in consequence of the **damage**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

2. **Loss of Attraction**

The **company** will pay for any reduction in **rent** or **gross revenue** during the **maximum indemnity period** negotiated on new lettings and/or upon **rent** or **gross revenue** reviews of existing lettings, as compared to the expected full open-market **rent** or **gross revenue** for such **buildings**, arising purely as a result of **damage** as covered under Section A – Material Damage of this insurance to surrounding **buildings** within one mile of the insured **building** whether the damaged **building** is owned by the **insured** or not.

The amount payable shall be substantiated by the **insured** and agreed with the **company**. Any difference in opinion as to the reduction in **rent** is to be arbitrated by a member of the Chartered Institute of Arbitrators in England, to be appointed jointly by the **insured** and the **company**, the cost of such binding arbitration is to be borne equally by both parties.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

3. **Rent Review**

Where the **rent amount insured** is subject to review during the **period of insurance** then the **amount insured** will be automatically increased to reflect the actual and anticipated rental income.

The **company** will not charge an additional premium for such increases during the **period of insurance** provided that the **insured** shall at the subsequent renewal date advise the **company** of the revised **rent amount insured** for the forthcoming **period of insurance**.

SECTION B – RENT

4. *Murder, Suicide or Disease*

The **company** will pay for any reduction in **rent** or **gross revenue** resulting from interruption of or interference with the **business** during the **maximum indemnity period** following:

- (a) the occurrence of any of the following specified human infectious or human contagious diseases:

Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chicken pox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough, Yellow Fever

manifested by any person whilst in the premises or within a 25 mile radius of it

- (b) murder or suicide in the **buildings**
- (c) injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the **buildings**
- (d) vermin or pests in the **buildings**
- (e) the closing of the whole or part of the **buildings** by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the **buildings**.

The **company** will not cover;

- (i) any incidents involving an interruption of less than 48 hours duration
- (ii) any period other than the actual period of prevention or hindrance of access to the **buildings**.

The **company's** liability shall only apply for the period beginning with the occurrence of the loss and ending not later than three months thereafter during which the results of the **business** shall be affected in consequence of the **damage**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

5. *Rent Free Period*

If at the date of the **damage** any premises are subject to a rent free period during under the terms of the lease the **maximum indemnity period** shall be adjusted by adding the unexpired portion of the rent free period to the **maximum indemnity period** provided that the **company's** liability does not exceed the **amount insured**.

6. *Increased Cost of Working*

The **company** will pay the expense which the **insured** necessarily and reasonably incur solely to prevent or limit a reduction in **rent** or **gross revenue** during the **maximum indemnity period** which but for such additional expense would have taken place due to the **damage** but not exceeding the amount of the reduction thereby avoided.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION B – RENT

7. *Residential Loss of Rent & Alternative Accommodation*

If as a result of **damage** a **block of flats, maisonette** or private dwelling house is rendered uninhabitable or access to them is denied to the extent that they are not otherwise insured the **company** will pay;

- (a) the loss of **rent**, ground rent and management charges
or
- (b) the costs of reasonable alternative accommodation and temporary storage of **resident's** furniture and the costs of reasonable accommodation in kennels and/or catteries for resident dogs and/or cats.

The **company's** liability shall only apply for the period beginning with the occurrence of the **damage** and ending not later than twenty-four months thereafter during which the results of the **business** shall be affected in consequence of the **damage**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

8. *Business & Local Authority Rates*

The **company** will pay the additional costs and expenses for which the **insured** becomes legally responsible in respect of business rates (national non domestic rates) and any other local authority rates during the **maximum indemnity period** in consequence of **damage** insured under this insurance provided always that but for such **damage** such rates would not have been payable by the **insured**.

The **company** will not pay the additional costs and expenses;

- (a) if the **insured** elects not to reinstate the property
- (b) in respect of any portion or portions of the property which were untenanted at the time of the **damage**
- (c) where the property is unfit for occupation as a result of an act or omission by the **insured** or someone acting on the **insured's** behalf which has resulted in a valuation officer reinstating the property on the rating list.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

9. *Advertising Revenue*

The company will pay for any reduction in **rent** as a result of **damage** during the **maximum indemnity period** in respect of advertising placed at any site covered by this insurance.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

10. *Rent Cessor*

The **company** will pay for any reduction in **rent** or **gross revenue** where a pre-existing cessor clause in the lease enables a lessee to cease paying **rent** or **gross revenue** which but for the **damage** that lessee would normally pay.

The **company's** liability shall only apply for the period beginning with the occurrence of the **damage** and ending not later than the date when the terms of the cessor clause in the lease determine that the lessee should begin to pay such **rent** or **gross revenue** again during which the results of the **business** shall be affected in consequence of the **damage**.

SECTION B – RENT

11. *Failure of Electricity Supply*

The **company** will pay for any reduction in **rent** or **gross revenue** following the accidental failure of the **insured's** supply of electricity at the terminal ends of the **insured's** suppliers feed to the **buildings**.

The **company** will not cover loss;

- (a) caused by the deliberate act of any supplier of electricity
- (b) caused by the exercise of any supplier of electricity's power to withdraw or restrict supply or services
- (c) caused by any industrial action
- (d) lasting less than four hours but this will not apply in respect of accidental failure resulting from **damage** to any generating station or sub-station of the **insured's** supplier(s) of electricity.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

12. *Failure of Gas Supply*

The **company** will pay for any reduction in **rent** or **gross revenue** following the accidental failure of the **insured's** supply of gas at the terminal ends of the **insured's** suppliers feed to the **buildings**.

The **company** will not cover loss;

- (a) caused by the deliberate act of any supplier of gas
- (b) caused by the exercise of any supplier of gas's power to withdraw or restrict supply or services
- (c) caused by any industrial action
- (d) lasting less than four hours but this will not apply in respect of accidental failure resulting from **damage** to any land based premises of;
 - (i) the **insured's** supplier(s) of gas and
 - (ii) any natural gas producer directly linked to the **insured's** suppliers of gas.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

13. *Failure of Water Supply*

The **company** will pay for any reduction in **rent** or **gross revenue** following the accidental failure of the **insured's** supply of water at the terminal ends of the **insured's** suppliers feed to the **buildings**.

The **company** will not cover loss;

- (a) caused by the deliberate act of any supplier of water
- (b) caused by the exercise of any supplier of water's power to withdraw or restrict supply or services
- (c) caused by any industrial action
- (d) caused by drought or other weather conditions unless equipment has been damaged
- (e) lasting less than four hours but this will not apply in respect of accidental failure resulting from **damage** to any water works or pumping station of the **insured's** supplier(s) of water.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

SECTION B – RENT

14. *Failure of Telecommunications*

The **company** will pay for any reduction in **rent** or **gross revenue** following the accidental failure of the **insured's** supply of telecommunications and internet services at the incoming line terminals or receivers at the **buildings**.

The **company** will not cover loss;

- (a) caused by the deliberate act of any supplier of telecommunications and internet services
- (b) caused by the exercise of any supplier of telecommunications and internet services power to withdraw or restrict supply or services
- (c) caused by any industrial action
- (d) caused by drought
- (e) caused by failure of any satellite
- (f) caused by atmospheric or weather conditions but this will not exclude accidental failure due to **damage** to equipment caused by such conditions
- (g) lasting less than twenty-four hours but this will not apply in respect of accidental failure resulting from **damage** to any land based premises of the **insured's** supplier(s) of telecommunications and internet services.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

15. *Accelerated Reinstatement Expenses*

The **company** will pay for the additional expenditure necessarily and reasonably incurred during the **maximum indemnity period** in consequence of the **damage** covered under this insurance solely to avoid or minimize any loss of **rent** or **gross revenue** during the period of twelve months immediately after the expiry of the **maximum indemnity period** but not exceeding the loss of **rent** or **gross revenue** thereby avoided by such expenditure.

UNDER INSURANCE

If at the time of loss or **damage** the **amount insured** for annual **rent** prior to any **rent** reviews during the **period of insurance & annual gross revenue** is less than the actual annual income, then the **insured** will only be entitled to recover such proportion of the insured loss which the **amount insured** for annual **rent & annual gross revenue** bears to the actual annual income.

SECTION C – LIABILITIES

The **insured** should check the policy specification to see which parts of this section are in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the definitions, terms and exclusions shown below will apply to this section.

DEFINITIONS

offshore	from the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.
territorial limits	<ul style="list-style-type: none">a) Great Britain, Northern Ireland, The Channel Islands or the Isle of Man other than offshoreb) elsewhere in the world other than offshore in connection with temporary visits undertaken in the course of the business by any person normally resident in the territories described in (a) above.
terrorism	<p>an activity that involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof; and appears to be intended to;</p> <ul style="list-style-type: none">a) intimidate or coerce a civilian population, orb) disrupt any segment of the economy of a government de jure or de facto, state, or country, orc) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, ord) affect the conduct or policy of any government de jure or de facto by mass destruction, assassination, kidnapping or hostage-taking.
war	war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power or confiscation by order of any public authority or government de jure or de facto or martial law but not including terrorism .

COVER

1. **Public Liability**

Indemnity

The **company** will indemnify the **insured** against all sums the **insured** shall become legally liable to pay as damages and claimants costs and expenses arising out of:

- (a) accidental **injury** to any person
- (b) loss or **damage** to material property excluding information represented or stored electronically including but not limited to code or series of instructions, operating systems, software programs and firmware
- (c) nuisance or trespass obstruction loss of amenities or interference with any right of way, light, air or water or other easement
- (d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy

SECTION C – LIABILITIES

occurring within the **territorial limits** during the **period of insurance** and happening in connection with the **business**.

Limit of Indemnity

The liability of the **company** for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the **amount insured**.

In addition, the **company** will:

1. pay all other costs and expenses incurred with the **company's** written consent which may be the subject of an indemnity under this Section
2. pay costs of legal representation incurred with the **company's** written consent at;
 - (a) any coroner's inquest or inquiry in respect of any death or
 - (b) the defence of any criminal proceedings brought or in appeal against the **insured**, director or partner or **employee** of the **insured** for an offence of manslaughter which may be the subject of indemnity under this Section
3. pay costs of legal representation incurred with the **company's** written consent proceedings in any court arising out of any alleged breach of statutory duty (including the Corporate Manslaughter and Corporate Homicide Act 2007) resulting in any occurrence specified in Cover 1. Public Liability which may be the subject of indemnity under this Section.

The maximum amount payable shall not exceed £1,000,000 in all during the **period of insurance**.

4. Indemnify the **insured** and at the request of the **insured** any director or **employee** in respect of legal costs and expenses incurred with the **company's** written consent and costs awarded against the **insured** or director or **employee** arising in connection with a prosecution (including an appeal against conviction resulting from a prosecution) as a result of an alleged offence occurring during the **period of insurance** under the Health and Safety at Work etc Act 1974 or similar legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man providing that:
 - (a) the proceedings relate to the health safety or welfare of persons other than **employees**
 - (b) the **company** will not indemnify the **insured** in respect of:
 - (i) fines or penalties
 - (ii) costs and expenses insured by any other policy.
5. Indemnify the **insured** in respect of legal costs and expenses incurred with the **company's** written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 or Food Safety Act 1990 provided that:
 - (a) the proceedings relate to an offence alleged to have been committed in the course of the **business** during the **period of insurance**
 - (b) the **company** will not indemnify the **insured** in respect of:
 - (i) fines or penalties
 - (ii) costs and expenses insured by any other policy.

SECTION C – LIABILITIES

CLAUSES

1. *Contractual Liability*

In connection with liability assumed under agreement this insurance shall apply only if the conduct and control of claims is vested in the **company**.

The **company** will not indemnify the **insured** in respect of liquidated damages fines or penalties.

2. *Cross Liabilities*

If more than one **insured** is referred to in the policy schedule this insurance shall apply to each one as if a separate insurance had been issued to each (provided that the total **amount insured** payable to all parties in respect of damages shall not exceed in the aggregate the **amount insured**).

3. *Discharge of Liability*

The **company** may pay the **amount insured** or any lesser amount for which any claim or claims against the **insured** can be settled and the **company** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

EXCLUSIONS

The following exclusions apply to Cover 1 Public Liability only.

This insurance does not cover:

- (a) **injury** to an **employee**.
- (b) loss of or **damage** to any property which at the time of the event giving rise to such legal liability is owned by or held in trust by or in the custody or control of the **insured** other than:
 - (i) **employees'** directors' partners' or visitors' personal effects including vehicles and their contents
 - (ii) premises including their contents not owned by or leased or rented to the **insured** at which the **insured** is undertaking work in connection with the **business**
 - (iii) premises and their fixtures and fittings which are leased, let, rented, hired or lent to or which is the subject of a bailment to the **insured** unless such legal liability;
 - a) has been accepted by agreement in which case the indemnity will only be provided to the extent that such liability would have attached in the absence of such agreement
 - b) arises from an agreement to maintain in force insurance in respect of loss of or **damage** to such premises and their fixtures and fittings.
- (c) liability arising out of injury, loss or **damage** caused by or in connection with or arising out of the ownership possession or use by or on behalf of the **insured** of any:
 - (i) aircraft
 - (ii) watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon)
 - (iii) mechanically-propelled vehicle or trailer attached thereto (other than motorised garden implements used to maintain the land belonging to the **buildings** declared to the **company**) in circumstances where compulsory insurance or security is required or where insurance is provided by another policy.

SECTION C – LIABILITIES

- (d) liability arising from **pollution or contamination** other than caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific time and place during the **period of insurance**.

All **pollution or contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

The liability of the **company** for all damages payable in respect of **pollution and contamination** which is deemed to have occurred during the **period of insurance** shall not exceed in the aggregate the **amount insured** or £10,000,000 (whichever the lower).

