



Property Owners' Insurance Policy Wording

About Your Policy

This Policy has been prepared in accordance with *Your* instructions. It is a legal contract. Please read it carefully to ensure that it is in accordance with *Your* requirements and that *You* understand its limits, terms, conditions and exclusions. The insurance broker or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

This Policy consists of:

- the **General Insuring Clause** which explains the basis on which cover is provided;
- the **Schedule** which states who the *Insured* is, the *Business* being covered and other particulars, such as the *Period Of Insurance* and details of which Sections of the Policy are operative. It also shows such details as the occurrences insured, Limits of Liability and matters and amounts for which *You* are responsible;
- **Definitions** which define particular words and expressions applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- the **Sections** of the Policy which give precise details of the cover being provided;
- the **Extension to all/ Specified Sections** of the Policy detail the extensions provided to the coverage under the Sections;
- the **General Conditions** and **General Exclusions** of cover applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- any **Endorsements** which might apply to the Policy or individual Sections and which incorporate Extensions, limitations, amendments and such like.

You should immediately notify the *Insurer* via *Your* insurance broker or other intermediary of any changes which may affect the insurance provided by this Policy.

Alterations to the cover required after issue of the Policy will be confirmed by separate *Schedules* and/or Endorsements which *You* should file with the Policy. *You* should refer to these *Schedules* and/or Endorsements and the Policy to ascertain precise details of cover currently in force.

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General Insuring Clause

This Property Owners' Insurance Policy is underwritten by Brit Syndicate 2987 and Arag plc (hereinafter called the 'Underwriters') and is administered by Faversham Underwriting Limited in accordance with the authority granted under binding authority agreement(s)

In consideration of the payment of premium the *Insurer* agrees to provide insurance in accordance with the terms and conditions of this Policy during the *Period Of Insurance*. The *Insurer* has relied on there being a fair presentation of the risk, including the accuracy of all information provided and representations made by or on behalf of the *Insured* in the application of this insurance, which shall include the proposal form and all written materials provided in support thereof.

Where insurance is provided by more than one insurer, the insurers' obligations under this Policy in accordance with the terms and conditions contained herein or endorsed hereon, are several and not joint. The insurers are limited solely to the extent of their individual subscriptions and are not jointly liable for the proportion of any co-subscribing Insurer who for any reason do not satisfy all or part of its obligations.

This Policy wording, the *Schedule* and any Endorsements or Memoranda, including any documents issued in addition or substitution thereof, shall be considered one document containing the legal agreement between the *Insured* and the *Insurer*. Any word or expression to which a specific meaning is attached shall bear such meaning wherever it appears.

Signed for and on behalf of the Underwriters



Darren Wills- Managing Director

Faversham Underwriting Ltd is Registered in England and Wales No 08577514

Registered Office: Towers Point Towers Business Park Rugeley Staffordshire WS15 1UN

This Policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance which have occurred either since Your Policy started or since the last renewal date

If You are not sure whether certain facts are relevant please ask Your insurance advisor. If You do not tell Us of relevant changes Your Policy may not be valid or the Policy may not cover You fully

You should keep a written record (including copies of letters) of any information You give us or Your insurance agent when You renew this Policy

Faversham Underwriting Ltd is authorised and regulated by the financial Conduct Authority FCA NO:602333.

Faversham Underwriting Limited is an Appointed Representative of CRK Commercial Insurance Services Ltd, who are authorised and regulated by the Financial Conduct Authority (FCA NO:306144) and is registered in England No.04639065. Registered Office: Towers Point, Towers Business Park, Rugeley WS15 1UN.

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG plc is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

ARAG plc is authorised to administer this insurance on behalf of the Insurer Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof). Brit Syndicates Limited, the managing agent for Brit Syndicate 2987 at Lloyd's, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. This can be checked by visiting the FCA website at www.fca.org.uk/register.

ARAG plc and Brit Syndicate 2987 at Lloyd's are covered by the Financial Ombudsman Service.

You can check this information on the Financial Conduct Authority register by visiting the FCA's website www.fca.org.uk/register or by contacting the Financial Conduct Authority on 0800 111 6768. Information relating to the Prudential Regulation Authority can be found at www.bankofengland.co.uk/pr

Definitions

These Definitions are applicable to the whole Policy or, where specifically stated, to the particular stated Section of the Policy. These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

Wherever the following words appear in italics starting with a capital letter, they will import the same meaning as defined here.

Where the context requires,

- a) words importing the singular shall include the plural and vice versa;
- b) references to persons include bodies corporate or unincorporated;
- c) words importing any gender shall include all genders;
- d) reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy; and
- e) reference to any statutory or other body shall include the successor to that body.

A

Accident / Accidental

means a single, sudden and unexpected *Incident* by violent and visible means, which occurs at an identifiable time and place.

Actual Value

means the amount it would cost to repair or replace *Property Insured*, on the date of *Incident*, with material of similar kind, condition and quality, with deduction for obsolescence and physical depreciation.

Act of Sabotage

means a subversive act or series of such acts 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.

Act of Terrorism

solely for the purpose of [Section 3- Terrorism](#), Act of Terrorism shall mean

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.

In respect of the rest of the Policy, an Act of Terrorism shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Additional Insured

means:

- A** the personal representatives of the *Insured* in respect of legal liability incurred by the *Insured* for which the *Insured* would have been entitled to indemnity under this Policy if the claim for which indemnity is sought had been made against the *Insured*;
- B** the officers, committees and members of the *Insured's* canteen, social, sports and welfare organisations and first aid, fire, medical and security services in their respective capacities as such;
- C** any director or partner or employee of the *Insured* in respect of private work undertaken by any *Person Employed* for such director or partner or employee with the prior consent of the *Insured*;

each of whom shall as though the *Insured* be subject to the limits, terms, conditions and exclusions contained in this Policy so far as they can apply.

But only to the extent of legal liability in respect of which the *Insured* would have been entitled to indemnity under this Policy if the claim, for which indemnity is sought, had been made against the *Insured* and subject to all to the limits, terms, conditions and exclusions contained in this Policy.

Annual Rent Receivable

means rent receivable by the *Insured* during the 12 (twelve) months immediately before the date of the *Incident*.

Appointed Representative

means a solicitor, barrister or other appropriately qualified person appointed to act in the name of and on behalf of the *Insured* in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.

Authorised Resident

means the *Insured*, tenant(s) and any member of their family permanently residing with them at the premises, or any other person authorised by the *Insured*.

B

Building(s)

means:

- 1 the permanent fixed structures and permanent foundations below ground level, situated at the *Insured Premises*, constructed mainly of brick, stone or concrete and roofed mainly with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the *Insurer*; and
 - 2 including garages, annexes and extensions to the permanent fixed structures;
 - 3 landlord's fixtures and fittings in or on such permanent fixed structures;
- which are the property of or has been leased to the *Insured* or for which the *Insured* is legally responsible.

Unless more specifically insured, the following property of the *Insured* or for which the *Insured* is legally responsible shall also be included in the definition of Building(s):

- A. annexes and outbuildings;
- B. tenants' improvements which the *Insured* is legally responsible for;
- C. conveyors, trunks, lines, wires, service pipes and similar property on the *Insured Premises* extending to the public mains;
- D. walls, gates and fences;
- E. landscaping, swimming pools, ponds, lakes, reservoirs, and other similar water features;
- F. car parks, yards, roadways, walking surfaces and similar surfaces at the *Insured Premises*;
- G. security lighting, security cameras and other security or fire protection devices, affixed receiving and communication aerials, their fittings and masts fixed to the buildings and Air Conditioning Plant;
- H. Solar panels, wind turbines and other similar equipment used by the *Insured* for the generation of electricity.

Building(s), in no event, shall include Buildings in the course of construction or alteration.

Business

means the business of the *Insured* as specified in the *Schedule*.

For the purposes of **Section 3 Property Owners' Liability** and **Section 4 – Employers' Liability**, *Business* shall include:

- 1 ownership, maintenance and repair of property occupied by, or leased to the *Insured*;
- 2 the provision and management of canteen, social, sports and welfare organisations and first aid, ambulance and medical services for the benefit of any *Person Employed*;
- 3 fire and security services maintained solely for the protection of premises owned or occupied by the *Insured*;
- 4 private work undertaken by any *Person Employed*, for any director or partner or employee of the *Insured* with the prior consent of the *Insured*;
- 5 participation in exhibitions held within the *Territorial Limits*;
- 6 project supervision where the *Insured* acts in the capacity of project supervisor in the course of the *Business* described in the *Schedule*, by virtue of the requirements of any *Health and Safety Legislation*.

C

Claims Manager

means the company specified on the *Schedule* or appointed subsequently by the *Insurer* which administers *Legal Expenses* claims on the *Insurer's* behalf and to whom any notification of a claim must be made.

Communicable Disease

means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not, and
- 2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of *Property Insured* hereunder.

D

Damage / Damaged

means physical loss or physical destruction of or damage to tangible *Property Insured*.

Debris Removal

means costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurer* to:

- 1 remove debris from;
- 2 dismantle and/or demolish;
- 3 shore-up or prop up;

the portion or portions of the *Property Insured* following *Damage*.

The *Insurer* will not pay for any costs or expenses:

- A. incurred in removing debris except from the site of the *Property Insured* and the area immediately adjacent to such site;
- B. arising from pollution or contamination of property not insured by this Policy.

Declared Value

means the *Insured's* assessment of the cost of reinstatement of the *Property Insured* arrived at in accordance with reinstatement valuations provided under the **Basis of Settlement** clause under **Conditions to Section 1** at the level of cost applying at the inception of the *Period Of Insurance* (ignoring inflationary factors which may operate subsequently) together with allowance for, where applicable:

- A. the additional cost of reinstatement to comply with public authority requirements;
- B. *Professional Fees*;
- C. *Debris Removal*.

Defined Peril

means Insured Perils listed on the *Schedule* and / or the Certificate of Insurance issued in respect of the insured locations.

Denial of Service Attack

means any actions or instructions constructed or generated with the ability to *Damage*, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. *Denial of Service Attack* includes, but is 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.

E

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.

Excess

With respect to **Sections 1, 2, and 5**, Excess means the amounts as specified either in this Policy wording or in the *Schedule*, as applicable, that are to be deducted from any claim and which amount shall be borne by the *Insured*.

Under **Section 1 Property Damage**, this shall apply to each *Loss* or *Damage* at each *Insured Premises* separately after the application of the Average Condition.

Under **Section 3 Property Owners' Liability** and **Section 4 – Employers' Liability**, means the amounts as specified in the *Schedule*, which the *Insured* shall pay in respect of all *Damages*, compensation, claimant's costs, *Legal Costs* and expenses before the *Insurer* shall be liable to make any payment. The *Excess* shall apply to each *Event* other than legal liability arising out of *Injury* unless otherwise specified in the *Schedule*;

F

Fungal Pathogens

means any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

G

Glass

means:

- 1 Fixed glass and mirrors in or at the *Insured Premises*;
- 2 Frames or framework which require to be removed to replace the glass;
- 3 Window alarm foil, ornamental glass, lettering and silvering;
- 4 Fixed external signs including neon signs;

being the property of the *Insured* or for which the *Insured* is responsible.