For the purpose of this exclusion **pollution and contamination** shall be deemed to mean:

- (i) all **pollution and contamination** of **buildings** or other structures or of water or land or the atmosphere
 - and
 - (ii) all loss or **damage** or injury directly or indirectly caused by such **pollution and contamination**.
- (e) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from;
- (i) inhalation and/or ingestion of asbestos or exposure to asbestos or the existence of or the harmful nature of asbestos or health hazards associated with asbestos or any allegation or concern in relation thereto
 - (ii) the presence of asbestos in any **building** and/or structure and /or on land and/or in the ground or the removal or mitigation of such asbestos or any obligation to investigate control or take action in respect of such asbestos

except that this exclusion shall not apply to and the **company** shall pay under Section C – Liabilities in respect of;

- (a) claims first made against the **insured** and notified to the **company** during the **period of insurance** for damages, costs or expenses (including all legal costs and expense incurred by the **company** or for which the **company** is liable to any claimant or other third party) howsoever incurred arising wholly or in part from inhalation and/or ingestion of asbestos or exposure to asbestos or the existence of or the harmful nature of asbestos or health hazards associated with asbestos or any allegation or concern in relation thereto
- (b) provided that the **company's** liability under the terms of this clause shall not exceed the **amount insured** or £10,000,000 (whichever the lower) in all and in the annual aggregate during any one **period of insurance** irrespective of the number of occurrences during any one **period of insurance** which sum is deemed part of and not additional to the **amount insured** under Section C – Liabilities.

The term asbestos shall include all mineral forms of asbestos and the dust, fibres or particles of or from asbestos, any derivative of asbestos or any substance, compound or material containing asbestos or any waste containing asbestos.

- (f) any loss arising out of or from advice, design, plans, specifications, formulae, surveys, or directions prepared or given by the **insured** or other insured party for a fee but this shall not exclude such liability arising in conjunction with products supplied.

SECTION C – LIABILITIES

- (g) expenditure, whether incurred by the **insured** or others, for the withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement, reinstatement of any product or part thereof and/or from financial loss consequent upon the necessity for such withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement.
- (h) any fines, penalties, punitive damages, exemplary damages, aggravated damages, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.
- (i) any judgment, award, payment, defence costs or settlement delivered, made or incurred within countries which operate under the laws of **North America** (or any order made anywhere in the world to enforce such judgment, award, payment, defence costs or settlement either in whole or in part);

but this exclusion shall not apply to visits to **North America** in the course of **business** to undertake non-manual work including but not limited to clerical work, sales and promotional activities and conference attendance providing that in such circumstances:

- (i) the **company** will not be liable to indemnify any entity based in, operating in or domiciled in **North America**; and
 - (ii) the **company** will not be liable to indemnify for any liability that arises under any agreement or contract that would not arise in the absence of any agreement or contract;
 - (iii) the **company** will not be liable to indemnify for liability arising directly or indirectly from the ownership, maintenance, operation or use of any mechanically propelled vehicle or watercraft;
 - (iv) the **company** will not be liable to indemnify for liability arising directly or indirectly from pollution;
 - (v) defence costs are inclusive and form part of the **amount insured**.
- (j) liability in respect of **injury, damage**, denial of access or nuisance occurring within **North America**.

This Section excludes and does not cover liability in respect of or arising from pollution occurring within **North America**.

This exclusion shall not apply to temporarily non-manual visits to **North America** as specified in clause (i) above.

- (k) the **excess** shown in the policy specification of each and every loss following **damage** to third party material property.
- (l) legal liability arising directly or indirectly out of or alleged to have arisen from any wrongful act of directors or officers of the **insured** in the discharge or performance of their duties as such other than claims for damages or compensation and claimants costs and expenses consequent upon **injury** or **damage**.

For the purpose of this exclusion wrongful act shall mean any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by the directors or officers in the discharge of their duties individually or collectively or any matter claimed against them solely by reason of their being directors or officers of the **insured**.

- (m) legal liability arising directly or indirectly out of or alleged to have arisen from any harassment misconduct discrimination breach of confidence or Employment Practices.

SECTION C – LIABILITIES

2. *Employers' Liability*

Indemnity

The **company** agrees to indemnify the **insured** for all sums that the **insured** will become legally liable to pay as damages or compensation, including claimant costs recoverable from the **insured**, arising out of **injury** caused during the **period of insurance** to an **employee** who at the time of the cause was working in the course of employment by the **insured** in the **business** except that where such employment is undertaken temporarily outside the **United Kingdom**:

- (a) the **employee** must be intending to return to the **United Kingdom** following completion of the temporary overseas employment; and
- (b) the temporary overseas employment outside the **United Kingdom** is not intended or planned to exceed twelve (12) months duration; and
- (c) any temporary overseas employment undertaken in **North America** applies only to clerical, promotional, sales conference attendance and other similar non-manual work.

Limit of Indemnity

The liability of the **company** for damages, costs and expenses payable in respect of any one claim against the **insured** or series of claims against the **insured** arising out of one event shall not exceed the **amount insured**.

War and terrorism

The insurance by this Section is extended to cover liability to an **employee** arising from or caused by an act of **war** or **terrorism** except that the **company** shall not be liable to pay any amount in excess of £5,000,000 for **war** and **terrorism** in respect of:

- i) any one claim against the **insured** or series of claims against the **insured**
and
- ii) any claim or series of claims made by the **insured** under this Section
arising out of one occurrence.

Costs and expenses shall be deemed to mean;

- (a) costs and expenses of claimants for which the **insured** is legally liable
- (b) other costs and expenses incurred with the **company's** written consent in respect of any claim which may be the subject of indemnity under Section C – Liabilities Cover 2 Employers' Liability
- (c) costs of legal representation incurred with the **company's** written consent at:
 - (i) any coroner's inquest or inquiry in respect of any death
 - (ii) the defence of any criminal proceedings brought or in appeal against the **insured**, director or partner or **employee** of the **insured** for an offence of manslaughter which may be the subject of indemnity under this Section
- (d) costs of legal representation incurred with the **company's** written consent proceedings in any court arising out of any alleged breach of statutory duty (including the Corporate Manslaughter and Corporate Homicide Act 2007) resulting in any occurrence specified in Cover 2. Employers' Liability which may be the subject of indemnity under this Section.

The maximum amount payable shall not exceed £1,000,000 in all during the **period of insurance**.

SECTION C – LIABILITIES

- (e) legal costs and expenses incurred by the **insured** and at the request of the **insured** any director or **employee** with the **company's** written consent and costs awarded against the **insured** or director or **employee** arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during **period of insurance** under the Health and Safety at Work etc Act 1974 or similar safety legislation in the **United Kingdom** provided that:
 - (i) the proceedings relate to the health and safety or welfare of **employees**
 - (ii) the **company** will not indemnify the **insured** in respect of:
 - (a) fines or penalties
 - (b) costs and expenses insured by any other policy.

CLAUSES

1. *Discharge of Liability*

The **company** may pay the **amount insured** or any lesser amount for which any claim or claims against the **insured** can be settled and the **company** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

2. *Right of Recovery*

This insurance is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **employees** in the **United Kingdom** but the **insured** shall repay to the **company** all sums paid by the **company** which the **company** would not have been liable to pay but for the provisions of such law.

SECTION C – LIABILITIES

EXCLUSIONS

The following exclusion applies to Cover 2 Employers' Liability only.

- (a) Indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles Compulsory Insurance Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- (b) So far as concerns the liability of any principal or liability assumed by the **insured** under agreement and which would not have attached in the absence of such agreement this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from;
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (c) Payment of any judgment, award, payment or settlement made (or to any order made anywhere in the world to enforce such judgment, award, payment or settlement either in whole or in part) within countries which operate under the laws of **North America** to:
 - (i) any party incorporated, domiciled or resident in **North America**
 - (ii) pay any sum in excess of the **amount insured** which sum shall be the maximum amount payable including any costs and expenses recoverable hereunder
 - (iii) pay punitive, multiple or exemplary damages.
- (d) Liability which arises directly or indirectly out of or caused by **war** or **terrorism** except that this exclusion shall not apply in respect of and to the extent of the indemnity provided by Cover 2. Employers' Liability, War & Terrorism.

SECTION C – LIABILITIES

ADDITIONAL COVERS

The **company** will also cover the following, subject to the additional terms and exclusions shown below.

1. *Compensation For Court Attendance*

In the event of any of the under mentioned persons attending court as a witness at the request of the **company** in connection with a claim in respect of which the **insured** are entitled to indemnity under Section C – Liabilities the **company** will provide compensation to the **insured** at the following rates per day on which attendance is required:

- (i) any director or partner £500 per day
- (ii) any other **employee** £250 per day.

2. *Unsatisfied Court Judgements*

In the event of **injury** to an **employee** sustained during the **period of insurance**, and arising out of his/her employment by the **insured** in the course of the **business**, which results in a judgement for damages being obtained by such **employee** or his/her personal representatives, and which remains unsatisfied in whole or in part six months after the date of such judgement, the **company** will, at the request of the **insured**, pay to the **employee** or his/her personal representative the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- (a) the judgement for damages is obtained;
 - (i) in a court of law within the **United Kingdom**
 - (ii) against a company partnership or individual other than the **insured** conducting business at or from premises within the **United Kingdom**
- (b) there is no appeal outstanding
- (c) the judgement relates to **injury** which would otherwise be within the terms of this insurance
- (d) if any payment is made under the terms of this extension the **employee** or the personal representative of the **employee** shall assign the judgement to the **company**.

3. *Overseas Personal Liability*

The **company** will indemnify the **insured** and if the **insured** so request any director or partner of the **insured** any **employee** or spouse or civil partner or any family member of such person against legal liability incurred in a personal capacity whilst temporarily outside the **United Kingdom** in connection with the **business**.

The indemnity will not apply:

- (i) to legal liability arising out of the ownership or occupation of land or buildings
- (ii) in respect of which any person referred to above is entitled to indemnity under any other insurance.

SECTION C – LIABILITIES

4. *Data Protection Act 1998*

The **company** will indemnify the **insured** in respect of liabilities arising under the Data Protection Act 1998 to pay compensation for damages or distress provided that:

- (a) the process of registration under the above Act has been commenced or completed by the **insured** and the application has not been refused or withdrawn
- (b) no liability arises as a result of the provision by the **insured** of the services of a Data Processor.

The **company** shall not be liable in respect of:

- (i) the recording or provision of data for reward or for determining the financial status of any person
- (ii) any liability which arises as a result of a deliberate act or omission of the **insured** and which could reasonably have been expected by the **insured** having regard to the nature and circumstances of such act or omission.

The liability of the **company** for all damages costs and expenses payable as a result of any one occurrence or in any one **period of insurance** will not exceed the loss limits shown in the policy specification.

For the purposes of this extension the phrases Data Processor and Data shall carry the same meaning as defined under the Data Protection Act 1998.

5. *Defective Premises Act*

The **company** will indemnify the **insured** against liability for **injury**, loss or **damage** arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any premises previously owned for purposes pertaining to the **business** and since disposed of by the **insured** provided that:

- (a) this extension shall not indemnify the **insured** in respect of loss of or **damage** to the land or premises disposed of or in connection with the cost of rectifying any defect or alleged defect therein
- (b) the **company** will not be liable under this extension if the **insured** are entitled to indemnity under any other insurance.

6. *Motor Contingent Liability*

Notwithstanding Cover 1. Public Liability Exclusion (c) the **company** will indemnify the **insured** against legal liability in respect of **injury** loss or **damage** arising out of the use in connection with the **business** of any motor vehicle not owned, leased or hired or provided by the **insured**.

The indemnity will not apply to legal liability in respect of:

- (a) loss of or **damage** to any such vehicle or to goods conveyed therein or thereon
- (b) **injury**, loss of or **damage** arising while such vehicle is being:
 - (i) driven by the **insured**
 - (ii) driven with the general consent of the **insured** or of his representative by any person who to the knowledge of the **insured** or his representative does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence
 - (iii) used elsewhere than in the **United Kingdom**
- (c) which the **insured** is entitled to indemnity under any other insurance.

SECTION C – LIABILITIES

7. *Unauthorised Movement of Vehicles*

Cover 1. Public Liability Exclusion (c) shall not apply to liability caused by or arising from the movement of any vehicle (not authorised by the driver or owner) on the **insured's** premises.

The **company** will not provide an indemnity in respect of liability which;

- (a) insurance or security is necessary to meet the requirements of any Road Traffic Act or similar legislation
- (b) is or would but for the existence of this Section be insured under any other policy or policies.

8. *Legionellosis*

Cover 1. Public Liability Exclusion (d) will not apply in respect of the **insured's** legal liability to pay damages for accidental **injury** to any person other than an **employee** arising out of the release of legionella bacteria happening in connection with the **business** provided that;

- (a) any claim for damages costs and expenses
or
- (b) any notification of any circumstance which;
 - (i) has caused or is alleged to have caused **injury**
or
 - (ii) can be reasonably expected to give rise to a claim which may be the subject of an indemnity provided by this Additional Cover

is first made in writing to the **insured** during the **period of insurance** and is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of the same **period of insurance**

- (c) the **insured** takes all reasonable precautions to comply with the Health and Safety Commission approved Code of Practice and Guidance entitled "Legionnaires' Disease – The Control of Legionella Bacteria in Water Systems L82000" or any subsequent Health and Safety Commission publication.

The liability of the **company** for all damages costs and expenses payable as a result of any one occurrence or in any one **period of insurance** will not exceed the loss limits shown in the policy specification.

This Additional Cover will not apply to claims first made against the **insured** by reason of accidental **injury** arising out of the release of legionella bacteria committed or alleged to have been committed prior to the Retroactive Date shown in the policy specification.

SECTION C – LIABILITIES

9. *Financial Loss*

The **company** will indemnify the **insured** against all such sums that the **insured** shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental financial loss but the indemnity will only apply to;

- a) loss sustained by a tenant of the **insured** if such loss is a direct result of the failure of the **insured** to provide any property or ancillary service
- b) a claim which is first made in writing against the **insured** during the **period of insurance**
and
- c) which is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of such **period of insurance**

Provided that;

- (a) the liability of the **company** under this extension for all damages and claimants costs and expenses arising out of all claims first made against the **insured** during any one **period of insurance** shall not in the aggregate exceed the loss limits shown in the policy specification
- (b) the **insured** shall be responsible under this extension for the **excess** shown in the policy specification.

The indemnity provided by this extension will not apply to legal liability;

1. in respect of;
 - i) **injury** to any person
 - ii) loss of or **damage** to material property
 - iii) nuisance trespass obstruction loss of amenities or interference with any right of way air light or water or other easement
 - iv) wrongful arrest detention imprisonment or eviction of any person or invasion of the right of privacy
2. arising under contract whether by virtue of express agreement or otherwise
3. for the actual cost or reduction in value of any property
4. for;
 - i) liquidated damages fines penalties or payments to any statutory authority arising out of the enforcement of any statutory requirement or duty
 - ii) libel slander or passing off or infringement of patent copyright design trademark or trade name
 - iii) financial loss sustained by any **employee** arising out of or in the course of employment by the **insured**
5. caused by or arising from;
 - i) breach of professional duty or service or any error or omission in estimates or advice given by or on behalf of the **insured** in a professional capacity or in design plans drawings or specification for which a fee is charged or would normally be charged
 - ii) property in the custody or under the control of the **insured** or any **employee** or failure to return such property
 - iii) the storage processing or transmission by or on behalf of the **insured** of computer data

SECTION C – LIABILITIES

- iv) delay non-completion or non delivery
 - v) any act of fraud or dishonesty by the **insured** or any **employee**
 - vi) any circumstances known to the **insured** at inception of this extension which may give rise to a claim for financial loss
6. in respect of the failure or partial failure of any managing agent of the **insured** to properly fulfil their obligations under any contract
7. arising;
- i) outside the **territorial limits**
 - ii) out of any cause giving rise to financial loss happening before the Retroactive Date shown in the policy specification
8. arising from the diminution of the value of any property.

10. **Advertising Injury**

The **company** will provide indemnity for advertising injury in respect of any act committed during the **period of insurance**.

The indemnity will not apply to Advertising Injury;

- 1. caused by or at the direction of the **insured** or any director or partner of the **insured** with the knowledge that the act would violate the rights of another and would inflict Advertising Injury
- 2. arising out of oral or written publication of material if done by or at the direction of the **insured** or any director or partner of the **insured** with knowledge of its falsity
- 3. arising out of oral or written publication of material whose first publication took place before the beginning of the policy period
- 4. arising out of a criminal act committed by or at the direction of the **insured** or any director or partner of the **insured**
- 5. arising due to a contract or agreement except to the extent that such liability would have attached in the absence of such contract or agreement
- 6. arising out of a breach of contract except an implied contract to use another's advertising idea in the **insured's** Advertisement
- 7. arising out of the failure of goods products or services to conform with any statement of quality or performance made in the **insured's** Advertisement
- 8. arising out of the wrong description of the price of goods products or services stated in the **insured's** Advertisement
- 9. committed by an **insured** whose **business** is;
 - a) advertising broadcasting publishing or telecasting or
 - b) designing or determining the content of web-sites for others or
 - c) providing an internet search access content or service provider.For the purposes of this exclusion the placing of frames borders or links or advertising for the **insured** or others anywhere on the Internet is not by itself considered the business of advertising broadcasting publishing or telecasting
- 10. arising out of electronic bulletin boards or chatrooms that the **insured** hosts owns or exercises control over
- 11. arising from the unauthorised use of another's name or product in an email address domain name or metatag or any other similar methods to mislead another's potential customers
- 12. arising out of the infringement of copyright patent trademark trade secret or other intellectual property rights.
However this exclusion does not apply to infringement in the **insured's** Advertisement of Copyright trade dress or slogan.

SECTION C – LIABILITIES

For the purposes of this Additional Cover;

Advertising Injury shall mean;

1. oral or written publication of material in any manner that slanders or libels a persons or organisation's goods products or services
2. oral or written publication of material in any manner that violates a person's right of privacy
3. the use of another's advertising idea in an Advertisement
4. infringement of copyright trade dress or slogan in an Advertisement.

Advertisement shall mean a notice about the **insured's** products for the purpose of attracting customers or supporters that is broadcast or published to the general public or specific market segments or material that is placed on the Internet or other electronic means of communication.

Provided that only that part of a website that is about the **insured's** products for the purpose of attracting customers or supporters is an Advertisement.

This insurance does not cover the **excess** shown in the policy specification in respect of each and every loss.

The liability of the **company** for all damages costs and expenses payable as a result of any one occurrence or in any one **period of insurance** will not exceed the loss limits shown in the policy specification.

11. **Clean Up Costs**

In respect of premises situated in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man the pollution or contamination exclusion (d) of Exclusions to Section C – Liabilities – Cover 1. Public Liability is deleted and replaced by the following.

- A) The indemnity provided by Section C – Liabilities – Cover 1. Public Liability will not apply to legal liability caused by or arising out of pollution or contamination of **buildings** or other structures or of water or land or of the atmosphere unless the pollution or contamination is caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during any **period of insurance**.
- B) Where an indemnity is provided under A) above the **company** will provide indemnity to any person entitled to indemnity in respect of Clean Up Costs;
 - i) arising out of any **sudden pollution or contamination incident** for which the **insured** is legally responsible to pay provided that such Clean Up Costs arise solely under a statutory provision in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
 - ii) in respect of costs and expenses in relation to any matter which may form the subject of indemnity under this Additional Cover incurred with the **company's** written consent
 - iii) in respect of costs and expenses incurred with the **company's** written consent in any appeal against any statutory notice served or to be served upon the **insured** by any enforcing authority for any enforcement action which would be the subject of indemnity under this Additional Cover.

SECTION C – LIABILITIES

- C) The indemnity provided under Section C – Liabilities – Cover 1. Public Liability will not apply to any costs (including where applicable Clean Up Costs);
- i) incurred in achieving any improvement betterment or alteration in any original property
 - ii) for remedial action carried out on or in relation to property which at the time of the **sudden pollution or contamination incident** giving rise to such legal liability is owned by or held in trust by or in the custody or control of the **insured**
 - iii) incurred in relation to the reinstatement reintroduction or provision of any living organism or natural habitat
 - iv) arising out of genetically modified organisms
 - v) comprising of the **excess** shown in the policy specification.
- D) Clean Up Costs shall mean the costs reasonably incurred by;
- i) a government agency or regulatory body
 - ii) the **insured** with the written consent of the **company** where a government agency or regulatory body would have required remediation

in each case in carrying out remedial action performed following a **sudden pollution or contamination incident** in respect of which the **insured** is legally responsible and shall include costs to curtail or minimise further pollution or contamination arising from such an incident once occurred.

- E) **Sudden pollution or contamination incident** shall mean pollution or contamination of **buildings** or other structures or of water or land or of the atmosphere caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man during any **period of insurance**.

Provided that;

- i) all pollution or contamination which arises out of one incident shall be considered by the **company** for the purposes of this policy to have occurred at the time such incident takes place
- ii) the total amount payable for pollution or contamination including Clean Up Costs shall not exceed the **amount insured** or the loss limits shown in the policy specification (whichever the lower) for all incidents considered by the **company** to have occurred during any **period of insurance**.

12. **Rented Premises**

Exclusion (b) (iii) to Section C – Liabilities Cover 1. Public Liability shall not apply to premises leased, let, rented, hired or lent to or which is the subject of a bailment to the **insured** provided that the indemnity will not apply to legal liability in respect of;

- (a) loss or **damage** under agreement unless liability would have attached to the **insured** in the absence of such agreement
- (b) loss of or **damage** to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by or on behalf of the **insured**
- (c) the first £250 of each and every occurrence of loss or **damage** caused otherwise than by fire or explosion.

SECTION D – EXCESS LIABILITIES

The **insured** should check the policy specification to see which parts of this section are in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the definitions shown below will apply to this section.

DEFINITIONS

company	as detailed in the policy specification.
underlying insurer	the company in respect of Section C – Liabilities or another insurer otherwise agreed by the company .
underlying limit of indemnity	the amount insured under Section C – Liabilities Cover 1. Public Liability or the limit of indemnity under another underlying policy agreed by the company .

COVER

The **company** hereby agree to indemnify the **insured** to the extent of the limits set forth in the Limit of Indemnity detailed in the policy specification hereof in respect of all sums which the **insured** shall become legally liable to pay as damages consequent upon accidental bodily injury, or accidental loss or **damage** to property, damages occurring during the **period of insurance** and caused in connection with the **business** provided always that;

1. no liability shall attach to the **company** unless and until the **underlying insurer** has paid or have been held liable to pay the full amount of their ultimate net loss liability as specified in the policy specification
2. the liability of the **company** hereunder shall not exceed the amount(s) specified in the Limit of Indemnity specified in the policy specification

The **company** will, in addition to the Limit of Indemnity specified in the policy specification, indemnify the **insured** in respect of all other defence costs and expenses incurred in the defence of any claim which would otherwise be covered by this policy. Subject always to condition 3.

SECTION D – EXCESS LIABILITIES

ADDITIONAL COVERS

1. *Pollution or Contamination*

This insurance does not cover liability arising from **pollution or contamination** other than caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific time and place during the **period of insurance**.

All **pollution or contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

The liability of the **company** for all damages payable in respect of **pollution and contamination** which is deemed to have occurred during the **period of insurance** shall not exceed in the aggregate the Limit of Indemnity detailed in the policy specification.

For the purpose of this exclusion **pollution and contamination** shall be deemed to mean:

- (i) all **pollution and contamination** of **buildings** or other structures or of water or land or the atmosphere
- and
- (ii) all loss or **damage** or injury directly or indirectly caused by such **pollution and contamination**.

2. *Asbestosis*

This insurance does not cover any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from;

- (i) inhalation and/or ingestion of asbestos or exposure to asbestos or the existence of or the harmful nature of asbestos or health hazards associated with asbestos or any allegation or concern in relation thereto
- (ii) the presence of asbestos in any **building** and/or structure and /or on land and/or in the ground or the removal or mitigation of such asbestos or any obligation to investigate control or take action in respect of such asbestos

except that this exclusion shall not apply to and the **company** shall pay under Section D – Excess Liabilities in respect of;

- (a) claims first made against the **insured** and notified to the **company** during the **period of insurance** for damages, costs or expenses (including all legal costs and expense incurred by the **company** or for which the **company** is liable to any claimant or other third party) howsoever incurred arising wholly or in part from inhalation and/or ingestion of asbestos or exposure to asbestos or the existence of or the harmful nature of asbestos or health hazards associated with asbestos or any allegation or concern in relation thereto
- (b) provided that the **company's** liability under the terms of this clause shall not exceed the **amount insured** in all and in the annual aggregate during any one **period of insurance** irrespective of the number of occurrences during any one **period of insurance** which sum is deemed part of and not additional to the Limit of Indemnity detailed in the policy specification under Section D – Excess Liabilities.

The term asbestos shall include all mineral forms of asbestos and the dust, fibres or particles of or from asbestos, any derivative of asbestos or any substance, compound or material containing asbestos or any waste containing asbestos.

SECTION D – EXCESS LIABILITIES

3. *Legionellosis*

This insurance covers the **insured's** legal liability to pay damages for accidental **injury** to any person other than an **employee** arising out of the release of legionella bacteria happening in connection with the **business** provided that;

- (a) any claim for damages costs and expenses
or
- (b) any notification of any circumstance which;
 - (i) has caused or is alleged to have caused **injury**
or
 - (ii) can be reasonably expected to give rise to a claim which may be the subject of an indemnity provided by this Additional Cover

is first made in writing to the **insured** during the **period of insurance** and is notified to the **company** during the same **period of insurance** or within 30 days after the expiry of the same **period of insurance**

- (c) the **insured** takes all reasonable precautions to comply with the Health and Safety Commission approved Code of Practice and Guidance entitled “Legionnaires’ Disease – The Control of Legionella Bacteria in Water Systems L82000” or any subsequent Health and Safety Commission publication or local equivalent.

The liability of the **company** for all damages costs and expenses payable as a result of any one occurrence or in any one **period of insurance** will not exceed the Limit of Indemnity detailed in the policy specification.

This Additional Cover will not apply to claims first made against the **insured** by reason of accidental **injury** arising out of the release of legionella bacteria committed or alleged to have been committed prior to the Retroactive Date shown in the policy specification.

4. *Clean Up Costs*

In respect of premises situated in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man this insurance does not cover;

- A) The indemnity provided by Section D – Excess Liabilities will not apply to legal liability caused by or arising out of pollution or contamination of **buildings** or other structures or of water or land or of the atmosphere unless the pollution or contamination is caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during any **period of insurance**.
- B) Where an indemnity is provided under A) above the **company** will provide indemnity to any person entitled to indemnity in respect of Clean Up Costs;
 - i) arising out of any **sudden pollution or contamination incident** for which the **insured** is legally responsible to pay provided that such Clean Up Costs arise solely under a statutory provision in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
 - ii) in respect of costs and expenses in relation to any matter which may form the subject of indemnity under this Additional Cover incurred with the **company's** written consent

SECTION D – EXCESS LIABILITIES

- iii) in respect of costs and expenses incurred with the **company's** written consent in any appeal against any statutory notice served or to be served upon the **insured** by any enforcing authority for any enforcement action which would be the subject of indemnity under this Additional Cover.
- C) The indemnity provided under Section D – Excess Liabilities will not apply to any costs (including where applicable Clean Up Costs);
- i) incurred in achieving any improvement betterment or alteration in any original property
 - ii) for remedial action carried out on or in relation to property which at the time of the **sudden pollution or contamination incident** giving rise to such legal liability is owned by or held in trust by or in the custody or control of the **insured**
 - iii) incurred in relation to the reinstatement reintroduction or provision of any living organism or natural habitat
 - iv) arising out of genetically modified organisms
- D) Clean Up Costs shall mean the costs reasonably incurred by;
- i) a government agency or regulatory body
 - ii) the **insured** with the written consent of the **company** where a government agency or regulatory body would have required remediation

in each case in carrying out remedial action performed following a **sudden pollution or contamination incident** in respect of which the **insured** is legally responsible and shall include costs to curtail or minimise further pollution or contamination arising from such an incident once occurred.

- E) **Sudden pollution or contamination incident** shall mean pollution or contamination of **buildings** or other structures or of water or land or of the atmosphere caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place in the Great Britain, Northern Ireland, the Channel Islands or the Isle of Man during any **period of insurance**.

Provided that;

- i) all pollution or contamination which arises out of one incident shall be considered by the **company** for the purposes of this policy to have occurred at the time such incident takes place
- ii) the total amount payable for pollution or contamination including Clean Up Costs shall not exceed the Limit of Indemnity detailed in the policy specification for all incidents considered by the **company** to have occurred during any **period of insurance**.