H

Hacking

means unauthorised access to or unauthorised use of any computer or other equipment or component or system or item which processes, stores or retrieves data, whether or not the property of the *Insured*.

Hazardous Substances

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

Health and Safety Legislation

means:

- 1 the Health and Safety at Work etc Act 1974 and any amending and/or subsequent legislation;
- 2 the Health and Safety at Work (Northern Ireland) Order 1978 and any amending and/or subsequent legislation.

I

Incident

means the event directly causing the *Loss* or *Damage* insured under this Policy. For the purpose of [Section 4 Employers Liability](#), and [Section 5 Property Owners' Liability](#), Incident shall include the continuous or repeated injurious exposure to substantially the same general conditions, which results in accidental *Injury* or *Damage to Property* or *Nuisance*. All *Incidents* or series of *Incidents* consequent upon or attributable to one source or original cause shall be regarded as a single *Incident* for the purposes of this Policy.

Indemnity Period

means the period beginning with the occurrence of the *Incident* and ending not later than the end of the *Maximum Indemnity Period* thereafter during which the results of the *Business* shall be affected in consequence of the *Incident*.

Injury

means bodily injury, death, disease, illness, nervous shock, mental injury or mental anguish.

Insured/ You/Your/Yours

means the *Insured* as specified in the *Schedule*.

Insured Person

means any partner, director or employee of the *Insured* whose usual place of employment is at the *Insured Premises* or as otherwise specified in the *Schedule*.

Insured Premises

means the location(s) as specified in the *Schedule* or in any Endorsement(s) used by the *Insured* for the purposes of the *Business*.

Insurer/ We/Us/Our

means for Sections except Legal Expenses – Brit Syndicate 2987
Legal Expenses - Arag plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN

Intruder Alarm System

means an electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into the *Insured Premises*.

L

Landlord's Contents

means furniture, fixtures, fittings, decorations and other similar contents within the *Buildings* which are

1. owned by the *Insured* or for which the *Insured* is legally responsible; and
2. contained within the *Insured Premises*;

Provided that Landlord's Contents shall not include mobile phones, laptops or similar portable electronic equipment, documents, tenants property, money or any articles of gold, silver or other precious materials, jewellery or other personal items.

Legal Costs

means:

1. costs of legal representation at:
 - A. any coroner's inquest or fatal accident inquiry in respect of any death;
 - B. proceedings in any court arising out of any alleged breach of statutory duty resulting in any *Occurrence*;which may be the subject of indemnity under **Section 4 Employers' Liability**, and **Section 5 Property Owners' Liability** of this Policy;
2. all other legal costs and expenses in relation to any *Occurrence* which may form the subject of a claim for indemnity under **Section 4 Employers' Liability**, and **Section 5 Property Owners' Liability** of this Policy;

incurred with the written consent of the *Insurer*.

Limit of Liability

means Limit of Liability specified in the *Schedule* in respect of any one *Occurrence*.

Loss

means damages, settlements entered into with the *Insurer's* prior written consent and costs, charges and expenses (including *Pollution Defence Costs*), excluding:

- A. punitive or exemplary damages;
- B. criminal or civil fines or penalties;
- C. taxes;
- D. matters deemed uninsurable under the laws of England and Wales or for *Insureds* domiciled in Scotland, the laws of Scotland.

Loss of Rent Receivable

means the loss of money paid or payable to the *Insured* for accommodation provided in the course of the *Business*.

M

Maximum Indemnity Period

means the number of months as specified in the *Schedule* which is the maximum period for which indemnity will be paid in accordance with the terms and provisions of **Section 2- Loss of Rent Receivable**.

N

Nuisance

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

O

Occurrence

means any one loss or series of losses consequent upon or attributable to one source or original cause.

Offshore

means from the time of embarkation onto a conveyance at the point of final departure to any *Offshore* installation, including but not limited to any *Offshore* rig or platform, whilst on any *Offshore* installation or support or accommodation vessel for an *Offshore* installation, until disembarkation onto land upon return from such installation.

P

Pathogenic Organism

includes but is not limited to:

mould, fungi or their spores, bacteria, yeasts, mildew, algae, mycotoxins or any other metabolic products, enzymes or protein secreted by the above, whether toxic or otherwise.

Period Of Insurance

means the period as specified in the *Schedule*.

Person Employed

means:

- A. Persons under a contract of service or apprenticeship with the *Insured*;
- B. Labour master or labour only sub-contractor or person supplied by any of them;
- C. Self employed person;
- D. Persons hired to or borrowed by the *Insured*;
- E. Persons undertaking study or work experience;
- F. Persons supplied to the *Insured* under a contract or agreement, the terms of which deem such a person to be in the employment of the *Insured*;
- G. Voluntary worker or temporary worker;
- H. Driver or operator of plant hired by the *Insured* under Contractors Plant Hire Association or similar conditions;

while working under the control of the *Insured* in connection with the *Business*.

Personal Injury

means *Injury* arising from false arrest, detention or imprisonment, malicious prosecution, wrongful entry or eviction from a dwelling or premises or invasion of the right of privacy.

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*.

Pollution or Contamination

means actual discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and *Waste* at any time on to buildings and structures, atmosphere, surface water or groundwater, as a direct result of the *Insured's Business*. Pollution or Contamination shall include all *Damage* or *Injury* directly or indirectly caused by such by such Pollution or Contamination.

Premium

means the amount specified in the *Schedule*.

Professional Fees

means architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred with the *Insurer's* consent in the reinstatement of the *Property Insured* directly consequent upon its *Damage* by *Defined Peril* but not for the preparation of any claim.

Programme(s)

means the set of instructions significant to the computer's central processor which is composed to enable a user to achieve the desired result with data input by the user.

Property Insured

means the subject matter insured as specified under the 'Property insured' heading in the *Schedule*, but not the intellectual property pertaining thereto.

R

Rent Receivable

means money paid or payable to the *Insured* in the course of *Business* at the *Insured Premises*.

S

Sanitary Fittings

means fixed items of sanitary ware, the property of the *Insured*, or for which the *Insured* is responsible, situated within the *Insured Premises*.

Schedule

means the document titled 'Schedule' attaching to and forming part of this Policy.

Software

means any *Programme(s)* which is/are characterised as systems and/or application software and which is/are designed to invoke processing and/or facilitate the writing of any *Programme(s)*.

Sub-Limit

means the Sub-Limit as specified in the *Schedule* which limit shall be part of and not in addition to the *Sum Insured*.

Subsidiary

means any entity of which the *Insured* either owns more than 50% of the voting rights or owns more than 50% of total issued share capital.

Successful

means in the *Claims Manager's* opinion, the *Insured* is more likely than not to:

- A. be successful in the defence of any claim; or
- B. recover damages or other remedy; or
- C. be successful in the appeal of any judgement; or
- D. recover more than 50% of the *Insured's Legal Expenses*.

Sum Insured

means the *Sum Insured* as stated in the *Schedule* applicable to the particular item or the limit per location as per the details lodged with the *Insurer*.

T

Territorial Limits

In respect of [Section 4 Employers Liability](#), and [Section 5 Property Owners' Liability](#) cover is extended to include member states of the European Union and EFTA and including Iceland, Norway, Switzerland and Liechtenstein.

In respect to the rest of the Policy, means *United Kingdom*.

Tenant's improvements

means improvements, alterations and interior decorations made to the *Insured Premises* by the tenant with the *Insured* written consent.

U

United Kingdom

means England, Scotland, Wales and Northern Ireland, the Channel Islands and the Isle of Man.

Unlawful Association

means any organisation which is engaged in *Act of Terrorism* and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

Unoccupied

1. For the purpose of residential *Insured Property*, means where the whole or part of the property is not lived in by the tenant, or a person authorised by the *Insured* for any period of more than 30 (thirty) consecutive days.
2. For the purposes of non-residential *Insured Property*, means closed for *Business* or not occupied for its usual *Business* purposes, for any period of more than 30 (thirty) consecutive days.

V

Virus or Similar Mechanism

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to *Damage*, interfere with or otherwise adversely affect any computer *Programme(s)*, data files or operations, whether involving self-replication or not. *Virus or Similar Mechanism* includes but is not limited to Trojan horses, worms and logic bombs.

W

War

means war, invasion, acts of foreign enemies, hostile 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.

Waste

means all waste including materials to be recycled, reconditioned or reclaimed.

Insured Perils

The *Insurer* will insure against *Damage* caused by the following Insured Perils but only stated as 'Insured' on the *Schedule* for the insured location:

1. Fire;
2. Lightning;
3. Aircraft or other aerial devices or articles dropped or falling therefrom;
4. Explosion;
5. Earthquake;
6. Accidental Damage
7. Storm;
8. Flood;
9. Escape of water from any tank, apparatus or pipe or escape of oil from a fixed oil fired heating installation;
10. Riot / Civil Commotion;
11. Malicious Damage;
12. Impact by any vehicle or animal;
13. Theft;
14. Subsidence, ground heave and landslip.

This Section shall not apply to the policy unless specified as INSURED in the *Schedule*.

Section 1

Property Damage

Insuring Clause

The *Insurer* will indemnify the *Insured* against *Damage* to the *Property Insured* detailed below, provided that such *Damage*:

1. occurs during the *Period Of Insurance* ; and
2. is caused by a *Defined Peril*; and
3. occurs to property of the *Insured* or for which the *Insured* is legally responsible whilst at the *Insured Premises*;

subject always to the *Excess(es)* and the limits, terms, conditions and exclusions of this Section and the Policy.

Property Insured

1. *Building(s)*;
2. *Landlord's Contents* ;
3. *Tenant's Improvements*;
4. Any other property specified in Section 1 Property Damage in the *Schedule*;

Limit of Liability

The liability of the *Insurer* under this Section including the Extensions to the Section shall not exceed the *Sum Insured* or, in respect of any individual Extensions, the *Sub-Limit*, subject to any other limit of liability as specified herein or in the *Schedule*.

Extensions to Section 1

Unless otherwise specified in the *Schedule* the following Extensions shall apply, subject always to the limits, conditions and exclusions of this Section and the Policy.

1. Additional Costs

This Section extends to include cover for reasonable additional costs necessarily incurred by the *Insured* to protect and make habitable the *Insured Premises*, following *Accidental Damage* insured under this Section, provided that the *Insurer's* liability under this Extension shall not exceed GBP 5,000 in respect of the *Insured Premises* at which the *Damage* occurred.