SECTION D – EXCESS LIABILITIES

CONDITIONS

1. The term “ultimate net loss” shall be understood to mean the sum actually paid in cash in the settlement of losses for which the **insured** are liable after making proper deductions for all recoveries salvages and other insurance (other than the underlying policy(s) whether recovered or not).
2. In the event of a claim occurring likely to exceed the **underlying limit of indemnity** no costs shall be incurred without the consent of the **company** who shall be given the opportunity of co-operating in the settlement of claims in which they are interested. Should the claim become adjustable previous to going into court or judgment be entered for a sum of not more than the **underlying limit of indemnity** then no costs shall be payable by the **company** under this policy.
3. Should however the sum for which the said claim may be so adjustable exceed the **underlying limit of indemnity** then the **company**, if they consent to proceedings continuing, shall contribute to the defence costs and expenses in the ratio that their proportion of the liability for the judgment rendered bears to the whole amount of the said judgment.
4. If the premium has been calculated on estimates supplied by the **insured** the **insured** shall as soon as practicable after expiry of each **period of insurance** supply the **company** with particulars necessary for assessment of premium and should these particulars differ from the estimates upon which premium has been paid the difference in premium shall be met by a further proportionate payment or refund as the case may be subject to any minimum premium hereon.
5. In the event that the **insured** having the right to appeal a judgment in excess of the **underlying limit of indemnity** elect not to appeal such judgment then the **company** may elect to conduct such appeal at their own cost and expense and shall be liable for the taxable costs and interest incidental thereto but in no event shall the liability of the **company** exceed the sum(s) stated under the Limit of Indemnity specified in the policy specification plus such taxable costs and interest as aforesaid.
6. It is a condition of this policy that the underlying policy(s) shall be maintained in full force and effect during the currency hereof except for any reduction of any aggregate limits contained therein solely by payment of claims there under.
7. It is understood and agreed that this Section D – Excess Liabilities is subject to the same warranties terms and conditions (except as regards the premium the amount and the Limit of Indemnity and the renewal agreement if any and except as otherwise provided herein) as are contained in or as may be added to the underlying policy(s). No amendment to the policy of the **underlying insurer** during the period of this policy in respect of which the **underlying insurer** requires an additional premium or a deductible shall be effected in extending the scope of this policy until agreed in writing by the **company**.
8. If the **company** of the underlying policy(s) have invoked a right to pay the **amount insured** thereunder and only be liable for costs and expenses for which they are responsible up to the time of such payment then the **company** shall be liable for any further costs and expenses for which they may agree to provide indemnity with the **company's** written consent.
9. In the event of any loss arising which appears likely to result in a claim under this policy immediate notice of same is to be given to the **company**.

SECTION E – EQUIPMENT BREAKDOWN

The **insured** should check the policy specification to see whether this Section is in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the definitions, terms, special conditions and exclusions shown below will apply to this Section.

DEFINITIONS

- accident(s)**
- a) electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force
 - b) artificially generated electrical current including electric arcing that damages electrical devices appliances or wires
 - c) **explosion** or **collapse** of **covered equipment** operating under steam or other fluid pressure
 - d) loss or **damage** to hot water boilers other water heating equipment oil or water storage tanks or other **covered equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
 - e) loss or **damage** caused by operator error that results in the overloading of **covered equipment**.

All **accidents** that are the result of the same event will be considered one **accident**.

- breakdown**
- a) the actual breaking failure distortion or burning out of any part of the covered equipment whilst in ordinary use arising from defects in the covered equipment causing its sudden stoppage and necessitating repair or replacement before it can resume work
 - b) fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative
 - c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

collapse the sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

covered equipment equipment at the premises owned by the **insured** or for which the **insured** is responsible;

- i) which is built to operate under vacuum or pressure (other than the weight of its contents); or
- ii) that generates transmits stores or converts energy; or
- iii) comprising building management control systems

excluding;

- (a) any supporting structure foundation masonry brickwork or cabinet
- (b) any insulating or refractory material
- (c) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery crange or equipment which is included but not the actual vehicle)
- (d) self propelled plant and equipment (other than fork lift trucks and pallet trucks used by the **insured** at their premises) dragline excavation or construction equipment
- (e) equipment manufactured by the **insured** for sale

SECTION E – EQUIPMENT BREAKDOWN

- (f) safety or protective devices due to their functioning
- (g) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- (h) any electronic equipment (other than building management control systems) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- (i) any **manufacturing production or process equipment** including linked building management control systems
- (j) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- (k) any kitchen and food preparation equipment laundry and cleaning equipment audio-visual equipment and building management control systems whilst in a private dwelling or private dwelling quarters (unless such equipment is the property of the **insured** or for which they are responsible).

derangement	electrical or mechanical malfunction arising from a cause internal to building management control systems unaccompanied by visible damage to or breaking of any parts of the equipment.
explosion	the sudden and violent rending of covered equipment by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the covered equipment together with forcible ejection of the contents.
hazardous substance	any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.
hired In plant	mechanical electrical or manually powered implements materials containment preparation and handling equipment scaffolding staging ladders and similar equipment site huts cabins or similar contractors plant and equipment hired In by the insured .
manufacturing production process equipment	any machine or apparatus (other than boilers, lifts, fork lift trucks, dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by the insured and any equipment which exclusively serves such machinery or apparatus
media	all forms of electronic magnetic and optical tapes and discs for use in any building management control systems.
verified	checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

SECTION E – EQUIPMENT BREAKDOWN

COVER

Subject to all of the provisions stated herein and in the policy of which this Section is intended to be part the **company** agrees to provide insurance for direct loss or **damage** and any specified consequential loss from an **accident** to **covered equipment** owned by the **insured** or for which the **insured** is responsible subject to a maximum limit of liability shown in the policy specification for any one **accident**.

This cover will apply only where Section A – Material Damage and Section B – Rent of the policy are shown as effective under the policy specification for the current **period of insurance**.

BASIS OF SETTLEMENT

As described in Section A – Material Damage and Section B – Rent of this policy.

ADDITIONAL COVERS

The **company** will also cover the following Additional Covers which are within and do not increase the maximum limit of liability shown in the policy specification subject to the additional terms and exclusions shown below;

1. Hazardous Substances

The **company** shall be liable for the additional cost to repair or replace **covered equipment** because of contamination by a **hazardous substance** including any additional expenses incurred to clean up or dispose of such property.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

2. Reinstatement of Data

The **company** shall be liable for costs incurred in reinstating data onto media lost or damaged in consequence of an **accident** to or **derangement** of building management control systems.

The **company** shall not be liable for loss of or **damage** to software.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

3. Increased Costs of Working

The **company** will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the operations of the **insured's** building management control systems.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

SECTION E – EQUIPMENT BREAKDOWN

4. *Loss of Rent or Gross Revenue*

Provided that the Section B - Rent of this policy is operative the **company** shall be liable for financial loss caused by or resulting from an **accident to covered equipment**.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

The **company** shall not be liable under this Additional Cover for any loss resulting from Additional Cover 9. Damage to Own Surrounding Property.

5. *Public Authorities/Law or Ordinance*

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

- a) the **insured's** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) the **insured's** actual expenditures for increased costs to repair rebuild or construct the **building**. If the **building** is repaired or rebuilt it must be intended for similar use or occupancy as the current **building** unless otherwise required by zoning or land use ordinance or law

The **company** shall not be liable for;

- i) any fine
- ii) any liability to a third party
- iii) any increase in loss due to a hazardous substance (other than as specifically insured under Additional Cover 1. Hazardous Substances)
- iv) increased construction costs until the **building** is actually repaired or replaced.

This Additional Cover is within and does not increase the maximum limit of liability shown in the policy specification.

6. *Expediting Expenses*

With respect to damaged **covered equipment** the **company** shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

7. *Hire of Substitute Item*

If **covered equipment** is damaged as a result of an **accident** the **company** shall be liable for the cost of hire charges actually incurred by the **insured** during the **period of insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

SECTION E – EQUIPMENT BREAKDOWN

8. *Storage Tanks and Loss of Contents*

The insurance under this policy extends to include **damage** caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to the **insured** or for which the **insured** is responsible at the premises.

In addition this Additional Cover covers loss of the contents of oil storage tanks caused by;

- a) escape of contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
 - b) contamination - contamination of the contents of oil storage tanks caused by or resulting from an **accident**
- including cleaning costs incurred as a result of such loss.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

9. *Damage to Own Surrounding Property*

The **company** will pay for **damage** to property at the premises belonging to the **insured** or in their custody and control and for which they are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

10. *Additional Access Costs*

Provided that the Section B - Rent of this policy is operative the **company** shall be liable under this Additional Cover for any necessary additional costs incurred in order to gain access to repair or replace the **covered equipment** following an **accident**.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

11. *Debris Removal*

The **company** shall be liable under this Additional Cover for costs incurred in the removal of debris and protection of **covered equipment** following an **accident**.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

12. *Repair Costs Investigation*

With their prior written agreement the **company** will pay costs relating to repair investigations and tests by consulting engineers for **damage** to **covered equipment** following an **accident**.

The maximum the **company** will pay shall not exceed the loss limit shown in the policy specification.

The **company** shall not be liable under this Additional Cover for fees incurred in preparing a claim under this policy.

SECTION E – EQUIPMENT BREAKDOWN

13. *Hired in Plant*

The **company** will indemnify the **insured** in respect of plant hired in by them against their legal liability under the terms of the hiring agreement to pay;

- a) for **damage** to the plant
- b) continuing hiring charges for the plant following loss or **damage** insured under a)

whilst the plant is at any insured premises and whilst in transit (other than by sea or air) from one premises to another.

The maximum the **company** will pay shall not exceed the loss limits shown in the policy specification.

Where legal proceedings have been initiated against the **insured** with respect to an indemnifiable incident under this Additional Cover the **company** will with its written consent pay all legal expenses actually incurred by the **insured**.

Special Conditions

Hiring Conditions

The insurance provided by this Additional Cover will indemnify the **insured** to the extent required by;

- a) the Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or conditions not more onerous
- or
- b) specific conditions agreed by the **company** in writing and endorsed hereon.

In the event of a loss involving hire conditions more onerous than those covered by this Additional Cover the indemnity provided will be limited to liability under a) or b) above as applicable.

Multiple Lifting Operations

For the insurance provided under this Additional Cover to be operative during any operation in which a load is shared between any items of lifting plant or lifting equipment (whether insured under this Additional Cover or not) the lifting operation must be conducted in accordance with BS7121.

The **company** shall not be liable for;

1. **damage** to any property on free loan or hire purchase to the **insured**.
2. loss of or **damage** to;
 - a) licensed cars lorries vans trucks or other road vehicles which are used in circumstances requiring insurance under any road traffic legislation (other than contractors plant as a tool of trade)
 - b) quad bikes or motorcycles.
3. unaccountable losses or losses discovered on the occasion of checks or inventories unless the **insured** can produce reasonable proof that such losses are as a result of an identifiable incident.
4. loss of use of the property insured by this Additional Cover or consequential loss of any kind.

SECTION E – EQUIPMENT BREAKDOWN

ADDITIONAL CONDITIONS

1. *Precautions*

The **insured** shall exercise due diligence in;

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

2. *Back-Up Records*

The **insured** shall maintain a minimum of two generations of **verified** back-up computer records taken at intervals no less frequently than 48 hours and take all reasonable precautions to store and maintain records in accordance with the maker's recommendations.

EXCLUSIONS

The following exclusions apply to the whole of Section D – Equipment Breakdown.

1. The **company** will not be liable for loss or **damage** caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment.
2. The **company** will not be liable for loss or **damage** to data or media of any kind caused by;
 - a) programming error or programming limitation
 - b) computer virus
 - c) introduction of malicious code
 - d) loss of data other than as specifically provided for under Additional Cover 2.
Reinstatement of Data
 - e) loss of access
 - f) loss of use
 - g) loss of functionality.
3. The **company** will not be liable for loss or **damage** caused by;
 - a) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
 - b) any condition which can be corrected by resetting calibrating realigning tightening adjusting or cleaning or by the performance of maintenancebut if loss or **damage** from an **accident** results the **company** will be liable for that resulting loss or **damage**.
4. The **company** will not be liable for loss or **damage** recoverable under any maintenance agreement or any warranty or guarantee.
5. The **company** will not be liable for the excess in respect of each and every occurrence as shown in the policy specification.

SECTION F – UK TERRORISM

The **insured** should check the policy specification to see whether this section is in force.

Please refer to the general definitions, conditions, exclusions and claims procedure. In addition, the terms, definition, provisos and exclusions shown below will apply to this section.

DEFINITION

denial of service attack	any actions or instructions constructed or generated with the ability to damage , interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems including but not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.
event	all individual losses arising in respect of a continuous period of seventy two (72) hours of which the proximate cause is the same Act of Terrorism, and the insured may choose the date and time when any such period of seventy two (72) hours shall commence provided that no two periods overlap and no period commences earlier than the date and time of the happening of the first recorded individual loss to the insured as a result of the Act of Terrorism in question; and an event shall be taken to arise in the period of insurance in which such period of seventy two (72) hours commences, notwithstanding that it may extend beyond the time limit of the expiry of this policy.
hacking	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	any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for: a) the production or use of atomic energy; b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.
nuclear reactor	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	any access or attempted access to data or information made by means of misrepresentation or deception.
terrorism	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.

SECTION F – UK TERRORISM

virus or similar mechanism

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

COVER

In consideration of the payment of the premium cover under Section A – Material Damage and Section B – Rent is extended to include **terrorism** provided always that;

- A. the insurance is limited to loss or **damage** occasioned by or happening through or in consequence of **terrorism**.
- B. the **company's** liability in respect of all losses arising out of any one occurrence and in the aggregate in any one **period of insurance** shall not exceed the **amount insured** and be subject to any excess or deductible as specified under Sections A - Material Damage and Section B – Rent stated above.

It is a condition precedent to liability under this Section that either:

- (a) HM Treasury will issue a certificate certifying the **event(s)** in question to have been an Act of Terrorism (a "Certificate"), or if HM Treasury refuse to issue a Certificate, then
- (b) the issue of whether there has been an Act of Terrorism as insured under this Section will be referred to and decided upon by a tribunal consisting of three members, one to be appointed by Pool Reinsurance Company Limited, one by HM Treasury and another body to be agreed by both aforesaid parties (the "Tribunal").

Notwithstanding anything stated elsewhere herein to the contrary and subject to all the terms and conditions of this policy except as expressly varied hereby the insurance provided by this policy is extended from the effective date to include **damage** to the property insured and loss of **rent** or **gross revenue** resulting therefrom insofar and to the extent that it is insured in Great Britain (meaning England and Wales and Scotland including the Channel Tunnel up to the frontier with the Republic of France but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man, the Channel Islands or Northern Ireland) the proximate cause of which is an Act of Terrorism.

In any action suit or other proceedings where the **company** alleges that any **damage** or loss of **rent** or **gross revenue** resulting from **damage** is not covered by this Section of this policy the burden of proving that such **damage** or loss of **rent** or **gross revenue** is covered shall be upon the **insured**.

Provided also that the liability of the **company** in respect of all losses arising under this Section shall not exceed the limits as otherwise specified elsewhere in this policy.

Provided always that **terrorism** insurance by this Section is not subject to the following:

- i) any Long Term Agreement/Undertaking applying to this policy
- ii) any terms in this policy which provide for adjustments of premium based upon declarations on expiry
- iii) any extension of the property insured to locations outside England and Wales and Scotland and the Channel Tunnel up to the frontier with the Republic of France.

SECTION F – UK TERRORISM

EXCLUSIONS

The following exclusions apply to the whole of Section F – UK Terrorism.

This insurance does not cover;

1. chemical biological or radioactive contamination defined as 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;
 - (i) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - (ii) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
 - (iii) chemical and/or biological and/or radiological irritants contaminants or pollutants in respect only of residential property, houses and other dwellings insured in the name of a private individual
2. any property which is specifically excluded elsewhere in this policy
3. any land or **building** which is occupied as a private residence or any part thereof which is so occupied unless
 - (i) insured under the same policy as the remainder of the building which is not a private residence provided that the commercially occupied proportion of the property exceeds 20%, or
 - (ii) not insured in the name of an individual
 - (iii) the **insured** is a Trustee or body of Trustees that holds blocks of flats and/or private dwelling houses under a trust, or a person who owns blocks of flats and/or private dwelling houses in the business of a sole trader. If the property is a private dwelling house or self-contained unit insured as part of a block of units (i.e. a block of flats), and is occupied as a private residence by any of the Trustee(s) or sole trader(s), it will be considered that the property is insured in the name of the individual irrespective of whether the policy form is commercial or otherwise
4. any marine, aviation, transit, motor and bankers blanket bond policies
5. any **nuclear installation or nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation or nuclear reactor**
6. war and allied risks defined as 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
7. digital or cyber risks, that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from;
 - (i) the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software); or
 - (ii) any alteration, modification, distortion, erasure, corruption of data processed by any such computer or other equipment or component or system or itemwhether 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 G – TERRORISM

The **insured** should check the policy specification to see whether this section is in force.

UNDERWRITERS

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.

<u>Underwriters</u>	<u>Proportion</u>
Ark Syndicate Management Limited	50%
Antares Managing Agency Limited	50%

INSURING CLAUSE

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property as stated in the Schedule, Specification or Certificate(s) attaching to 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, as herein defined.

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.

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.
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.

SECTION G – TERRORISM

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.

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.

10. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism 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, depreciation, reduction in functionality, or increased cost of working. For the avoidance of doubt, nothing in this exclusion is intended to limit the cover made available by the Business Interruption extension.
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 increased cost as a result of threat or hoax.
16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
17. Loss or damage caused by mysterious disappearance or unexplained loss.
18. 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 G – TERRORISM

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. Animals, plants and living things of all types.
6. Property in transit not on the Insured's premises.

SECTION G – TERRORISM

BUSINESS INTERRUPTION EXTENSION

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 damage by an Act or series of Acts of Terrorism, as covered by the Policy to which this Extension is attached, to the Property Insured by this Policy.

In the event of such direct physical loss or damage, Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary interruption of business, but not exceeding the reduction in Rental Income, Gross Profit, Gross Revenue, Gross Earnings, Turnover and increased cost of working, as defined hereafter, less charges and expenses which are not necessary during the period of interruption of business, for a period not to exceed the lesser of:

- (a) such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged,
- or
- (b) the Indemnity Period,

commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

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.

Due consideration shall be given to the continuation of Normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

SECTION G – TERRORISM

BUSINESS INTERRUPTION EXTENSION CONDITIONS

1. DIRECT DAMAGE

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or damage by an Act or series of Acts of Terrorism to Property Insured under the Policy to which this Extension is attached and which gave rise to loss of Rental Income, Gross Profit, Gross Revenue, Gross Earnings or Turnover.

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 Policy which excludes liability for losses below a specified amount.

2. RESUMPTION OF OPERATIONS

If the Insured could reduce the loss resulting from interruption of business;

- (a) by complete or partial resumption of occupation or operation of the property, and/or
- (b) by making use of any other property at the Insured's locations or elsewhere, and/or
- (c) by making use of merchandise, stocks (opening or closing), or any other property at the Insured's locations or elsewhere, and/or
- (d) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

3. 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.

SECTION G – TERRORISM

BUSINESS INTERRUPTION EXTENSION EXCLUSIONS

This Extension does not cover:

1. 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. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured untenability or interruption of business, and then Underwriters shall be liable for only such loss as affects the Insured's income, revenue or profits during, and limited to, the period of untenability or the Indemnity Period whichever the lessor covered under this Extension.
3. 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 except as specifically insured herein.
5. loss as a result of physical or mental or bodily injury to any person.

BUSINESS INTERRUPTION EXTENSION LIMITATIONS

1. 1. Underwriters shall not be liable for more than the smaller of either:
 - (a) any specific Rental Income or Business Interruption Sum Insured stated in the Schedule; or
 - (b) the Sum Insured stated in the Schedule, where such includes Rental Income or Business Interruption, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering untenability or interruption of business 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, including data thereon, by an Act or series of Acts of Terrorism, the length of time for which Underwriters shall be liable hereunder shall not exceed:
 - a) 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.

BUSINESS INTERRUPTION EXTENSION DEFINITIONS

1. RENTAL INCOME

Rental Income is for the assessment of premium and for adjustment in the event of loss 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, or
- (d) the costs of reasonable alternative residential accommodation and temporary storage of resident's furniture and the costs of reasonable accommodation in kennels and/or catteries for resident dogs and/or cats.

In determining Rental Income due consideration shall be given to the rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred.

2. GROSS REVENUE

The money paid or payable to the Insured for services rendered in the course of the business at the premises and the amount payable as indemnity hereunder shall be the amount by which the Gross Revenue during the indemnity period shall, in consequence of the loss or damage, fall short of the Standard Gross Revenue.

3. STANDARD GROSS REVENUE

The Gross Revenue during that period in the 12 months immediately before the date of the loss or damage which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the loss or damage which would have affected the business had the loss or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss or damage would have been obtained during the relative period after the loss or damage.

4. NORMAL

The condition that would have existed had no loss occurred.

5. INDEMNITY PERIOD

The period beginning with the date of an Act or series of Acts of Terrorism and ending not later than the maximum Indemnity Period detailed in the Schedule thereafter during which the results of the business shall be affected in consequence of the Act or series of Acts of Terrorism.

6. TURNOVER

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises of the Insured.

SECTION G – TERRORISM

7. GROSS PROFIT

The amount by which

- a) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress

shall exceed

- b) the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses.

The amount of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

8. SPECIFIED WORKING EXPENSES

- (a) Purchases and discounts relative thereto.
- (b) Bad debts.

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Insured.

9. RATE OF GROSS PROFIT

The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of an Act or series of Acts of Terrorism to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the date of the Act or series of Acts of Terrorism or which would have affected the business had the Act or series of Acts of Terrorism not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Act or series of Acts of Terrorism would have been obtained during the relative period after the Act or series of Acts of Terrorism.

10. ANNUAL TURNOVER

The Turnover during the twelve months immediately before the date of an Act or series of Acts of Terrorism to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the date of the Act or series of Acts of Terrorism or which would have affected the business had the Act or series of Acts of Terrorism not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Act or series of Acts of Terrorism would have been obtained during the relative period after the Act or series of Acts of Terrorism.

11. STANDARD TURNOVER

The Turnover during the period in the twelve months immediately before the date of an Act or series of Acts of Terrorism which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the date of the Act or series of Acts of Terrorism or which would have affected the business had the Act or series of Acts of Terrorism not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Act or series of Acts of Terrorism would have been obtained during the relative period after the Act or series of Acts of Terrorism.

SECTION G – TERRORISM

12. GROSS EARNINGS

Gross Earnings are for the assessment of premium and for adjustment in the event of loss defined as, the sum of:

- (a) total net sales value of production or sales of Merchandise,
and
 - (b) other earnings derived from the operations of the business.
- LESS THE COST OF
- (c) Raw Stock from which production is derived,
 - (d) supplies consisting of materials consumed directly in the conversion of such Raw Stock into Finished Stock, or in supplying the services sold by the Insured,
 - (e) Merchandise sold including packaging materials therefor,
 - (f) materials and supplies consumed directly in supplying the service(s) sold by the Insured,
 - (g) service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract,
 - (h) the difference between the cost of production and the net selling price of Finished Stock which has been sold but not delivered.

No other costs shall be deducted in determining Gross Earnings.

In determining Gross Earnings due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.

13. RAW STOCK

Material in the state in which the Insured receives it for conversion into Finished Stock.

14. STOCK IN PROCESS

Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become Finished Stock.

15. FINISHED STOCK

Stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

16. MERCHANDISE

Goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

SECTION G – TERRORISM

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;

- (a) 135% of the actual reinstatement cost of the insured property shown in brackets below the amount insured on the Schedule
- (b) Rental Income, Gross Profit, Gross Revenue or Gross Earnings amount insured
- (c) 33.33% of the actual buildings reinstatement cost of the insured property shown in brackets below the amount insured on the Schedule for alternative residential accommodation

stated in the Schedule in respect of each occurrence and in the Policy aggregate if applicable.

5. DEDUCTIBLE

Each occurrence shall be adjusted separately and from;

- (a) each such amount the sum stated in the Specification shall be deducted
- (b) the amount of each such adjusted loss the amount of the loss sustained during the period stated in the Specification 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 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 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.

SECTION G – TERRORISM

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.

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.

SECTION G – TERRORISM

All amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.

11. 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.

12. 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 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.

13. 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 this 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.

14. 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 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 therefor. 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);

SECTION G – TERRORISM

- (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.

15. 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.

16. FALSE OR FRAUDULENT CLAIMS

- 1) If the Insured makes a fraudulent claim under this insurance contract, the Insurer:
 - a) Is not liable to pay the claim; and
 - b) May recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim; and
 - c) May by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act.
- 2) If the Insurer exercises its right under clause (1)(c) above:
 - a) The Insurer shall not be liable to the Insured in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the Insurer's liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
 - b) The Insurer need not return any of the premiums paid.

Fraudulent claims – group insurance

- 3) If this insurance contract provides cover for any person who is not a party to the contract (“a covered person”), and a fraudulent claim is made under the contract by or on behalf of a covered person, the Insurer may exercise the rights set out in clause (1) above as if there were an individual insurance contract between the Insurer and the covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.

Nothing in these clauses is intended to vary the position under the Insurance Act 2015.

LMA5256 16 March 2016

SECTION G – TERRORISM

17. MISREPRESENTATION

- 1) If, prior to entering into this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.
 - a) If the Insured's breach of the duty of fair presentation is deliberate or reckless:
 - i) The Insurer may avoid the contract, and refuse to pay all claims; and,
 - ii) The Insurer need not return any of the premiums paid.
 - b) If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:
 - i) If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but must return the premiums paid.
 - ii) If the Insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the Insurer so requires.
 - iii) In addition, if the Insurer would have entered into the contract, but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.
- 2) If, prior to entering into a variation to this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.
 - a) If the Insured's breach of the duty of fair presentation is deliberate or reckless:
 - i) The Insurer may by notice to the Insured treat the contract as having been terminated from the time when the variation was concluded; and,
 - ii) The Insurer need not return any of the premiums paid.
 - b) If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:
 - i) If the Insurer would not have agreed to the variation at all, the Insurer may treat the contract as if the variation was never made, but must in that event return any extra premium paid.
 - ii) If the Insurer would have agreed to the variation to the contract, but on different terms (other than terms relating to the premium), the variation is to be treated as if it had been entered into on those different terms, if the Insurer so requires.
 - iii) If the Insurer would have increased the premium by more than it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.
 - iv) If the Insurer would not have reduced the premium as much as it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

SECTION G – TERRORISM

Nothing in these clauses is intended to vary the position under the Insurance Act 2015.

LMA9121 16 March 2016

18. ABANDONMENT

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

19. 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.

20. ASSIGNMENT

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

21. 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.

22. 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.

SECTION G – TERRORISM

23. 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 so 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.

24. 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.

25. 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.

26. MATERIAL CHANGES

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

27. 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.

28. LAW & JURISDICTION

This Contract of Insurance is mutually agreed to be governed and constructed in accordance with the laws of England and Wales whose courts shall have exclusive jurisdiction.

29. NON USA LEGAL SERVICE

Any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served to Ark Syndicate Management Limited, 30 Fenchurch Street, London, EC3M 5AD who have authority to accept service on their behalf.

SECTION G – TERRORISM

30. COMPLAINTS

Our aim is to ensure that all aspects of your insurance are dealt with promptly, efficiently and fairly. At all times we are committed to providing you with the highest standard of service.

Details of Lloyd's complaints procedures, including timescales for resolution, are set out in a leaflet "Your Complaint – How We Can Help" available at www.lloyds.com/complaints.

If you are dissatisfied about your insurance or the handling of a claim, you should contact:

Compliance Department, Ark Syndicate Management Ltd, 30 Fenchurch Avenue,
London EC3M 5AD
Email: complaints@arkunderwriting.com

In the event that you remain dissatisfied and wish to take the matter further you can do so at any time by referring to the complaints team at Lloyd's. The contact details are:

Complaints, Market Services, Lloyd's, One Lime Street, London EC3M 7HA

Tel: +44 (0) 20 7327 5693

Fax: +44 (0) 20 7327 5225

Email: complaints@lloyds.com

If you remain dissatisfied after Lloyd's has considered your complaint, you may refer your complaint to the Financial Ombudsman Service (FOS). The contact details for the FOS are:

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

Telephone: 0800 0234567 (calls to this number are free from mobiles and "fixed lines" in the UK) or 0300 1239123 (calls to this number are charged at the same rate as 01 and 02 numbers in the UK).

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

Further information is available at: www.financial-ombudsman.org.uk

This complaint procedure is without prejudice to your right to take legal proceedings.