2. Alternative Residential Accommodation and Loss of Rent

In respect of *Insured Premises* occupied totally or partially for residential purposes, in the event of *Damage* to such *Insured Premises*, that renders it unfit to live in or to which all access is prevented, if no *Sum Insured* is allocated for the residential portion under Section 2 Loss of Rent Receivable, then the *Insurer* will indemnify the *Insured* in respect of any:

- A *Loss Of Rent Receivable*; or
 - B expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease;
- until the *Insured Premises* is fit again for habitation or for a period of thirty six (36) months from the date of damage whichever is the shorter.

This Clause shall also including the costs of:

- C temporary storage of residents' furniture;
- D kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

The *Insurer's* liability under this clause shall not exceed 25% of the *Building* sum insured in the *Schedule*.

3. Architects', surveyors' and other fees

In the event of *Damage* insured under this Section, the *Insurer* agrees to indemnify the *Insured* for the fees of architects, surveyors consulting engineers and other *Professional fees* incurred for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the process of reinstatement of the *Buildings*, provided that:

- A. the *Insured* shall obtain the *Insurer* written consent prior to the incurrence of any such fees and costs;
- B. the *Insurer* will not be liable for fees incurred in preparing any claim made under this policy;
- C. the *Insurer* shall not be liable for more than those authorised under the scales of the professional institutions and/or bodies regulating such charges prevailing at the time of the *Damage*; and
- D. the *Insurer's* maximum liability under this Extension shall not exceed GBP50,000 any one occurrence and in the aggregate

4. Arson, theft and criminal acts reward costs

In the event of *Damage* insured by this Section arising from arson, theft or other criminal acts, the *Insurer* will indemnify the *Insured* for reasonable expenses incurred in paying rewards for information leading to a successful convictions or for information which the police believe will secure a conviction, provided that:

- A. the *Insured* shall obtain the *Insurer* written consent prior to the incurrence of any such expense; and
- B. the *Insurer's* maximum liability under this Extension shall not exceed 20% of the Sum Insured for the Buildings at which the incident occurs any one occurrence and in the aggregate.

5. Automatic Reinstatement of Sums Insured

It is hereby mutually agreed that, in the event of payment of a claim under this Section, the *Sum Insured* with respect to the claimed *Property Insured* shall be reinstated to the full amount from the date of the claim until expiry of this Policy in consideration of the additional premium paid or payable by the *Insured*.

6. Capital Additions and Alterations and Improvements

The insurance of *Building(s)* and *Landlord's Contents* extends to include cover for capital additions, alterations, improvements and newly acquired and/or newly erected *Building(s)* provided that:

- A. the *Insured* declares to the *Insurer* at intervals of not more than 6 (six) months, the date the *Insured* becomes liable for and value of such capital additions, alterations and improvements;
- B. the *Insurer* shall be entitled to charge an appropriate additional premium from the date of acquisition of the newly acquired property, capital additions, alterations, improvements and the *Insured* shall pay such additional premium on demand from the *Insurer*; and
- C. the maximum additional cover granted by this Extension shall not exceed the lesser of
 - i) 10% (ten percent) of the *Sum Insured* for *Building(s)* or *Landlord's Contents* depending on the item of *Property Insured* under which the new acquisition is categorised; or
 - ii) GBP2,000,000 any one occurrence and in the aggregate
- D. this Extension does not include cover for appreciation in value.

7. Clearing of Drains

If, in consequence of *Damage* caused by a *Defined Peril*, drains gutters and sewers, for which the *Insured* is responsible, requires to be cleared cleaned or repaired, the *Insurer* agrees to pay the cost reasonably and necessarily incurred for such clearing, cleaning or repair provided that the *Insurer's* liability under this clause shall not exceed GBP5,000 at any one Insured premises.

8. Landlord's Contents within Common Parts

The Buildings definition is extended to include *Landlord's Contents* held within common parts of the *Property Insured* up to the limit shown within the *Schedule*.

9. Landlord's Contents NOT within Common Parts

The Buildings definition is extended to include *Landlord's Contents* not within common parts of the *Property Insured* up to the limit shown within the *Schedule*.

10. Contractors' Interest

With respect to work carried out at the *Insured Premises*, where required under the Joint Contracts Tribunal (JCT) or any similar contract conditions, the *Insurer* agrees to:

- A. note the interest of any contractor or arrange for any contractor to be a 'named joint insured', and
- B. provide cover for any permanent or temporary works for which the *Insured* is responsible under the terms of a contract;

but only to the extent for which the *Insured* has accepted responsibility under such contract, provided that the *Insurer's* liability under this clause shall not exceed GBP25,000 any one contract

11. Debris Removal

The *Insurer* agrees to insure the reasonable and necessary costs incurred in *Debris Removal* from an *Insured Premises* that remains as a direct result of *Damage* caused by a *Defined Peril* insured by this Policy provided that this Extension shall not cover for costs of decontamination or the removal of:

- A. contaminated unInsured Property; or
- B. the contaminant in or on unInsured Property,

irrespective of whether or not such contamination, including but not limited to the presence of pollution or *Hazardous Substances*, results from an insured physical loss or *Damage*.

12. Decontamination and / or decommissioning

In the event of *Damage* that is insured by this Section, the *Insurer* will indemnify the *Insured* for expenses necessarily incurred by the *Insured* with the prior consent of the *Insurer*, in decontamination of *Property Insured* following *Damage* except that the *Insurer* will not be liable for:

- A. any costs and expenses incurred in removing debris; or
- B. any costs and expenses arising from Pollution or Contamination of property;

The *Insurer's* liability for such costs and expenses shall not exceed GBP50,000 during the Period Of Insurance.

13. Diminution in Value

If a building, which is not under the responsibility of the *Insured* but in the vicinity of any *Buildings* insured under this Policy, suffers *Damage* by any of the *Defined Perils* and the *Buildings* insured were offered for sale on the open market prior to the *Damage* but are subsequently sold at a reduced price as a result of *Damage* to the building in its immediate vicinity, the *Insurer* will pay any reduction in the sale price due solely as a result of such *Damage*.

The amount payable shall be substantiated by a practicing member of the Royal Institution of Chartered Surveyors approved by both the *Insured* and the *Insurer* provided that the *Insurer's* liability under this Extension shall not exceed GBP500,000 in any one Period Of Insurance .

14. European Union and Public Authorities

The *Insurer* agrees to pay the additional cost of reinstatement of the lost, destroyed or *Damaged Property Insured* incurred by the *Insured* solely to comply with mandatory:

- A. European Union legislation; or
- B. Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye Laws of any municipal or local authority or other Codes of Practice;

in respect of the lost, destroyed or damaged *Property Insured* and undamaged portions thereof provided always that the amount recoverable under this Extension shall not include:

- i) the cost incurred in complying with such Regulations, Bye Laws and Directives:
 - a) in respect of *Damage* occurring prior to inception of this Policy;
 - b) in respect of *Damage* not insured under this Policy;
 - c) under which notice has been served upon the *Insured* prior to the happening of the *Damage*;
 - d) for which there is an existing requirement which has to be implemented within a given period;
- ii) the additional cost that would have been required to make good the property lost, damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations, Bye Laws and Directives not arisen; or
- iii) 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 aforesaid such Regulations, Bye Laws and Directives.

Provided that:

- 1 the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within 12 (twelve) months after the *Damage*, or within such further time as the *Insurer* may (during the said 12 (twelve) months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid such Regulations, Bye Laws and Directives so necessitate) subject to the liability of the *Insurer* under this Extension not being thereby increased;
- 2 if the liability of the *Insurer* under any item of *Property Insured* in the *Schedule*, apart from this Extension, is reduced by the application of any of the terms and conditions of this Policy then, the liability of the *Insurer* under this Extension in respect of any such item of *Property Insured* shall be reduced in like proportion;
- 3 the total amount recoverable under any item of the *Property Insured* shall not exceed:
 - A. in respect of the lost, destroyed or *Damaged Property Insured* – its *Sum Insured*;
 - B. in respect of undamaged portions of *Property Insured* (other than foundations) – 15% (fifteen percent) of the total amount for which the *Insurer* would have been liable for with respect to that item of *Property Insured*, had the *Insured Premises* where the *Damage* occurred, been wholly destroyed; or

- C. the indemnity provided by this clause shall be part of and not in addition to the *Sum Insured* specified in the *Schedule*;
- 4 all the terms, limits, exclusions and conditions of this Section and the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

15. Extinguishment Expenses

It is hereby agreed that this Section extends to include reasonable reimbursement costs for:

- A. the refilling of fire extinguishing appliances;
- B. the replacement of used sprinkler heads; and
- C. repairing *Damage* to any gas or sprinkler fire extinguishment system

arising out of *Damage* insured under this Policy provided that the *Insurer's* liability with respect to this Extension shall not exceed GBP10,000 any one Insured Premises

16. Fly Tipping

The insurance shall pay the cost of removing property illegally deposited on any part of the *Insured's Premises* and the clean up or restoration costs directly associated with it provided that the *Insurer's* liability shall not exceed GBP25,000 any one occurrence

17. Glass and Sanitary Fittings

The *Insurer* shall, at the *Insurer's* option, repair, replace, reinstate or pay the costs of repair or replacement of *Glass* or *Sanitary Fittings* in the event of its breakage as a direct result of a *Defined Peril* and the consequent cost of necessary boarding-up and the provision of a temporary door. For the purposes of this Extension, breakage shall mean the *Accidental* fracture of the *Glass* extending through the entire thickness of thereof.

Provided that the *Insurer* shall not be liable for:

- i) any breakage of *Glass* or *Sanitary Fittings* in respect of any *Unoccupied Building*; or
- ii) the *Excess* specified in the *Schedule* in respect of each and every Occurrence or GBP10,000 in the aggregate.

18. Illegal cultivation of drugs

- A. The *Insurer* will indemnify the *Insured* in respect of *Damage* caused by use of the *Buildings* or part thereof, for the manufacture, cultivation, harvest or processing by any other method, of drugs classed as a controlled substances under the Misuse of Drugs Act (1971) by the *Insured's* tenants.
- B. The *Insured* will lose their right to indemnity under this clause if the *Insured* or anyone acting on the *Insured's* behalf does not:-
 - i) carry out internal and external inspections of the *Buildings* at least once every three months and:
 - a) maintains a log of such inspections and retains such log for at least 36 (thirty six) months from such inspections; and
 - b) carries out six monthly management checks of the inspections log;
 - ii) obtain and record written formal identification of any prospective tenant;
 - iii) obtain and record details of the tenant's bank account and verify those details by receiving at least one payment from such account; or
 - iv) obtain and retain the following tenant references prior to agreeing or accepting any new or prospective tenants;
 - a) a written employers reference for any new tenant; and
 - b) a written reference from any previous landlords;or where iv) a) or b) are not available, then a professional tenant referencing company must be used to obtain suitable tenant references.
- C. The *Insured* will also lose their right to indemnity under this clause if the *Insured* or anyone acting on the *Insured's* behalf:
 - i) sub-lets any part of the property or allows the property to be sub-let in anyway without the prior written permission of the *Insurer*; or
 - ii) if the *Insured* lets or continues to let the property to the tenant irrespective of negative features contained in the tenancy checks or revealed during the inspections.