31. FINANCIAL COMPENSATION

Lloyd's insurers are covered by the Financial Services Compensation Scheme.

You may be entitled to compensation from the Scheme if a Lloyd's insurer is unable to meet its obligations to you under this contract.

If you were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract. Further information about the Scheme is available from:

Financial Services Compensation Scheme

10th Floor, Beaufort House

15 St Botolph Street

London EC3A 7QU

Website: www.fscs.org.uk

32. DATA PROTECTION

The Insured should understand that any information about them will be processed by the Underwriters in compliance of the Data Protection Act 1998 for the purposes of providing insurance and handling any claims or complaints, if any, which may necessitate providing such information to other parties.

SECTION G – TERRORISM

33. AMENDMENTS

Should the Insured wish to amend this Certificate, notification of such proposed amendment should be given to the Agent shown in the Schedule.

SECTION H – ENVIRONMENTAL

The **insured** should check the policy specification to see whether this Section is in force.

Please refer to the master cover clauses, general conditions, general exclusions, general claims conditions and general claims procedure in the **master policy**. In addition, the terms shown below will apply to this Section H - Environmental. The words “policy” in this Section H refer to this Section H.

If there is any conflict between the terms herein and those set out in the master policy that apply to this Section H, the terms set out in this Section H shall apply.

DEFINITIONS

1. **biological contaminants** means mould, mildew, fungi or bacterial matter including any substance produced by, emanating from, or arising out of any such biological contaminants.
2. **bodily injury** means physical injury, or sickness, disease, mental anguish or emotional distress where accompanied by physical injury including death resulting therefrom.
3. **claims** means a written demand from someone who is not an **insured** (including but not limited to a body designated by a member state as responsible for enforcing obligations provided for in the European Union Directive 2004/35/EC on environmental liability and/or any equivalent local legislation that implements it), seeking a remedy or asserting liability against **you** for **loss** arising out of or emanating from an **incident** at a **covered location**.
4. **clean-up expense** means costs, charges and expenses to investigate, neutralise, remove, remediate, monitor and dispose of **pollutants**:
 - a) that have actually been incurred by **you** as required by **environmental laws**; or
 - b) that have actually been incurred by any governmental entity duly acting under the authority of **environmental laws**; or
 - c) that have actually been incurred by third parties where required by **environmental laws**.

Clean-up expense shall also include the reasonable and necessary costs that **you** incur with **our** approval, which **we** will not unreasonably withhold or delay, to restore, repair or replace **your** equipment, structures or facilities to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **clean-up expense**.

Such restoration, repair or replacement costs shall not exceed the net present value of such property immediately prior to incurring **clean-up expense** or include costs associated with improvements or betterments.

Clean-up expense shall not include any cost associated with the regular maintenance, betterment, or upgrade or improvement of **your** own or leased equipment, structures or facilities or the replacement of any equipment, structures or facilities that was not damaged by the work performed in the course of incurring **clean-up expense**.

SECTION H – ENVIRONMENTAL

5. **coverage Limit**
accordance means the amount stated in the policy specification applied in
with Section H hereof.
6. **covered Location(s)** means:
a) the locations identified in the policy specification; and
b) any locations no longer in **your** ownership and are listed in
an endorsement to this policy.
7. **deductible** means the amount stated in the policy specification applied in
accordance with Section H hereof.
8. **disruption** means the inability (in our opinion) of an existing tenant to conduct
its usual business activity at a **covered location** solely due to a
pollution release or **environmental damage** otherwise covered
under this policy in the same way that it was conducted by that
tenant prior to the occurrence or discovery of the **pollution release**
or **environmental damage**.
9. **each Incident Limit** means the amount stated in the policy specification applied in
accordance with Section H hereof.
10. **emergency situation** means an unplanned and unexpected event following which the
insured has a legal duty to take immediate action to reduce,
mitigate, remediate or prevent any further **incident, claim**, or further
loss under this policy provided that such an event has:
a) suddenly arisen; and
b) not been allowed to arise through a failure to maintain
property, equipment and all other assets at the covered
location in good repair.
11. **environmental damage** means the measurable;
a) adverse change to water, land, protected species or natural
habitats; or
b) impairment of a natural resource service caused by an
emission, event, **incident** or activity; and
for which **you** are legally responsible under European Union
Directive 2004/35/EC on environmental liability and/or any local
legislation that implements it.
12. **environmental damage expense** means reasonable and necessary costs, charges and expenses to
investigate and / or undertake Primary, Compensatory or
Complementary Remediation required pursuant to the European
Union Directive 2004/35/EC on environmental liability and/or any
local legislation that implements it.
Primary, Compensatory or Complementary Remediation are as
defined by the European Union Directive 2004/35/EC on
environmental liability and/or any local legislation that implements it.

SECTION H – ENVIRONMENTAL

- 13. environmental damage retroactive date** means the date set out in the policy specification.
- 14. environmental laws** means any applicable European Community directive, regulation or decision, any national statute, statutory instrument, regulation, by-law, rule, regulation, ordinance, circular or guidance provided that they have the force of law, or any permit, consent, licence, notice, order or instruction of any national or local governmental or statutory authority, agency, court or like entity.
- 15. imminent threat** means a reasonable likelihood that **environmental damage** or **pollution release** will occur if a fault within a facility, structure or piece of equipment is not repaired or remediated within 72 hours from when the fault is first identified, provided that such a fault has:
- suddenly arisen; and
 - not been allowed to arise through a failure to maintain property, equipment and all other assets at the **covered location** in good repair.
- 16. incident** means:
- any **pollution release**;
 - any actual or potential **environmental damage**; or,
 - any identified **imminent threat** or **emergency situation**.
- 17. insured** means:
- the **named insured** as referenced in the policy schedule; or
 - an additional insured as referenced in the policy schedule; or
 - any past or present director, officer or partner of each **insured** as identified in a) and b) above; or
 - any past or present employee of each **insured** as identified in a) and b) above, including a temporary or leased employee, while acting within the scope of his or her duties as such; or
 - any lender with an interest or security in a **covered location** and as referenced in the policy schedule.
- 18. loss** means, as applicable:
- environmental damage expense**; or
 - clean-up expense**; or
 - loss of rental income**; or
 - third party damages expense**.
- 19. loss of rental income** means the amount by which **your** net rental income at a **covered location** is reduced during the **period of restoration** solely as a result of **disruption**, less any rental income that **you** could earn at the same **covered location** notwithstanding the **disruption**.
- 20. loss of rental income deductible** means the greater of the **deductible** or the monetary value of the **loss of rental income** during the period of time stated in the policy specification as such following the start of the **disruption**.

SECTION H – ENVIRONMENTAL

- 21. loss of rental income sub-limit** means the amount stated in the policy specification applied in accordance with Section H hereof.
- 22. named insured** means the person or entity named in the policy schedule to this policy who shall act for all **insureds** for the following purposes:
- a) to pay all premiums and deductibles when due and be the payee for any return premiums **we** pay; or
 - b) to give written notice of any **pollution release** or **claims** in accordance with the policy; or
 - c) to give and receive notice of cancellation and non-renewal; or
 - d) to request changes made to the policy and to receive and accept any endorsements to this policy; or
 - e) to report material changes in the use of a **covered location** to **us**.
- 23. nuisance** includes statutory, public or private nuisance arising from a **pollution release**.
- 24. period of restoration** means the period of time, subject to the **loss of rental income deductible**, starting from the start of the **disruption**, that is reasonably required to restore the **covered location** to a condition which allows the resumption of normal business activity at the same **covered location**. The **period of restoration** is not limited by the date of expiration of the **policy period** but it does not include:
- a) any period during which **your** employees, tenants or other persons delay the restoration of the **covered location**, or the resumption or continuation of business activity; or
 - b) any period where action necessary on the part of a governmental authority to allow the resumption of business activity is delayed.
- 25. policy aggregate limit** means the amount stated in the policy specification applied in accordance with Section H hereof.
- 26. policy inception date** means the date set out in the policy specification.
- 27. policy limit** means the applicable **policy aggregate limit**, the **coverage limit**, the **each incident limit** and the **loss of rental income sub-limit**.
- 28. policy period** means the period set forth in the policy schedule to this policy, or any shorter period arising as a result of cancellation.
- 29. pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 30. pollution release** means the emission, discharge, dispersal, migration release or escape of **pollutants** provided such are not naturally occurring. The entirety of any such **pollution release** or any series of interrelated, associated, repeated, or continuous **pollution release** shall be deemed to be one **pollution release**.

SECTION H – ENVIRONMENTAL

- 31. property damage** means:
- a) physical injury to or destruction of tangible property, including all resulting loss of use, and diminution in value of that property; or
 - b) loss of use, but not diminution in value, of tangible property that is not physically injured.
- 32. responsible insured** means any officer, director, partner, manager or supervisor of the **insured**.
- 33. schedule** means the Property Owners policy schedule and specification in relation to this policy.
- 34. third party damages expense** means monetary awards or settlements of compensatory damages arising out of **bodily injury, property damage or nuisance** to a third party and where allowable by law, aggravated, exemplary, or multiple damages for such **bodily injury, nuisance and property damage**.
- 35. underground storage tank system** means a tank or tanks used to contain petroleum or chemical products, which has at least ten (10) percent of its volume beneath the surface of the ground, including any connected underground piping, underground ancillary equipment and containment system.
- 36. we, us or our** refer to Liberty Mutual Insurance Europe Limited but not to other members of the Liberty Mutual Group.
- 37. you or your** refers to **insured**.

SECTION H – ENVIRONMENTAL

COVER

A. Environmental Damage

Environmental damage expense that **you** become legally obligated to pay as a result of **environmental damage**, or an **imminent threat** associated with **environmental damage**, at or emanating from a **covered location**, that commenced on or after the **environmental damage retroactive date**.

B. New Pollution Releases

Clean-up expense that **you** become legally obligated to pay as a result of;

- a) **claims** arising from a **pollution release**; or
- b) an **emergency situation**;

and **Third party damages expense** that **you** become legally obligated to pay as a result of **claims** arising from a **pollution release**;

at or emanating from a **covered location** that commenced on or after the **policy inception date**.

C. Loss of Rental Income

Loss of rental income.

SECTION H – ENVIRONMENTAL

CLAUSES

1. It is condition precedent to the **company's** liability under this Section H that any such:

- a) awareness of **your** legal obligation to pay environmental damage expense first occurs;
- b) claim is first made against **you**; or
- c) disruption first occurs; or
- d) an **incident** first occurs

during the **policy period** and is reported to **us** in accordance with claims reporting section within Section H in the event of an **incident, loss** or **claim**.

2. Assignment

You may not assign this policy or any rights contained within it without **our** prior written consent, which **we** will not unreasonably withhold or delay.

3. Dispute Resolution

If any dispute arises in relation to this policy the parties will initially try to settle it by mediation in accordance with the Centre for Dispute Resolution Model Mediation Procedure.

If the dispute cannot be resolved by mediation within a period of 3 months from the commencement of mediation, the dispute shall be referred to arbitration in London by a tribunal of three arbitrators, under the provisions (both mandatory and non-mandatory) of the Arbitration Act 1996. Within 28 days of the failure of mediation, each party will select a separate arbitrator, with the third selected by the two party appointed arbitrators. If the two arbitrators cannot agree, then the third arbitrator will be appointed by the President for the time being of the Chartered Institute of Arbitrators.

Each arbitrator will be suitably qualified and be from either the environmental, insurance or legal professions.

The decision of this tribunal will be final and binding on all parties. The cost for the tribunal will be shared equally between all parties irrespective of its outcome.

4. Bankruptcy

Our obligations under this policy will not change in the event of **your** bankruptcy or insolvency.

SECTION H – ENVIRONMENTAL

EXCLUSIONS

The following exclusions apply to this Section H - Environmental.

We shall have no liability under this Section H of the policy for **loss** arising directly or indirectly from:

1. Known Prior Incidents

an **incident** that has occurred prior to the **policy period** and that the **responsible insured** was aware. This exclusion will not apply to any **incident** that is listed in an endorsement to this policy.

2. Identified Underground Storage Tank System

any **underground storage tank system** that is located at a **covered location** and that any **responsible insured**, as of the inception date, knew to be present. This exclusion does not apply to an **underground storage tank system** that is listed in an endorsement to this policy.

3. Deliberate Acts or Omissions

a deliberate or wilful act or omission by **you** or a **responsible insured** where **you** or a **responsible insured** either intends to cause **environmental damage, bodily injury, property damage or nuisance** or is reckless as to whether **environmental damage, bodily injury, property damage or nuisance** is caused.

4. Asbestos or Lead Based Paint in Buildings & Structures

the actual or alleged presence of or exposure to:

- a) lead based paint; or
- b) asbestos, asbestos-containing material, asbestos-based products, asbestos fibres, asbestos dust or asbestos waste

present, installed, stored or applied in or upon any building or structure.

5. Biological Contaminants in Buildings & Structures

the actual or alleged presence of or exposure to **biological contaminants** present in or upon any building or structure, unless caused by the processing or treatment of waste at a **covered location**.

6. Upgrades and Improvements

and including the cost of, upgrades, improvements or maintenance of any equipment, structures or facilities at a **covered location**, whether or not such work is;

- a) in compliance with any permit or licence requirements; or
- b) directed by any government entity; or
- c) undertaken in response to an **imminent threat** or **emergency situation**.

7. Insured vs. Insured

claims made by or on behalf of an **insured**, against any other **insured** unless such **claim** arises out of an indemnification given by one **insured** to another **insured** under a contract that is listed in an endorsement to this policy.

SECTION H – ENVIRONMENTAL

8. Contractual Liability

your assumption of liability in a contract or agreement, unless **you** would have this liability in the absence of such contract or agreement; or assumed in a contract that is listed in an endorsement to this policy.

9. Employer's Liability

bodily injury to:

- a) **your** employees while performing their duties; or
- b) any person whose right to assert a **claim** against **you** arises by reason of any employment, blood, marital or other relationship with **your** employees.

This exclusion applies to any liability imposed by the provisions of any Employers Liability legislation.

10. Loss of rental value

any **loss** of rental income that is due to any reason other than **disruption**, including the lack of a tenant wishing to rent the property at the **covered location** or other market or commercial reasons leading to a decrease in rental income.

11. Redevelopment

All **loss** arising from a **pollution release** or **environmental damage** first discovered by the excavation or movement of any ground material (including, but not limited to surface soils and subsurface soils) by a redevelopment, refurbishment or voluntary site investigation completed at a **covered location**.