19. Index Linking

The *Sums Insured* will be increased automatically throughout the *Period Of Insurance* in line with a mutually agreed indexation in respect of *Property Insured* under this Section.

In the event of *Damage* to *Property Insured* under this Section, the *Sums Insured* will continue to be adjusted in accordance with the agreed indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

At each renewal the *Premium* will be calculated on the revised *Sum Insured*.

20. Inadvertent omission to insure

If stated as 'OPERATIVE' in the *Schedule*, the *Insurer* agrees to indemnify *Buildings* anywhere in the *Territorial Limits* which the *Insured* is responsible to insure whether such *Buildings* are owned by or on lease to them or in which they are interested as mortgagees but which have inadvertently been left uninsured provided always that:

- A. the *Insurer's* liability under this clause will be in addition to the Sums Insured, but the *Insurer's* total liability for such amount payable under this clause will not exceed GBP2,000,000 any one premises
- B. the *Insured* will give notice in writing to the *Insurer* immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the *Insured's* responsibility;
- C. the *Insured* will carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties; and
- D. the *Insurer* is the sole provider of Building insurance in respect of all *Insured's* properties owned in connection with the Business as defined in the *Schedule* and where the *Insured* has an obligation to arrange such insurance.

21. Interim Protection and Repairs

This Section extends to include cover for the cost actually incurred by the *Insured* in making temporary repairs to or boarding up of any of the insured *Buildings* and erecting temporary buildings in place of any of the insured *Buildings* following *Damage* insured caused by the *Defined Peril* provided that the *Insurer's* liability under this Extension is limited to GBP25,000 any one occurrence.

22. Landscaped Grounds

It is agreed that the insurance by this Section extends to include the costs necessarily and reasonably incurred by the *Insured* in making good the landscaped grounds of the *Insured Premises Damaged* by the fire brigade or any other emergency service in consequence of *Damage to Property Insured*. The *Insurer's* liability under this Extension is limited to GBP25,000 any one occurrence.

23. Loss of Metered Water, Gas, and Electricity Charges, and accidental loss of heating oil

This Section extends to include cover for additional metered utility charges and additional heating oil charges incurred by the *Insured*, following *Damage* insured hereby, at the *Insured Premises* during the *Period Of Insurance*. The *Insurer* shall not be liable for any such charges incurred by the *Insured* in respect of any *Unoccupied Building(s)*.

The basis upon which the amount payable is to be calculated shall be the amount of the utility or heating oil charges for the period during which *Damage* occurs, less the charge made to the *Insured* for the corresponding period in the preceding year, adjusted for changes in suppliers' charges and for variations affecting the utility and/or heating oil consumption of the *Insured* during the intervening period. The *Insurer's* liability under this Extension is limited to GBP10,000 any one occurrence and in the aggregate.

24. Mortgagees Freeholders and Lessors

It is agreed that mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of *Damage* resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any *Building(s)* insured by this Section, provided such increase in risk is without their prior knowledge or authority and that the *Insurer* are notified immediately they become aware of such increase in risk.

25. Other Interests

In the event of the *Insured* having property under the terms of any hire purchase or similar form of agreement, then the interest of such parties and the nature and extent of such interest shall be noted in this insurance, subject to prior notification to the *Insurer*.

26. Reinstatement to match

The Insurance under this Section extends to include the cost of replacement or modification of undamaged parts of the *Buildings* that may be necessary to be incurred to adapt it to operate in conjunction with the parts of the *Building* being replaced, repaired or restored. Provided always that the *Insurer's* liability will in no case exceed GBP250,000 or the amount that would have been payable had the *Buildings* been completely destroyed, whichever is the lesser.

27. Removal of Wasp Nests and/or Vermin

This insurance is extended to pay for the cost of removal wasp nests, vermin infestation and similar pest control measures from the *Insured Premises* provided the *Insurer's* liability under this Extension is limited to GBP1,000 any one occurrence and in the aggregate

28. Replacement of Locks

This Section extends to include costs incurred by the *Insured* as a result of the necessary replacement of locks or changing of alarm codes, if any of the keys to or access codes of the *Insured Premises* are accidentally lost or stolen from the *Insured Premises* or from the homes of principals, partners, directors or authorised *Persons Employed* provided that:

- A. the keys or the access codes are capable of being easily identified as keys/access codes to the *Insured Premises*; and
- B. if such keys relate to a safe or strong-room, they shall not be left on the *Insured Premises* outside the *Insured's* normal business hours.

The liability of the *Insurer* under this Extension shall not exceed GBP25,000 any one occurrence and in the aggregate

29. Temporary Removal

This Section extends to cover *Landlord's Contents* whilst temporarily removed elsewhere on the same or to any other premises within the *Territorial Limits* (including the private homes of directors, partners and authorised *Persons Employed*) for storage, cleaning, renovation, repair or similar reasons and in transit thereto and therefrom by road, rail or inland waterway provided always that:

- A. the *Insurer's* liability shall not exceed 25% of the *Sum Insured of Contents* at which the *Incident* occurs; and
- B. the *Insurer* shall not be liable for losses insured under any other policy or recoverable under other parts of this Policy.

30. Temporary Removal of Documents

Deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed) are insured whilst temporarily removed to any premises, not being the *Insured's Premises* or premises in the *Insured's* occupation, including in transit thereto and therefrom all within the *Territorial Limits* provided that the *Insurer's* liability under this Extension is limited to an amount not exceeding GBP2,500 any one occurrence

31. Theft of fabric of Building

The *Insurer* will indemnify the *Insured* for *Damage* to the *Building* during the *Period Of Insurance*, arising from:

- A. theft or attempted theft involving forcible and violent entry to or exit from *Buildings* at the *Insured Premises*; or
- B. theft of any part of the fabric of the *Buildings* whether or not there has been forcible and violent entry.

Provided that:

- i) The liability of the *Insurer* under this Extension shall not exceed the *Sum Insured for Buildings* specified in the *Schedule*, arising out of any one *Occurrence*; and
- ii) if such *Damage* is insured elsewhere, no liability shall be admitted by the *Insurer* under this Extension.

32. Trace and Access

In the event of *Damage* during the *Period Of Insurance* arising from escape of water or fuel oil from any tank, apparatus or pipe, the *Insurer* agree to indemnify the *Insured* in respect of:

- A. costs necessarily and reasonably incurred by the *Insured* in locating the source of such *Damage*;
- B. in making good *Damage* caused as a consequence of locating such source; and
- C. the replacement of any fuel oil lost as a consequence of locating such source;

Provided that the *Insurer's* liability under this Extension is limited to GBP250,000 any one occurrence and in the aggregate.

33. Transfer of Interest

It is agreed that if at the time of *Damage* to any *Building(s)* insured by this Section, the *Insured* has contracted to sell their interest in such *Building(s)* but the purchase has not been completed although intended to be completed thereafter, then the purchaser, on the completion of the purchase, shall be entitled to the benefit of this Section so far as it relates to such *Damage*, but only up until the date of completion provided that:

- A. the rights and liabilities of the *Insured* or the *Insurer* under this Section are not prejudiced; and
- B. the property is not otherwise insured by or on behalf of the purchaser against such *Damage*.

34. Tree Removal

This Section is extended to include the cost of lopping, felling or clearance of fallen trees or branches which affect the *Insured's Premises* or the safety of or access to the *Insured Premises* provided the *Insurer's* liability under this Extension is limited to GBP2,500 any one occurrence.

35. Unauthorised Use of Electricity, Gas or Water

This Section is extended to include the cost of metered electricity, gas or water for which the *Insured* is legally responsible arising from its unauthorised use by persons taking possession of or occupying the *Insured Premises* without the *Insured's* authority.

Provided that:

- A. the *Insurer's* maximum liability under this Extension shall not exceed GBP25,000 any one occurrence; and
- B. the *Insured* shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

36. Unrecoverable VAT

This Section is extended to include Value Added Tax paid by the *Insured* in respect of *Buildings* (including self supply Value Added Tax), which is not subsequently recoverable. Provided that:

- A. the *Insured's* liability for such tax arises solely as a result of reinstatement of *Buildings* following *Damage* and the *Insurer* shall have paid or shall have agreed to pay for such *Damage*;

- B. if any payment made by the *Insurer* in respect of the reinstatement of such *Damage* should be less than the actual costs of reinstatement any payment under this Extension resulting from *Damage* shall be reduced in like proportion;
- C. the *Insured's* liability for such tax does not arise from the replacement *Building* having a greater floor area than or being better or more extensive than the *Building* suffering *Damage*;
- D. where an option to reinstate on another site is exercised the *Insurer's* liability under this Extension shall not exceed the amount of tax that would have been payable had the *Building* been rebuilt on its original site; and
- E. the *Insurer's* liability under this Extension shall not include amounts payable by the *Insured* as penalties or interest for non-payment or late payment of tax.

Conditions to Sections 1

1. Average

- A. The *Sums Insured* declared in respect of *Building(s)* and *Landlord's Contents* specified in the *Schedule*, are separately subject to the following condition of Average:

If at the time of reinstatement the sum representing 85% (eighty five percent) of the cost which would have been incurred by the *Insured* in reinstatement if the whole of that item of *Property Insured* had been destroyed, exceeds the *Sum Insured* with respect to that item, at the commencement of the *Damage*, then the *Insured* shall be considered as being their own *Insurer* for the difference between the *Sum Insured* and the sum representing the cost of reinstatement of the whole of that item of the *Property Insured* and shall bear a rateable proportion of the loss accordingly.

- B. With respect to each item of the *Property Insured* for which Day One Basis (Non Adjustable) is applicable and the premium is calculated on the basis of the *Declared Values* provided by the *Insured* at the inception of the *Period Of Insurance*, the following condition of Average shall apply:

If at the time of *Damage* the *Declared Value* of the item of *Property Insured* covered is less than the cost of reinstatement (as defined under the 'Basis of Settlement' clause) at the inception of the *Period Of Insurance* then the *Insurer's* liability for any *Damage* hereby insured shall be limited to that proportion thereof which the *Declared Value* bears to the cost of reinstatement.

- C. Where the item of *Property Insured* has the *Actual Value* applied, then the following condition of Average shall apply:
If, at the time of *Damage*, the *Actual Value* of the item of *Property Insured* exceeds the *Sum Insured*, then the *Insured* shall be considered as being their own *Insurer* for the difference between the *Sum Insured* and the sum representing the cost of reinstatement of the whole of the *Property Insured* and shall bear a rateable proportion of the loss accordingly.

2. Basis of Settlement

In the event of *Damage* insured under this Section, the basis of reinstatement of the *Property Insured* shall be as follows:

- A. where the *Property Insured* is destroyed
 - i) in case of a *Building(s)*, the cost of rebuilding of the *Building*; or
 - ii) in the case of other property, cost of replacement with property of similar kind and quality; and
- B. where the *Property Insured* is *Damaged*, the cost of repair or restoration of the *Damaged* property or part thereof.

The repair, rebuilding or replacement should be to a condition and quality equal to but not better or more extensive than its condition when new.

3. Basis of Settlement Conditions

- A. Where the *Insurer* agrees or is required to reinstate or replace any *Property Insured*, the *Insured* will, at its own expense, produce and give to the *Insurer* all such plans, documents, books and information as the *Insurer* may require for the reinstatement or replacement.
- B. If the *Insured* requests, and the *Insurer* agrees in writing not to repair or reinstate any *Property Insured*, then the *Insurer's* liability shall be limited to the lesser of:
 - i) the *Actual Value* of the *Damaged Property Insured*; or
 - ii) the difference between the market value of the *Damaged Property Insured* immediately prior to the *Incident* giving rise to the *Loss* or *Damage* and the market value of the *Damaged Property Insured* immediately after the same *Incident*.

It is agreed that the option to not to repair or reinstate is at the sole discretion of the *Insurer*.

- C. Reinstatement may be carried out on another site and in any manner suitable to the requirements of the *Insured* provided that
 - i) the condition and quality of the reinstated property is equal to and not better or more extensive than its condition when new; and
 - ii) the liability of the *Insurer* is not being increased.

- D. The reinstatement must be commenced and carried out with reasonable despatch failing which no payment beyond the amount which would have been payable under this Policy if this clause had not been incorporated herein shall be made.
- E. When any *Property Insured* is partly *Damaged* or destroyed, the *Insurer's* liability shall not exceed the sum the *Insurer* would be required to pay for reinstatement if such property had been wholly destroyed.
- F. No payment beyond the amount which would have been payable by the *Insurer* under this Policy if this clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred by the *Insured*.
- G. Where any computer or data processing equipment is replaced any improvement in performance or capacity consequent upon the replacement of such equipment with modern items shall not be regarded as 'betterment' for the purposes of this clause.

4. Day One Basis (Non Adjustable) Extension

If stated as 'Applicable' under Section 1 of the *Schedule*, Day One Basis (Non Adjustable) shall apply to *Building(s)* and *Landlord's Contents*. In the event of any claim payable under this clause, all the other terms and conditions of the policy shall apply, except that the *Sum Insured* shall be limited to 115% (one hundred and fifteen per cent) of the *Declared Values* subject always to the provisions of this clause.

- A. The *Insured* having stated in writing the *Declared Value* of the *Building(s)* and *Landlord's Contents*, the *Insurer* agrees to calculate the premium on the stated *Declared Value* provided by the *Insured*.
- B. At the inception of the *Period Of Insurance* and at every renewal thereafter, the *Insured* shall notify the *Insurer* of the *Declared Value* of each item of the *Property Insured*. Where such declaration is not provided by the *Insured*, or is unavailable, the last amount declared by the *Insured* shall be taken as the *Declared Value* for the ensuing *Period Of Insurance*.

Provided always that nothing in this condition shall apply with respect to the provisions of the '**Capital Additions, Alterations and Improvements**' clause under '**Extensions to Section 1**'.

5. Designation

For the purpose of determining the heading under which any property is insured, the *Insurer* agree to accept the designation under which such property has been entered into the *Insured's* books of accounts.

6. Fire Break Doors and Shutters

It is a condition precedent to the *Insurer's* liability under this Policy that all fire break doors and shutters shall be maintained in efficient working order where the *Insured* is responsible.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of this condition precedent, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

7. Inspection

The *Insurer* may, at their option, arrange with the *Insured* to have access to the *Insured Premises* at any reasonable times for the purposes of inspection. If the inspection or survey results highlight any defects or concerns which are likely increase the risk covered by this Policy, the *Insurer* reserves the right to cancel, suspend or alter any terms of this Policy. If the *Insurer* opts to suspend cover, such cover will only be reinstated after the defects have been remedied and the remedied situation is approved by the *Insurer*.

8. Maintenance of fire extinguishers

It is agreed as a condition precedent to the *Insurer's* liability under this Section that the *Insured* where they are responsible will:

- A. inspect the appliances regularly for the purposes of ascertaining that they are maintained in proper working order and keep a written record thereof; and
- B. remedy any defect promptly, whether disclosed by any such inspection or otherwise.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of this condition precedent, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

9. Non-invalidiation

The insurance under this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of *Damage* is increased unknown to or beyond the control of the *Insured*, provided that the *Insured* gives notice to the *Insurer* as soon as reasonably practicable after such act or omission or alteration comes to the notice of the *Insured* and pays any additional premium required by the *Insurer*.

10. Roof Maintenance

It is a condition precedent to the liability of the *Insurer* under this Section(s) that where the *Insured* is responsible:

- A all areas of flat felted roofs are inspected at least every year by a qualified builder or property surveyor and all defects; and
- B a record of all inspections is made and retained by the *Insured* and is to be available for inspection by the *Insurer* if they so require.

All losses to the flat roof area or resulting from or attributed to the flat roof area are subject to a policy excess of GBP500 in respect of each and every loss.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of this condition precedent, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

11. Seventy Two Hours Clause

In the event of *Damage* caused by storm, tempest, flood, earthquake or storm during any one *Period Of Insurance*, an *Occurrence* with regard to such *Damage* shall be limited to seventy two (72) consecutive hours for the purposes of this Section. If the duration of the *Incident* extends to beyond seventy two (72) consecutive hours, then the *Insured* may decide to divide that *Incident* into two (2) or more *Occurrences*. The *Insured* may choose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the *Incident*;
- B. no two (2) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the *Insurer* shall be liable as if such period had fallen entirely within the *Period Of Insurance* of the policy.

12. Statutory requirements and maintenance

The *Insured* shall, at their own expense if the *Insured* is responsible:

- A. cease any activity which may give rise to liability under this Policy;
- B. maintain all *Buildings*, furnishings, ways, works machinery, car\ vans and vehicles in sound condition;
- C. exercise care in selection and supervision of *Persons Employed*;
- D. remedy defects or danger as soon as possible after discovery and in the meantime, take such additional precautions as the circumstances may require; and
- E. comply with statutory requirement and other safety regulations imposed by any authority.

13. Subrogation Waiver

In the event of a claim arising under this Policy, the *Insurer* agrees to waive any rights, remedies or relief which they might become entitled to by subrogation against:

- A. a Company standing in the relation of parent to *Subsidiary* (or subsidiary to parent) of the *Insured*; or
 - B. a Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary;
- in each case within the meaning of the Companies Act(s).
- C. any tenant of the *Insured Premises* provided that:
 - i) the *Damage* did not result from a criminal, fraudulent, malicious act, gross negligence of or breach of statutory duty by the tenant; and
 - ii) the tenant contributes to the cost of insuring the property insured against the event which caused *Damage*;
 - D. Managing agents employed or engaged to collect rent on behalf of the *Insured*.

14. Unoccupancy of Buildings

If any *Building* or any portions thereof becomes *Unoccupied*, the *Insurer* shall be liable for *Damage* solely caused by or resulting from fire, lighting, explosion, aircraft or other aerial devices or articles dropped therefrom, unless otherwise agreed in writing by the *Insurer*.

- A. When any *Building(s)* or any portions thereof become(s) *Unoccupied*, it is a condition precedent that the *Insured* must ensure that:
 - i) the *Building* and premises around is secured against illegal entry, with all windows firmly secured so as to prevent unauthorised entry;
 - ii) all mains services are disconnected and all water pipes and tanks are drained down unless such services are necessary for the operation of any heating or security or sprinkler systems that are to be kept in normal operation;
 - iii) if the mains services are required to remain connected or water pipes and tanks not drained for operation of any heating or security or sprinkler systems, the heating must be maintained in the *Insured Premises* at a minimum temperature of 5 (five) degrees centigrade;
 - iv) the *Insured* or appointed agent of the *Insured* inspects the *Building* and area around it at least once each week and:
 - a) all defects in maintenance or security are rectified immediately;
 - b) records of these inspections are kept and are available for inspection by the *Insurer*; and
 - v) there is no refurbishment or renovation work unless previously agreed by the *Insurer*.

B. In addition to the conditions precedent stated under **A** of this clause:

- i)** If any non-residential *Buildings* or part thereof become(s) *Unoccupied*, the *Insured* must;
 - a)** immediately give notice to the *Insurer upon notification of unoccupancy* and the *Insurer* shall have the right to impose additional conditions, exclusions and charge a suitable additional premium as the *Insurer* may require; and
 - b)** ensure that all letterboxes are sealed or fitted with internal cages and the *Building* and area around it is kept clear of all moveable combustible material;
- ii)** If any residential *Buildings* or part thereof become(s) *Unoccupied*, the *Insured* must take all reasonable precautions to prevent the accumulation of mail.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of the above conditions precedent, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

15. Workmen

The *Insurer* agrees that workmen shall be allowed on the *Insured Premises* for the purpose of carrying out minor repairs, decorations or alterations without prejudice to this insurance.

This Section shall not apply to the policy unless specified as INSURED in the *Schedule*.

Section 2

Loss of Rent Receivable

Insuring Clause

1 In the event of *Damage* to the *Property Insured* caused by a *Defined Peril*, which results in the interruption or interference with the normal course of *Business*, the *Insurer* will indemnify the *Insured* for the *Loss of Rent Receivable* arising from such interruption or interference occurring during the *Period Of Insurance* which is not otherwise excluded, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Provided that at the time of the happening of the *Incident* giving rise to the *Loss of Rent Receivable*:

- A the *Damage* to property is insured under Section 1 - Property Damage of this Policy or under any other Policy covering the *Insured's* interest in property whilst at the *Insured Premises*; and
 - B payment is made or liability admitted or would have been made or admitted in respect of such physical loss or *Damage* but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.
- 2 The *Insurer's* liability in respect of the *Loss of Rent Receivable* is restricted to:
- A the difference between the reduced *Rent Receivable* during the *Indemnity Period* as a direct consequence of the *Incident* and the normal *Rent Receivable* during the corresponding period in the 12 months prior to the *Incident*;
 - B the increased cost of working which shall comprise of the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or mitigating the *Loss of Rent Receivable* which but for that expenditure would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the amount of the reduction in *Rent Receivable* thereby avoided; or
 - C the cost of re-letting which shall comprise of the cost necessarily and reasonably incurred from the date of the *Incident* until the expiry of the *Indemnity Period* in re-letting the *Buildings* (including legal fees in connection with the reletting) solely in consequence of the *Incident*; less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses of the *Business* payable out of *Rent Receivable* as may cease or be reduced in consequence of the *Incident*.

Limit of Liability

The liability of the *Insurer* under this Section including the Extensions to the Section shall not exceed:

- A. the *Sum Insured* or, in respect of any individual Items, the *Sub-Limit* specified in the *Schedule*; and
- B. the *Maximum Indemnity Period* specified in the *Schedule*.