12. Territory and Sanctions

an **incident** or claim where cover under this policy would be prohibited by any applicable law or regulation including economic or trade sanctions. **We** shall have no liability to pay any claim or provide any benefit under the policy where to do so would be a breach of any applicable economic or trade sanctions or other law or regulation. If payment of an otherwise valid and collectible claim under the policy would be in breach of applicable economic or trade sanctions or other law or regulation, such payment will only be due if an appropriate licence permitting such payment is obtained. For any such time as it is reasonably likely that such a licence will be obtained, such payment funds will be held in escrow for the benefit of the **insured** or claimant as applicable until the requisite licence is obtained.

13. Defence Expense

legal fees and all other charges, costs and expenses that **you** have to pay resulting from the investigation, adjustment, defence and appeal of a **claim** including any settlement or cost order or demand for claimants or government entity costs arising out of any **claim**.

SECTION H – ENVIRONMENTAL

IN THE EVENT OF AN INCIDENT, LOSS OR CLAIM

In the event of an **incident, loss** or **claim**:

1. Who to Notify

Written notice of the **incident, loss** or **claim** must be sent to the manager of the environmental claims unit:

By post Manager, Environmental Claims
Liberty Mutual Insurance Europe Ltd
20 Fenchurch Street, London, EC3M 3AW.

By email: EnvironmentalClaims@LibertyGlobalGroup.com

In the event of an emergency outside of business hours (9am – 5pm Monday – Friday) **you** must use the helpline number below to notify **us** of any **incident, loss** or **claim**. This is manned 24 hrs a day and **our** advisors can also provide guidance on what to do in the event of an **incident, loss** or **claim**.

TELEPHONE NUMBER – 0845 605 0985

2. When to Notify – Condition Precedent

- a. It is a condition precedent to **our** liability under this policy that **you** shall notify **us** in writing as soon as practicable, but in no event later than the end of the **policy period** in which the **incident** is identified, the **claim** is received or the awareness of **your** legal obligation to pay **environmental damage expense** occurs, of any **incident, claim** or **loss**. To the extent possible, such written notification should include:
- i) how, when and where the **incident** took place;
 - ii) the names and addresses of any injured persons and witnesses; and
 - iii) the nature and location of any injury or damage that has or could arise out of the **incident**.

Where an **incident** or **pollution condition** is reported to **us** during the **policy period** in accordance with this provision, any subsequent **claim** which is notified to **us** in accordance with this provision, which arises out of such **incident** or **pollution condition** shall be deemed to have been made and reported to **us** in accordance with this provision during the **policy period**, provided that **you** have continuously maintained insurance with **us**, providing substantially the same cover as this policy, between the end of the **policy period** and the date when such subsequent **claim** is first made against **you**.

- b. If a **claim** for **loss** covered by this policy is received by any **insured, you** must:
- i) immediately record the specifics of the **claim** and the date received;
 - ii) **you** must see to it that **we** receive written notice of the **claim** as soon as practicable, but in no event later than the end of this policy period;
 - iii) immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
 - iv) authorise **us** to obtain records and other information;
 - v) cooperate with **us** in the investigation, settlement or defence of the **claim**; and
 - vi) assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of injury or damage to which this insurance may also apply.

SECTION H – ENVIRONMENTAL

3. After an Incident has been Identified

- a) **You** shall have the duty to, where practicably possible, reduce, mitigate, remediate or prevent any **incident, claim** or further **loss** under this policy.
- b) **You** shall have the duty to clean up **pollutants**, remediate **environmental damage** and remediate or prevent an **imminent threat** to the extent required by **environmental laws**. **We** shall have the right but not the duty to review and approve all such actions.
In accordance with the above paragraph **you** shall retain competent professional(s) or contractor(s) mutually acceptable to **us** and the **named insured**. **We** shall have the right but not the duty to review and approve all such parties.
The **named insured** shall notify **us** of actions and measures taken pursuant to this paragraph as soon as practicable. Where such clean up is undertaken by **you** on **our** behalf all rates will be limited to rates **we** would actually pay to competent professional(s) or contractor(s) that **we** would retain to undertake such clean up or remediation works. Any such expenses incurred by **you** or on **our** behalf shall be subject to the **deductible** and shall reduce the **policy limit**.
- c) In the event of **disruption**, **you** shall provide assistance to ensure that normal business activity is resumed at a **covered location** as soon as possible in order to limit **loss of rental income** as much as practicable.

4. Voluntary Payments

Except for when there is an **imminent threat** or an **emergency situation** **you** will not make any payments, assume any obligation, or incur any expense, without **our** consent.

5. Our Rights – Following an Incident

We shall have the right but not the duty to clean-up, remediate or mitigate an **incident** upon receiving written notice directed in item 2 above. Any sums expended by **us** will be deemed incurred or expended by the **insured**, shall be subject to the **deductible** and shall reduce the **policy limit**.

6. Legal Defence, Investigation and Settlement

- a) **We** will have the right and the duty to defend **you** against any **claim** seeking those sums to which this insurance applies. **We** may at **our** discretion investigate any **pollution release** regardless of whether any **claim** has been made. In the event that the **policy limit** has been exhausted, then **our** right and duty to defend any **claim** will cease.
- b) **We** shall not settle any **claim**, without the consent of the **insured** against whom the **claim** is made. If, however, that **insured** refuses to consent to any settlement recommended by **us** and elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, subject to the **policy limit**, **our** liability for **loss** shall not exceed the amount for which the **claim** could have been settled up to the date of such refusal, less the **deductible** or the outstanding balance of the **deductible**.

LIMITS OF INSURANCE AND DEDUCTIBLES

The **policy limit** and the rules below fix the most **we** will pay regardless of the number of **insureds**, **incidents** or **claims**, subject to the applicable **deductible** or **loss of rental income deductible**. **You** understand, agree, and acknowledge that the **policy limit** is shared amongst all **insureds** and that payment of **claims** will reduce the limits available to all **insureds** under this policy.

The **policy limit** applies to the entire **policy period**. If the **policy period** is extended after policy issuance, the additional period will be deemed part of the last preceding period for the purposes of determining the **policy limit**.

1. Policy Aggregate Limit

The **policy aggregate limit** is the most **we** will pay for all **loss** covered under this policy.

2. Coverage Limits

Subject to the **policy aggregate limit** and the **each incident limit**, the applicable **coverage limit** is the most **we** will pay for all **loss** under each of the relevant coverages arising from any one **incident**.

If the same related or continuous **incident** result in coverage under one or more coverages, only the highest **coverage limit** amount stated in the policy specification amongst all coverage sections applicable to the **claim** for **loss** will apply.

3. Each Incident Limit

Subject to the **policy aggregate limit** and the **coverage limit**, the **each incident limit** is the most **we** will pay for all **loss** arising from any one **incident**.

4. Loss of rental income Sub-Limit and Coinsurance

Subject to the **policy aggregate limit**, the maximum amount for which **we** are liable for **loss of rental income** is the lesser of:

- a) 90% of the **loss of rental income** incurred during the **period of restoration**; or
- b) the **loss of rental income sub-limit** shown in the policy specification.

In the event that item 4.a) above applies the remaining 10% of **loss of rental income** is payable by **you** at **your** own risk and shall remain uninsured.

SECTION H – ENVIRONMENTAL

5. Multiple Policy Periods and Claims

- a) When **we** have issued claims made pollution liability coverage for **your covered location** in one or more policy period and a **claim** is first made against **you** and reported to **us** in writing in accordance with the terms and conditions of this policy, or **loss** is incurred during this **policy period**, then all **claims** or **loss** arising out of the same, related or continuous **incident** shall be deemed to have been first made and reported or incurred during this **policy period**. This is provided that **you** have maintained claims made pollution liability coverage with **us** on a continuous, uninterrupted basis since the first such **loss** had been incurred or a **claim** was first made against **you**, and reported to **us**. All such **claims** or **loss** will be subject to the terms, conditions and **policy limit**.
- b) All **claims** first made against **you** and reported to **us** during the **policy period** or all **loss** incurred by **you** during the **policy period** and arising out of the same, continuous, repeated or related **incident**, shall be deemed to be a single **claim** and shall be deemed to have been made at the time the first of those **claims** is made or **loss** is incurred.

6. Deductible

Our obligation to make payments under this policy for **loss**, except for **loss of rental income**, is excess of the applicable **Deductible** stated in the policy specification.

If the same related or continuous **incident** result in coverage under one or more coverages, only the highest **deductible** amount stated in the policy specification amongst all coverage sections applicable to the **claim** for **loss** will apply. A separate **deductible** applies for the **loss of rental income**.

This policy operates in excess of the **deductible**, however, **we** may, without any obligation whatsoever, advance payment of part or all of the **deductible** and, upon notification of such payment made **you** will promptly reimburse **us** within thirty (30) days. Payment of any **loss** or amounts within the **deductible** will not create any obligations or be construed as a waiver of **our** rights under the policy.

7. Loss of rental income deductible

Our obligation to make payments under this policy for **loss of rental value** is in excess of 7 days.

POLICY ADDITIONAL COVERS

The following additional covers apply to all sections of this insurance except Section G – Terrorism & Section H - Environmental subject to the definitions, terms, special conditions and exclusions of the policy.

1. Capital Additions

The **company** will automatically cover any newly erected or acquired **buildings** or any alterations, additions and improvements to the premises which are effected during the **period of insurance** and are not more specifically insured and any respective **rent** anywhere in the **territorial limits** provided the **company** are notified immediately the **insured** becomes aware.

The maximum the **company** will pay for **buildings** and **rent** or **gross revenue** combined or any alterations, additions and improvements shall not exceed the loss limits shown in the policy specification.

The maximum the **company** will pay for public liability is the **amount insured**.

2. New Purchases and Acquisitions

Notwithstanding general exclusion 4 this insurance is extended to cover the **insured's** interest in any **building** anywhere in the **territorial limits** between exchange and completion of the contract (only where more specific cover is in force via the vendors own insurance arrangements).

The maximum the company will pay for **buildings** and **rent** or **gross revenue** combined shall not exceed the loss limits shown in the policy specification.

If the **insured** does not make a claim under this insurance the **company** will waive any premium due for this cover.

No payment will be made by the **company** in respect of this cover with regard to any contribution towards a more particular insurance and/or to meet any excess or shortfall due to the application of under insurance and in no circumstances will indemnity be provided by the **company** to the vendor.

3. Non-Invalidation

This insurance shall not be invalidated by any act, omission or by any alteration which increases the risk of **damage** unknown to the **insured** or their **employees** or beyond the control of the **insured** or their **employees** provided that as soon as the **insured** or their **employees** are aware of the increased risk the **insured** shall give immediate notice to the **company** and pay an additional premium required.

4. Workmen

Tradesman may be employed to effect repairs or minor structural alterations in all or any of the buildings insured without prejudice to this insurance.

5. Mortgagor or Lessees

The position of the freeholder mortgagee or lessor will not be prejudiced by anything done by the mortgagor lessee or occupier of any **buildings** insured which increases the risk of **damage** without their authority or knowledge provided that they shall give immediate notice on becoming aware of the increased risk and pay any additional premium required.

POLICY ADDITIONAL COVERS

6. *Contracting Purchaser's Interest*

If the **insured** have contracted to sell their interest in any property covered under this insurance, which is damaged between the exchange and completion of the sale and during the **period of insurance**, the purchaser shall be entitled upon completion of the purchase, to the benefit of this insurance in respect of such **damage** provided the property is not otherwise insured by the purchaser.

7. *General Interest*

The interest of other parties not shown in this insurance are automatically noted and shall be declared by the **insured** to the **company** at the time of any loss.

8. *Inadvertent Failure to Insure*

If the **insured** inadvertently omit to notify the **company** of any **buildings** that are not more specifically insured the **company** will automatically cover any **damage** to such property and public liability provided that:

- (i) the **insured** notify the **company** immediately they become aware of such inadvertent failure to insure and pay any additional premium required
- (ii) the **insured** agrees to insure all **buildings**, owned by or for which the **insured** have an obligation to insure, with the **company**
- (iii) cover commences from the date of the **insured's** interest in the **buildings** or the date the previous insurance lapsed whichever is the later
- (iv) the **insured** annually undertake a thorough review of their property portfolio and when a failure to insure is discovered they immediately advise the **company** and pay the appropriate additional premium.

This insurance does not cover;

- (i) any contribution towards a more particular insurance
- (ii) any appreciation in value.

The maximum the **company** will pay for **buildings** and **rent** combined or any alterations, additions and improvements shall not exceed the loss limits shown in the policy specification.

The maximum the **company** will pay for public liability is the **amount insured**.

9. *Automatic Cover*

The **company** will automatically cover **buildings** and **rent** or **gross revenue** anywhere in the **territorial limits**, provided the **insured** notifies the **company** within 14 days of acquiring any such **buildings** and pays an appropriate additional premium.

The maximum the company will pay for **buildings** and **rent** or **gross revenue** combined shall not exceed the loss limits shown in the policy specification.

The maximum the **company** will pay for public liability is the **amount insured**.

POLICY ADDITIONAL COVERS

10. *Third Party Failure to Insure*

If the **insured** have an insurable interest in **buildings, rent** or **gross revenue** and public liability but under the terms of the lease the responsibility to insure falls upon a third party, the **company** will automatically provide cover in the event of failure of the third party's insurance, whether in whole or in part, to pay for repairs or reinstatement or to provide an indemnity provided that:

- (a) the **insured** annually undertakes a review of such third party insurances to ensure they have been renewed
- (b) cover is limited to the extent of the contingencies specified in the lease.

This insurance does not cover;

- (i) any contribution towards a more particular insurance
- (ii) any excess or self-imposed deductible.

The maximum the **company** will pay for **buildings** and **rent** or **gross revenue** combined shall not exceed the loss limits shown in the policy specification.

The maximum the **company** will pay for public liability is the **amount insured**.

11. *Underinsurance Waiver*

Notwithstanding anything contained in the policy to the contrary, the under insurance condition incorporated herein, will not be applied to any claim for **damage to buildings** provided;

- (a) the **insured** undertaking professional revaluations of the **buildings** at least every three years and the resulting valuations being used in the setting of the **buildings** reinstatement value
- (b) the **buildings** reinstatement values are subsequently annually adjusted in accordance with the appropriate index.