Extensions to Section 2

1. Alternative Residential Accommodation and Loss of Rent

In respect of *Insured Premises* occupied totally or partially for residential purposes, in the event of *Damage* to such *Insured Premises*, that renders it unfit to live in or to which all access is prevented, the *Insurer* will indemnify the *Insured* in respect of any:

- A *Loss Of Rent Receivable*; and
 - B expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease;
- until the *Insured Premises* is fit again for habitation or for a period of thirty six (36) months from the date of damage, whichever is the shorter.

This clause shall also including the costs of:

- C temporary storage of residents' furniture; and
- D kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

The *Insurer's* liability under this clause shall not exceed 25% of the Sum insured.

2. Auditor's Fees

This Section extends to indemnify the *Insured* for the necessary and reasonable fees payable to the *Insured's* auditors or professional accountants for producing such particulars or details contained in the *Insured's* books of account or other business documents, or such other proofs, information or evidence as may be required by the *Insurer* provided that the *Insurer's* liability in respect of this Extension shall not exceed GBP10,000 any one occurrence.

3. Capital Additions and Alterations and Improvements

This Section is extended to include *Loss of Rent Receivable* in respect of:

- A. alterations, additions, extensions and/or improvements to the *Buildings* under *Property Insured*;
- B. newly acquired and/or newly erected *Buildings* provided that they are not otherwise insured.

Provided that:

- i) the *Insurer's* liability under this Extension shall not exceed GBP100,000 any one occurrence.
- ii) the *Insured* shall inform the *Insurer* every six months of any alterations/ additions/ extensions or improvements and with respect to any such newly acquired and/or newly erected property, as soon as practicable and in any event within 6 (six) months of the date of acquisition; and
- iii) the *Insured* agree to pay the appropriate additional premium required from the from the date of acquisition of the newly acquired property, capital additions, alterations or improvements and such additional cover shall be evidenced in this Policy by adding an endorsement containing the sum insured pertaining to the relevant capital addition.

4. Denial of Access

The Section extends to include interruption of or interference with the *Business* in consequence of physical loss, destruction or *Damage* caused by a *Defined Peril* to any property within 250 (two hundred and fifty) metres of the *Insured Premises* which prevents the use of or access to the *Property Insured* irrespective of whether or not the *Property Insured* suffers similar physical loss, destruction or *Damage* provided that the *Insurer* shall not be liable for any claim in excess of 3 months with a maximum limit of indemnity of GBP50,000 any one occurrence and in the aggregate.

5. Infestation and Defective Sanitation

The *Insurer* shall indemnify the *Insured* for the *Loss of Rent Receivable* arising from interruption of or interference with the *Business* in consequence of the occurrence at the *Insured Premises* of:

- A. murder, suicide or food or drink poisoning;
- B. vermin, pests or defective sanitation; which causes restrictions on the use of the *Insured Premises* on the order or advice of the competent local authority; or
- C. *Accidental* physical loss, destruction or *Damage* as insured by this Section, to the drains or sanitary apparatus at the *Insured Premises* which results in closure of the *Insured Premises* for the *Business*.

The *Insurer* shall not be liable under this Extension for any amount in excess of 3 months with a maximum limit of indemnity of GBP500,000 any one occurrence and in the aggregate

6. Legionella

This Section extends to include *Loss of Rent Receivable* arising from interruption of or interference with the *Business* as a result of any outbreak of Legionellosis at the *Insured Premises* causing restrictions on the use of the *Insured Premises* on the order or advice of the competent authority. The *Insurer* shall not be liable under this Extension for any amount in excess of 3 months with a maximum limit of indemnity of GBP500,000 any one occurrence and in the aggregate

7. Loss of Attraction

This Section extends to include *Loss of Rent Receivable* arising from interruption of or interference with the *Business* due to *Damage* to property caused by a *Defined Peril* to any property within 250 (two hundred and fifty) metres of the *Insured Premises* which discourages potential tenants to the *Insured Premises* but the *Insurer* shall not be liable for any amount in excess of 3 months with a maximum limit of indemnity of GBP1,000,000 any one occurrence and in the aggregate.

No claim will be payable for Loss of Attraction for the same period of time that a claim is payable for Denial of Access at the same location.

8. Property Managing Agents

The Section extends to indemnify the *Insured* for *Loss of Rent Receivable* arising from interruption of or interference with the *Business* in consequence of *Damage* caused by a *Defined Peril* to property at the premises of any property managing agents employed or engaged to collect rent on behalf of the *Insured*, provided that:

- A. such *Rent Receivable* is not paid directly to the *Insured* as a direct result of the *Incident*;
- B. the *Rent Receivable* is not outstanding for 120 (one hundred and twenty) days in excess of its due date;
- C. all reasonable steps to recover the *Rent Receivable* are taken; and
- D. such *Rent Receivable* is not recoverable under any other Policy.

9. Public Utilities

The Section extends to indemnify the *Insured* for *Loss of Rent Receivable* arising from interruption of or interference with the *Business* in consequence of *Damage* by a *Defined Peril* to property at the premises of the following public utilities in the *Territorial Limits* from which the *Insured* obtains supplies or services:

- A. any generating station or sub-station of the public electricity supply undertaking from which the *Insured* obtains electricity;
- B. any land-based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the *Insured* obtains gas; or
- C. any water works or pumping station of the public water supply undertaking from which the *Insured* obtains water;
- D. any land-based telecommunication services to the *Insured Premises*.

Provided that the *Insurer* shall not be liable

- i) for any claim in excess of GBP50,000 any one occurrence and in the aggregate.
- ii) for any loss arising from failures which do not involve the cessation of supply for at least sixty consecutive minutes; and
- iii) the total or partial failure occasioned by strike or lock-out, total or partial withdrawal of labour, or total or partial cessation of work.

10. Unauthorised Occupation

The Section extends to indemnify the *Insured* for *Loss of Rent Receivable* arising from interruption of or interference with the *Business* as a result of the use of the *Insured Premises* or access thereto being hindered or prevented by

- A. the occupation of person not authorised by or on behalf of the *Insured* except in the course of a dispute between any employer and *Person Employed* or group of workers; or
- B. thought to contain or actually containing persons believed by the governmental authorities to be terrorists;

provided that the police are immediately informed of the unauthorised occupation or possible terrorist occupation,

- i) the *Insurer* shall not be liable for:
 - A. losses arising from any cause within the control of the *Insured*; or
 - B. any incident involving prevention of, hindrance of, access to or use of the *Insured Premises* for less than 48 (forty eight) hours duration.

Conditions to Section 2

1. Adjustment

The *Annual Rent Receivable* and *Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business* so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

2. Average

If, at the time of *Damage* giving rise to *Loss of Rent Receivable*, the *Sum Insured* declared by the *Insured* in respect of *Rent Receivable* is less than the *Annual Rent Receivable* (or a proportionately increased multiple thereof where the *Maximum Indemnity Period* exceeds twelve (12) months), the *Insurer's* liability will be proportionately reduced.

3. Basis of Claims Settlement

The amount payable shall be the actual amount of the reduction in *Rent Receivable* incurred during the *Indemnity Period* in consequence of the *Incident* from the *Rent Receivable* estimated that would have been earned during that period had the *Incident* not occurred.

Where under the terms of the lease or leases, rent reviews would have taken place during the *Indemnity Period* the Basis of Claims Settlement shall take into account such rent reviews, provided that the *Insurer's* total liability shall not exceed 200% (two hundred percent) of the *Sum Insured* on *Loss of Rent Receivable*.

4. Cessation of Business

If, subsequent to the happening of an *Incident* by a *Defined Peril*, the *Business* is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued, this Section shall cease to have effect from the date of the decision to wind up or permanently discontinued the *Business* or date of the decision to appoint a liquidator, receiver or administrator unless this Section's continuance is agreed in writing by the *Insurer*.

5. Due Diligence

In the event of an *Incident* that may give rise to a claim under this Section, it is a condition precedent to the *Insurer's* liability under this Policy that the *Insured* shall with due diligence take all steps that are reasonably practicable to avoid or minimise any interruption of or interference with the *Business*.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of the above condition precedent, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

6. Experience of the Business

In determining the amount of *Loss of Rent Receivable*, due consideration shall be given to the experience of the *Business* before the date of the *Incident* and the probable experience of the *Business* thereafter had no loss or *Damage* occurred to the *Property Insured*.

7. First Twelve Months Trading

In the event of a claim arising from an *Incident* occurring before the completion of the first 12 (twelve) months trading of the *Business* at the *Insured Premises*, any terms in this Section's referring to income and outgoings during a prior period of 12 (twelve) months shall be adjusted so as to apply to the income and outgoings during the period from commencement of the *Business* to the date of the *Incident*.

8. Insured's accounting definitions

For the purpose of any definitions applicable to this Section, any adjustment implemented in current cost accounting shall be disregarded. The undefined words in this *Section* shall have the meaning usually attached to them in the *Insured's* books and accounts.

9. Payments on Account

Payments on account shall be made by the *Insurer* to the *Insured* during the *Indemnity Period* if required.

10. Premium Payment

The premium paid for *Loss of Rent Receivable* may be adjusted on receipt by the *Insurer* of a declaration of the *Rent Receivable* earned during the financial year most nearly concurrent with the *Period Of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to *Loss of Rent Receivable*, the above mentioned declaration shall be increased for the purpose of premium adjustment by the amount by which the *Rent Receivable* is reduced during the financial year solely in consequence of the *Incident*.

If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Loss of Rent Receivable Sum Insured* for the relative *Period Of Insurance*, the *Insurer* shall allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

11. Reinstatement of Limit

It is hereby mutually agreed that, in the event of payment of a claim under this Section, the *Sum Insured* shall be reinstated to the full amount from the time of the *Incident* until expiry of this Policy, in consideration of the additional premium paid or payable by the *Insured* in respect of the amount of such reinstatement.

12. VAT

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

Exclusions to Sections 1 and 2

The following Exclusions shall apply to the above mentioned Sections of this Policy in addition to the **General Exclusions** of the Policy unless as stated otherwise.

1. The *Insurer* shall not be liable for any amount of the *Excess* as specified in the *Schedule* with respect to the Section or individual coverages under the Sections.
2. The *Insurer* shall not be liable for *Accidental Damage*:
 - A. arising from any other Insured Peril, whether shown as operative on the *Schedule* / Certificate of Insurance or not;
 - B. to *Buildings* or structures in course of construction or erection and materials or supplies connected with them;
 - C. the cost of maintenance or routine decoration; or
 - D. to garden landscaping and paving, garden furniture, trees and plants;

Provided that this exclusion shall not exclude subsequent *Damage* resulting from an ensuing cause which is not otherwise excluded.

3. With respect to subsidence, ground heave and landslip, the *Insurer* shall not be liable for *Damage* or the resulting interruption or interference
 - A. arising from:
 - i) collapse, cracking, shrinkage or settlement of new *Building(s)* or any part thereof;
 - ii) coastal or river erosion;
 - iii) defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
 - iv) settlement or movement of made up ground;
 - v) the normal settlement or bedding down of new structures;
 - vi) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
 - vii) demolition, construction, structural alteration or repair of any *Building(s)* at the same *Insured Premises*; or
 - viii) groundwork or excavation at the same *Insured Premises*.
 - B. to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences at the same *Insured Premises*, unless specifically insured hereunder up to a Limit of Indemnity in any one Period Of Insurance of GBP25,000;
 - C. which occurs while the *Building* or any part thereof in the course of erection, demolition, structural alteration or structural repair; or
 - D. which occurs at the same *Insured Premises* which originated prior to the inception of this cover.
4. With respect to storm, the *Insurer* shall not be liable for *Damage* or the resulting interruption or interference caused:
 - A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by flash flooding or flood arising from surface water run-off;
 - C. by water inundation from the coast, a water course, lake, reservoir, ditch, drain, sewer or culvert;
 - D. by spray, salt or contaminants from any source listed in C. above;
 - E. by subsidence, ground heave or landslip; or
 - F. to garden landscaping and paving, garden furniture, tree and plants.
5. With respect to flood the *Insurer* shall not be liable for *Damage* or the resulting interruption or interference caused:
 - A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by subsidence, ground heave or landslip; or
 - C. to garden landscaping and paving, garden furniture, tree and plants, gates and fences.
6. With respect to breakage or collapse of aerials, the *Insurer* shall not be liable for *Damage* to or the resulting interruption or interference caused by or arising from the erection, dismantling, repair or maintenance thereof.
7. With respect to *Damage* caused by malicious persons, the *Insurer* shall not be liable for *Damage* to or the resulting interruption or interference caused:
 - A. by the *Insured* ;
 - B. to garden landscaping and paving, garden furniture, tree and plants.

8. The *Insurer* shall not be liable for *Damage* or interruption or interference caused by theft or attempted theft:
- A. unless there has been forcible and violent entry to or exit from the *Buildings*;
 - B. by the *Insured*;
 - C. to garden landscaping and paving, garden furniture, tree and plants;
 - D. to contents, belonging to or in the custody and control of the *Insured*, from common areas of the *Buildings*; or
 - E. yards, gardens, open spaces or outbuildings to *Insured Property*.
9. The *Insurer* shall not be liable for *Damage* or interruption or interference with caused by:
- A. explosion, failure or collapse of a boiler (but not a boiler used for domestic purposes only) economiser or other vessel, machine, apparatus or pipe work at the *Insured Premises* in which internal pressure is due to steam only belonging to, or under the control of, the *Insured*;
 - B. leakage of electricity, self ignition, over-running, excessive pressure, short circuiting, self heating of the any equipment, electrical apparatus or fittings where the *Insured* is responsible;
 - C. joint leakage failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith;
 - D. inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
 - E. faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of their *Persons Employed* where such error or omission is committed with the knowledge of or connived at by the *Insured*;
- Provided that this exclusion shall not exclude subsequent *Damage* resulting from an ensuing cause which is not otherwise excluded.
10. The *Insurer* shall not be liable for *Damage* or interruption or interference caused by or consisting of:
- A. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
 - B. change in temperature, colour, flavour, texture or finish;
 - C. *Pollution or Contamination*;
 - D. mechanical or electrical breakdown, derangement or overloading; or
 - E. the item of *Property Insured* undergoing any process involving the application of heat;
- but this exclusion shall not apply to *Damage* resulting from or resulting in a *Defined Peril*.
11. The *Insurer* shall not be liable for *Damage*, or interruption or interference caused by or consisting of:
- A. acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured*, members of their families or any other person to whom *Property Insured* has been entrusted;
 - B. unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - C. impact with any *Property Insured* by any waterborne vessel or craft; or
 - D. *Pathogenic Organisms*, 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 in respect of insurance provide by the **Infestation and Defective Sanitation Extension under Section 2 – Loss of Rent Receivable**.
12. The *Insurer* shall not be liable for *Damage* or interruption or interference caused directly by or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property.
13. The *Insurer* shall not be liable for any *Damage* to property in transit covered or which should have been covered under a marine policy or policies.
14. The *Insurer* shall not be liable for *Damage* or the resulting interruption or interference caused directly by the *Property Insured's* own collapse or cracking unless such *Damage* results from a *Defined Peril* and is not otherwise excluded.
15. The *Insurer* shall not be liable for *Damage* or interruption or interference caused directly by or consisting of or resulting from cessation of work.
16. The *Insurer* shall not be liable for *Damage* or interruption or interference caused directly by loss of market, loss of use of *Property Insured* or consequential loss or *Damage* of any kind not specifically insured under this Policy.
17. The *Insurer* shall not be liable for *Damage* or interruption or interference attributable solely to change in the water table level.

18. The *Insurer* shall not be liable for *Damage* or interruption or interference attributable to *Damage* to the following property:

- A. glass (other than *Glass*), china, earthenware, marble, statuary or other fragile or brittle objects but this exclusion shall not apply in respect of *Damage* caused by a *Defined Peril* and not otherwise excluded;
- B. mobile phones, laptops, tablets or similar portable electronic equipment, documents, tenants property, money or any articles of gold, silver or other precious materials, jewellery or other personal items;
- C. property in transit except as provided for under the individual Extension clauses;
- D. vehicles licensed for road use, caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
- E. property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
- F. land, roads, pavements, piers, jetties, bridges, culverts, underground shafts, mines or excavations; or
- G. livestock, animals, growing crops or trees;

unless specified in the *Schedule* as insured by this Section.

19. The *Insurer* shall not be liable for any loss *Damage*, claim, cost, expense, or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a *Communicable Disease* or the fear or threat (whether actual or perceived) of a *Communicable Disease*.

For the purpose of this Exclusion, loss, *Damage*, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- A. For a *Communicable Disease*, or
- B. Any *Property Insured* hereunder that is affected by such *Communicable Disease*.

This Exclusion applies to all coverage extension, additional coverages, exception to any exclusion and other coverage grants(s)

This Section shall not apply to the policy unless specified as INSURED in the *Schedule*.

Section 3

Terrorism

Insuring Clause

The *Insurer* agrees to indemnify the *Insured* for *Damage to Property Insured* and resulting *Loss of Rent Receivable* solely in so far as and to the extent of coverage and *Sub-limits* provided under [Section 1](#) and [2](#) of this Policy, in the event that:

- A. such *Damage to Property Insured* and resulting *Loss of Rent Receivable* is caused by and arises from an *Act of Terrorism*;
- B. such act is certified as an act of terrorism by Her Majesty's Government or Her Majesty's Treasury or any successor or other relevant authority or in the event such certification is refused, the refusal is reversed by the decision of a validly constituted tribunal; and
- C. the *Damage to Property Insured* and resulting *Loss of Rent Receivable* occurs in England, Wales and/or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 or any subsequent amending legislation and not the Isle of Man or the Channel Islands).

Limit of Liability

The liability of the *Insurer* under this Section in respect of any one *Occurrence* and in the aggregate during the *Period Of Insurance* shall not exceed the *Sum Insured* as specified in the *Schedule* and shall be subject to all terms and conditions and *Sub-Limits* under [Section 1](#) and [2](#) of this Policy, unless stated otherwise.

Exclusions to Section 3

The [General Exclusions](#) of the Policy shall not apply to insurance provided under this Section.

The following Exclusions shall apply to this Section unless stated otherwise:

1. The *Insurer* shall not be liable for any amount of the *Excess* as specified with respect to the [Sections 1](#) and [2](#) or individual coverages under the Sections.
2. The *Insurer* shall not be liable for any claim of whatsoever nature directly or indirectly caused by or occasioned by or happening through or in consequence of:
 - A. Riot, civil commotion, vandals or other persons acting maliciously or by way of protest or strikes, labour unrest;
 - B. *War*, invasion or warlike operations, hostile acts of sovereign or local government entities, rebellion, revolution, insurrection or military or usurped power; or
 - C. Cyber-attack or cyber intrusion, damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the *Insured* or not where such *Damage* is caused by *Virus or Similar Mechanism* or *Hacking* or *Denial of Service Attack* including any loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom.
3. This Section does not cover any claim of whatsoever nature, directly or indirectly, covered under any marine, aviation, transit and motor certificates or policies.
4. This Section does not cover any claim of whatsoever nature, directly or indirectly, in respect of:
 - A. residential property, houses and other dwellings insured in the name of a private individual unless such property is insured in the private individual's commercial capacity as the landlord of the property;
 - B. any property specifically excluded in this Policy;

- C. any *Damage* to any property at a nuclear installation or nuclear reactor and all fixtures and fitting attached thereto which serve, in anyway, such nuclear installations or nuclear reactors; or
 - D. any property located outside England, Wales and Scotland.
5. The insurance by this Section is subject otherwise to all the terms and conditions of this policy except that any:
- A. long term undertaking applying to this Policy; or
 - B. terms which provide for adjustments of premium based upon declarations on expiry or during the *Period Of Insurance* ;
- will not apply to losses covered under this Section.

Conditions to Section 3

1. Average

If at the time of any *Damage* the *Sum Insured* is less than the cost of reinstatement of such property, then the *Insured* shall be considered as being their own Insurer for the difference and shall bear a rateable share of the loss accordingly.

2. Onus of Proof

In any action, suit or other proceedings where the *Insurer* allege that any claim is not covered by this Section of this Policy or make any other contested allegations with regards to the cover provided under this Section, the burden of proving that such claim is covered hereunder or other allegations shall be upon the *Insured*.

3. Seventy Two Hours Clause

In the event of *Damage* caused by an *Act of Terrorism* during any one *Period Of Insurance* , an *Occurrence* with regard to such *Damage* shall be limited to 72 (seventy two) consecutive hours for the purposes of this Section. If the duration of the *Incident* extends to beyond 72 (seventy two) consecutive hours, then the *Insured* may decide to divide that *Incident* into 2 (two) or more *Occurrences*. The *Insured* may chose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the *Incident*;
- B. no 2 (two) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the *Insurer* shall be liable as if such period had fallen entirely within the *Period Of Insurance* of the policy.

This Section shall not apply to the policy unless specified as INSURED in the *Schedule*.

Section 4

Property Owners' Liability

Insuring Clause

The *Insurer* will indemnify the *Insured* and any *Additional Insured*:

- 1 against legal liability for damages and claimant's costs and expenses in respect of:
 - A *Injury* to any person;
 - B *Damage to Property*;
 - C *Nuisance*; and
 - D *Personal Injury*;occurring during the *Period Of Insurance* within the *Territorial Limits* in connection with the *Business*.
- 2 in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Incident* which is or may be the subject of indemnity under 1 above.