12. *Global Sums Insured*

The total **amount insured** refers to the aggregate of the individual **amount insured** for **buildings** and **rent** or **gross revenue** as specified in details lodged with the **company** and in accordance with the definition of **rent** or **gross revenue** in the policy.

The liability of the **company** in any one **period of insurance** shall not exceed the total **amount insured** in respect of any one occurrence at the premises.

13. *Other Interests*

In the event of a lease agreement requiring property as insured herein to be in the joint names of the **insured** and the other party or parties to that agreement, it is agreed that such parties be deemed noted as joint **insured** to the extent required by such agreement provided that;

- (a) in the event of loss the nature and extent of such interest be disclosed to the **company**
- (b) the provisions of this clause apply solely in respect of the property which is subject of such agreement.

POLICY ADDITIONAL COVERS

14. Contractors All Risks

Upon declaration to the **company** and the payment of an additional premium this insurance can be extended to include the **contract works** where required under the terms of any contract awarded under the JCT Standard Form of Building Contract (or equivalent thereof) and the interest of the **insured's** Contractor solely to the extent required by the conditions of the contract in force between the **insured** and his Contractor provided always that such Contractor shall as if he were the **insured** observe, fulfill and be subject to the terms, exclusions and conditions of this policy.

This additional cover extends to include;

- (a) the interest of the **insured's** Contractor solely to the extent required by the conditions of the contract in force between the **insured** and his Contractor provided always that such Contractor shall as if he were the **insured** observe, fulfil and be subject to the terms, exclusions and conditions of this policy
- (b) in the event of an increase in the value of the contract an automatic increase in the value not exceeding 20% of the item **amount insured**
- (c) any materials supplied by or provided to the **insured** for inclusion in the **contract works** for which the **insured** is responsible the value of which will not be included in the final valuation of the works carried out or final contract price and which are not otherwise excluded from this additional cover
- (d) loss of or **damage** to the property insured whilst in transit within the **territorial limits** other than by sea or air
- (e) loss of or **damage** to materials whilst situated at the Contractor's own premises or in store or at any manufacturers or suppliers premises anywhere within the **territorial limits** provided that the **insured** is responsible therefore under the contract.
The liability of the **company** shall not exceed;
 - (i) £1,000 in respect of non-ferrous metals
 - (ii) £100,000 or 10% of the contract price (whichever is the lower) in respect of any other materials
- (f) the additional cost of reinstatement following loss or **damage** to the property insured incurred solely to comply with building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Municipal or Local Authority but excluding;
 - (i) such costs incurred;
 - a) which can be recovered elsewhere
 - b) where notice has been served upon the **insured** under any of the aforesaid Regulations or Bye-Laws prior to the loss or **damage**
 - (ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the said Regulations or Bye-Laws provided that the work of reinstatement shall be commenced and carried out without unreasonable delay
- (g) the costs and expenses necessarily incurred in re-writing or re-drawing plans, drawings or other contract documents following loss or **damage** thereto up to a maximum amount for any one claim of £25,000

POLICY ADDITIONAL COVERS

- (h) the costs & expenses incurred in respect of any extra charges for overtime, night work, work on public holidays, express freight, air freight and the like necessarily incurred by the Contractor following reinstatement or replacement of any damaged property forming the basis of a claim under this additional cover provided that the liability of the **company** shall not exceed £250,000 for such costs and expenses

- (i) the costs & expenses necessarily incurred by the **insured** with the consent of the **company** for;
 - (i) removing debris
 - (ii) dismantling and/or demolishing
 - (iii) shoring up, propping and fencing off
 - (iv) clearing and/or repairing drains and service mains on site
 - (v) architects, surveyors and consultants fees in connection with the reinstatement of the permanent and temporary works consequent upon its destruction or **damage** but not for preparing any claimprovided that the liability of the **company** shall not exceed £500,000 for such costs and expenses.

This insurance does not cover;

- (1) the first £1,000 in respect of each and every occurrence
- (2) constructional plant, tools, equipment and temporary buildings
- (3) loss or **damage** to any waterborne vessel or craft exceeding 8 metres in length or to any aircraft
- (4) loss or **damage** to deeds, bonds, bills of exchange, promissory notes, money, stamps, securities or documents of title, precious stones or articles made there from
- (5) loss of or **damage** to any existing property including any existing property being altered or repaired
- (6) **damage** to and the cost necessary to replace, repair or rectify;
 - a) insured property which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such insured property or any part thereof
 - b) insured property damaged to enable the replacement, repair or rectification of insured property excluded by (6) a) above.Exclusion (6) a) above shall apply to other insured property which is free of the defective condition but is damaged in consequence thereof.
For the purpose of the policy and not merely this exclusion the insured property shall not be regarded as damaged solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the insured property or any part thereof.
- (7) the cost necessary for normal upkeep or normal making good
- (8) loss of or **damage** to any part of the permanent works;
 - (a) after such part has been completed and delivered up to the owner, tenant or occupier, or
 - (b) after such part has been taken into use by the owner, tenant or occupier, or
 - (c) for which a Certificate of Completion has been issued other than where such loss or **damage**;
 - (i) be occasioned during the Defects Liability Period specified in the contract and arising from a cause occurring prior to commencement of such period

POLICY ADDITIONAL COVERS

- (ii) is in respect of materials or other insured property on site for the purposes of carrying out remedial works during the Defects Liability Period specified in the contract and which the **insured** are responsible under the terms of the contract during the said Defects Liability Period
 - (iii) occurs within 14 days of the time of issue of such Certificate of Completion and which the contractor is required by the terms of the contract to insure
- (9) any work in under or over water or adjoining or adjacent to rivers, lakes, reservoirs, dams or tidal waters or within cofferdams or caissons
 - (10) any work on bridges, viaducts, subways, tunnels, motorways, dams and nuclear installations
 - (11) any work where the depth of excavation exceeds 5 metres
 - (12) loss or **damage** due to wear and tear or gradual deterioration, rust, wet or dry rot, contamination, vermin and insects
 - (13) penalties under contract for delay, detention or loss of use or losses arising in connection with guarantees or performance or efficiency or consequential loss or **damage** of any kind
 - (14) loss of any property by disappearance or by shortage where such loss is substantiated only by the making of an inventory or a periodic stocktaking or is not traceable to an identifiable event

In respect of this additional cover it is a condition precedent to liability that in respect of any contract works that involves the application of heat that the **insured** will enforce a hot work permit system.

If any part of the premium is calculated on estimates furnished by the **insured** the **insured** shall within one month of the end of the contract period provide to the **company** the actual cost of the **contract works** and the premium shall thereupon be adjusted and the difference paid by or allowed to the **insured**, as the case may be, subject to retention by the **company** of 75% of the premium originally paid.

GENERAL EXCLUSIONS

Exclusions 1 - 7 apply to all Sections of this policy except Section C – Liabilities Cover 2 Employers' Liability, Section G – Terrorism & Section H - Environmental.

This insurance does not cover;

1. loss or **damage** or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

This exclusion does not apply in respect of **damage** to the property insured caused by or resulting from the detonation of munitions of war or parts thereof, at or within one mile of the boundary of the premises, provided that the presence of such munitions does not result from a state of war current at the time of the **damage**.
2. any loss or **damage** 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) ionizing 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.
3. loss or **damage** or liability caused by or resulting from confiscation, nationalisation, requisition, seizure or destruction of or **damage** to property by, or under the order of, any government or public or local authority.
4. any claim where, but for the existence of this insurance, the **insured** would be entitled to be paid under any policy, other than policies written on the same terms and conditions as those contained in this insurance. This insurance will then contribute, according to its terms and conditions, with such other insurance.
5. fines, penalties, punitive or exemplary damages, or liquidated damages.
6. direct or indirect loss or **damage** caused by any **failure of a system** resulting in loss or **damage** (whether direct or indirect) to any such system or to any other property insured.

For the purpose of this exclusion;

- (a) **failure of a system** means the failure or inability of a **system** (whether or not owned by the **insured**);
 - (i) correctly to recognize or utilise any data concerning a date (whether a date in the year 2000 or any other date) as being such calendar date as the data is intended to represent
 - (ii) to operate as a result of any command programmed in to the **system** utilizing any date (whether a date in the year 2000 or any other date)
- (b) **systems** includes computers, other computing and electronic and mechanical equipment linked to a computer hardware, software programs, data, electronic data processing equipment, **microchips** and anything which relies on a **microchip** for any part of its operation
- (c) **microchip** includes integrated circuits and microcontrollers.

GENERAL EXCLUSIONS

7. Sanctions

or provide benefit for any **business** or activity or claim arising under this policy to the extent that;

- a) such cover and/or
- b) such **business** or activity and/or
- c) such claim

would expose the **company** at the inception of this policy or any time thereafter to the risk of being or becoming subject to or in breach of and/or would violate any applicable economic regulatory or trade sanction embargo law or regulation or adverse action of the **United Kingdom** and/or the United Nations and/or the United States of America and/or the European Union/European Economic Area and/or any other applicable national economic or trade sanction law or regulations.

The **company** hereon may on such notice in writing as the **company** may decide cancel the **company's** participation under this policy in circumstances where the **insured** has exposed or may in the opinion of the **company** expose the **company** to the risk of being or becoming subject to or in breach of any applicable economic regulatory or trade sanction embargo law or regulation or adverse action in any form whatsoever against or in respect of Iran or any other country government administration or regime promulgated by the executive legislative other competent governmental agency regulatory authorities or competent court of the **United Kingdom** and/or the United Nations and/or the United States of America and/or the European Union/European Economic Area.

Exclusions 8 – 15 apply to Section A – Material Damage, Section B – Rent & Section E – Equipment Breakdown only.

This insurance does not cover;

- 8. loss or **damage** arising from pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- 9. loss or **damage** caused by wear and tear or gradual deterioration.
- 10. loss or **damage**;
 - (a) arising directly or indirectly from seepage, pollution or contamination, except **damage** to insured property caused by;
 - (i) pollution or contamination which itself results from a **defined peril**, or
 - (ii) a **defined peril** which itself results from pollution or contamination
 - (b) attributable solely to a gradual rise in the ground water level
 - (c) which originated before the start of this insurance.
- 11. the **excess** or **franchise** shown in the policy specification, except where **damage** is cause by impact by animals or vehicles owned or under the control of the **insured**.
- 12. infidelity or dishonesty of the **insured** or any of their **employees** or other persons to whom property insured may be entrusted nor loss, destruction or **damage** resulting from the **insured** voluntarily parting with title or possession of any property or any unexplained loss or loss or shortage disclosed on taking inventory.

GENERAL EXCLUSIONS

13. False and Fraudulent Claims

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the **insured** or anyone acting on their behalf to obtain any benefit under this policy or if any **damage** be occasioned by the wilful act or with the connivance of the **insured**:

- a) The **company** will be entitled to refuse to pay the whole of the claim and recover any sums that the **company** have already paid in respect of the claim;
- b) The **company** may terminate the policy with effect from the date of any fraudulent or wilful act and the **insured** will have no cover under this policy for any event, loss, **damage**, incident, or act after the date of termination;
- c) The **insured** shall not be entitled to any refund or return of premium.

14. Electronic Data Exclusion

- (a) loss, **damage**, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality cost expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorized instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. **Computer virus** includes, but is not limited to, "Trojan Horses", "worms" and "time or logic bombs".

- (b) However in the event that a peril listed below results from any of the matters described in paragraph (a) above this policy is subject to all its terms, conditions and exclusions will cover physical **damage** occurring during the **period of insurance** to property insured by this policy directly caused by any **defined peril**.

Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows;

Should any **electronic data** processing media insured by this policy suffer physical loss or **damage** insured by this policy, then the basis of valuation shall be the cost of the blank media plus the cost of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **electronic data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this policy does not insure any amount pertaining to the value of such **electronic data** to the **insured** or any other party even if such **electronic data** cannot be recreated, gathered or assembled.

GENERAL EXCLUSIONS

15. **damage** or interruption or interference caused by mold, 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 except that this exclusion does not apply in respect of the insurance provide by Section B – Rent – Additional Cover 4 – Murder, Suicide or Disease.

This exclusion applies regardless whether there is:

- (a) any **damage** to property insured
- (b) any insured peril or cause, whether or not contributing concurrently or in any sequence
- (c) any loss of use, occupancy or functionality
- (d) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns.

16. Applicable to Section A – Material Damage & Section B – Rent only.

Notwithstanding any provision to the contrary within this policy or any endorsement thereto but excluding cover specifically provided under Section F – UK Terrorism only of this policy it is agreed that this insurance excludes;

- (i) **damage** or loss of **rent** or **gross revenue** or cost or expense of whatever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to loss

For the purpose of this policy and Act of Terrorism means act including but not limited to the use of force or violence and/or the threat thereof of 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.

This policy also excludes **damage** and loss of **rent** or **gross revenue** or cost or expenses of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing, suppressing or in any way relating to any Act of Terrorism but excluding cover specifically provided under Section F – UK Terrorism only of this policy.

However subject to Section F – UK Terrorism being insured under this policy it is further noted and agreed that in the event that HM Treasury or any successor relevant authority refuse to issue a “Certificate” (as defined in Section F – UK Terrorism) certifying an event or occurrence to have been an Act of Terrorism in Great Britain (meaning England and Wales and Scotland including the Channel Tunnel up to the frontier with the Republic of France but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man, the Channel Islands or Northern Ireland) and such refusal is upheld by the decision of a validly constituted “Tribunal” (as defined in Section F – UK Terrorism) (i) of this Exclusion shall not apply. The **insured** should check the policy specification to see whether Section F – UK Terrorism is in force.

If Section F – UK Terrorism is not in force this amendment does not apply and (i) of this Exclusion continues to be applicable.

- (ii) **damage** or loss of **rent** or **gross revenue** or cost or expenses of whatever nature in Northern Ireland directly or indirectly caused by resulting from or in connection with riot, civil commotion and (except in respect of **damage** or loss of **rent** or **gross revenue** by fire or explosion for which indemnity is provided by this policy) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons.

GENERAL EXCLUSIONS

If the **company** alleges that by reason of this exclusion any **damage** or loss of **rent** or **gross revenue** or cost or expense is not covered by this policy the burden of proving the contrary shall be upon the **insured**.

In the event any portion of this policy is found to be invalid or enforceable the remainder shall remain in full force an effect.