Limit of Liability and Legal Costs

- 1 Irrespective of:
 - A. the number of parties and/or entities entitled to indemnity; or
 - B. the number of claimants;the total amount payable by the *Insurer* under this Section and all Extensions in respect of any one *Occurrence* shall not exceed the *Limit of Liability* specified in the *Schedule*.
- 2 *Legal Costs* payable by the *Insurer* shall be paid in addition to the *Limit of Liability* unless otherwise stated provided always that:
 - A. if a payment of damages and/or claimant's costs and expenses exceeding the *Limit of Liability* has to be made to dispose of any claim; and
 - B. the *Insurer* are liable to pay *Legal Costs* in addition to the *Limit of Liability*;the liability of the *Insurer* for such *Legal Costs* shall be limited to such proportion as the *Limit of Liability* bears to the amount paid to dispose of such claim. Nothing contained in this clause shall be construed to vary or override Claims Condition 2 of this Policy.

This Section provides cover against legal liability for damages and claimant's costs and expenses and *Legal Costs* in respect of *Injury* sustained by any person, other than a *Person Employed*, and *Damage to Property* directly or indirectly caused by, or contributed to by, or arising from an *Act of Terrorism* occurring during the *Period Of Insurance* within the *Territorial Limits* up to a limit of GBP 5,000,000 in respect of any one *Occurrence* or the amount of the *Limit of Liability* as specified in the *Schedule*, whichever is the lower.

Extensions to Section 4

1. Contingent Motor Liability

Notwithstanding **Vehicles'** exclusions under **Exclusions to Section 4**, the *Insurer* will indemnify the *Insured* and no other against legal liability arising out of the use in the course of the *Business* of any mechanically-propelled vehicle not the property of nor provided by the *Insured*.

This Extension will not apply to legal liability:

- A. arising while such vehicle is being driven by the *Insured* or *Additional Insured*;
- B. in respect of *Loss* or *Damage* to such vehicle or to any *Property* conveyed therein;
- C. arising out of the use of any such vehicle owned or provided by any principal for whom the *Insured* is working or any subcontractor acting for or on behalf of the *Insured*;
- D. arising outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; or
- E. in respect of which the *Insured* is entitled to indemnity under any other insurance.

2. Data Protection Act

The *Insurer* will indemnify the *Insured* and, if the *Insured* so requests, any director or partner of the *Insured* or *Person Employed* against legal liability for *Injury* arising under Section 13 and defence costs in relation to prosecution under Section 21 of Part III the Data Protection Act 1998 or any subsequent amending or legislation in substitution thereof.

For the purposes of this Extension damage and/or distress within the meaning of such Act shall be deemed to be *Injury*, provided that the *Insured*:

- A is registered in accordance with the terms of such Act or has applied for registration which has not been refused or withdrawn;
- B has taken all reasonable care to comply with the requirements of such Act.

This Extension will not apply to:

- i) the costs of replacing, reinstating, rectifying or erasing data;
- ii) legal liability arising from, or caused by any deliberate act or omission of the *Insured* or any person entitled to indemnity, if the result thereof could reasonably have been expected by the *Insured* or such other person having regard to the nature and circumstances of such act or omission;
- iii) legal liability arising from, or caused by cyber-attacks or other form of cyber related intrusion, damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible and whether the property of the *Insured* or not, where such damage is caused by virus or similar mechanism or hacking or denial of service attack;
- iv) the payment of fines or penalties;
- v) claims arising out of circumstances notified to previous insurers or known to the *Insured* at the inception of this Policy;
- vi) legal liability in respect of which indemnity is provided by any other insurance.

3. Defective Premises Act

In so far as this Section indemnifies the *Insured* against their legal liability in respect of *Injury* or *Damage* to *Property*, such Section shall apply to legal liability incurred by the *Insured* by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises disposed of by the *Insured*.

This Extension will not apply to legal liability:

- A. for the costs of remedying any defect or alleged defect in premises disposed of by the *Insured*; or
- B. in respect of which the *Insured* is entitled to indemnity under any other insurance.

4. Legionellosis

The *Insurer* will indemnify the *Insured*

- A. against legal liability for damages and claimant's costs and expenses in respect of *Injury* caused by legionellosis arising out of the *Business* and for which:
 - i) a claim first made in writing to the *Insured* during the *Period Of Insurance* ; or
 - ii) the first notification of any circumstance which caused or is alleged to have caused *Injury* or can reasonably expected to give rise to a claim under the Policy;
is made to the *Insurer* during or within thirty days of the expiry of the *Period Of Insurance* ; or
- B. in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Injury* caused by legionellosis covered under this Extension;

Provided that the maximum amount the *Insurer* will pay in respect of the cover under this Extension shall not exceed the *Limit of Liability* specified in the *Schedule*.

5. Movement of Obstructing Vehicles

The *Insurer* will indemnify the *Insured* in respect of liability caused by or arising from any vehicle (not owned or hired by or lent to the *Insured*) being driven by the *Insured* or by any *Person Employed* with the *Insured's* permission whilst such vehicle is being moved for the purpose of allowing free movement of any vehicle owned, hired by or lent to the *Insured* or any *Person Employed*, provided that:

- A. all movements are limited to vehicles parked on or obstructing the *Insured Premises*;
- B. the vehicle causing obstruction will not be driven by any person unless such person is competent to drive the vehicle;
- C. the vehicle causing obstruction is driven by use of the owner's ignition key;
- D. the *Insurer* shall not provide indemnity against liability:
 - i) in respect of *Damage* to such vehicle; or
 - ii) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle.

6. Overseas Personal Liability

The *Insurer* will indemnify the *Insured* and, if the *Insured* so requests, any director or partner of the *Insured* or *Person Employed* and the accompanying spouse of the director or partner of the *Insured* or *Person Employed* against legal liability incurred in a personal capacity while temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in connection with the *Business* provided that the *Insurer* shall not be liable in respect of any liability arising directly or indirectly out of or in connection with:

- A. any country or territory which operates under the law of the United States of America or of Canada;
- B. any liability arising out of the ownership or occupation of land or buildings;
- C. manual work carried out during temporary visits outside the *Territorial Limits*; or
- D. in respect of which indemnity is afforded by any other insurance.

7. Pollution or Contamination

A. Notwithstanding **Exclusion 5 Pollution or Contamination** of **Section 4**, the *Insurer* will indemnify the *Insured* and any *Additional Insured* for:

- i) statutory costs that the *Insured* is legally liable to pay, or legally obliged to incur under an environmental protection directive, statute or statutory instrument, for remediation of environmental damage, arising out of or from *Pollution and Contamination* occurring during the *Period Of Insurance*, within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the *Business* provided that the *Pollution and Contamination* is caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place during the *Period Of Insurance*; or
- ii) damages and compensation, including claimants costs recoverable from the *Insured* arising from *Injury, Damage to Property and Nuisance* arising out of or from *Pollution and Contamination* occurring during the *Period Of Insurance* within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the *Business* provided that the *Pollution and Contamination* is caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place during the *Period Of Insurance*.

B. The *Limit of Liability* of the *Insurer* in respect of:

- i) statutory clean-up costs shall be GBP1,000,000 in the aggregate in respect of the *Period Of Insurance*, which is inclusive and not in addition to the aggregate limit for *Pollution and Contamination Events* under (ii) below; and
- ii) all *Events*, agreed by the *Insurer*, to have happened during the *Period Of Insurance* in respect of *Pollution or Contamination* shall not exceed GBP2,000,000 or the *Limit of Liability* specified in the *Schedule* for *Property Owner's Liability*, whichever is the higher, in the aggregate for **Sections 4** in respect of the *Period Of Insurance*, inclusive of *Legal Costs* and statutory clean-up costs.

C. This Extension excludes and does not cover any sum incurred in respect of:

- i) activities commenced by or on behalf of the *Insured* prior to inception of the *Period Of Insurance* or any period of continuous insurance prior to inception of the *Period Of Insurance* where each policy making up that continuous insurance is underwritten by the *Insurer* or by an affiliate; or
- ii) prevention of *Pollution and Contamination* to or on third party property or the *Insured's* land, premises, watercourse or body of water, whether owned, leased, hired, tenanted or otherwise in the *Insured's* care custody or control.

8. Principals

The *Insurer* will indemnify the principal of the *Insured*, upon request from the *Insured* and written confirmation from the *Insurer*, but only to the extent required by contract conditions in respect of liability arising solely out of work performed for the principal by or on behalf of the *Insured* and provided that:

- A. the principal shall comply with and be subject to the terms and conditions of this Policy in so far as they can apply as though the principal were the *Insured*; and
- B. the *Insurer* shall not be liable under this Policy for the principal's negligence or breach of statutory duty by the principal;
- C. the *Insurer's* liability under this Extension shall in no way operate to increase the *Limit of Indemnity*; and
- D. such liability is not covered under any other insurance or in any other way.

9. Subrogation Waiver

It is a condition precedent to cover that the *Insured* does not, without specific prior written agreement by the *Insurer* agrees to any term of any contract or agreement which restricts, reduces or waives the *Insured's* or the *Insurer's* right of recovery from any other party. When such prior written agreement is requested by the *Insured*, the *Insurer* shall be entitled to:

- A. charge an additional premium;
- B. request that *Insured* seek to renegotiate its contract to omit entirely such term(s);
- C. exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/or
- D. apply a net contribution limit to the *Insurer's* indemnity in respect of the relevant project.

10. Wrongful Arrest

This Section is extended to include the *Insured's* liability arising out of wrongful detention, false or malicious arrest, malicious prosecution or false imprisonment arising out of any accusation of shoplifting, theft, dishonesty or other improper conduct by any person and occurring on or about the *Insured Premises*.

Exclusions to Section 4

The following Exclusions shall apply to this Section in addition to the **General Exclusions** of the Policy unless as stated otherwise. The *Insurer* shall not be liable for the *Insured's* legal liability:

1. Advertising Injury

to a third party arising out of the *Insured's* advertising activities, but only if such injury arises out of:

- A. misappropriation of advertising ideas or style of doing business;
- B. infringement of copyrighted advertising materials, titles or slogans; or
- C. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

2. Contractual Liability

owed by the *Insured* to a party or liabilities retained by the *Insured*, such as hold harmless clauses or waiver of rights of recovery, under the terms of any contract or agreement which would not have attached to or been retained by the *Insured* in the absence of such contract or agreement, except where the *Insurer* gives its prior written agreement.

3. Coronavirus Exclusion

for a claim in any way caused by or resulting from:

- A. Coronavirus disease (COVID_19);
- B. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- C. Any mutation or variation of SARS-CoV-2;
- D. Any fear or threat of a), b) or c) above

4. Injury sustained by Persons Employed

for *Injury* sustained by any *Person Employed* arising out of and in the course of employment by the *Insured* in the *Business*.

5. Property in the Insured's Care, Custody or Control

in respect of loss of or *Damage* to any *Property* which, at the time of the *Incident* giving rise to such liability, is owned by or held in trust by or in the care, custody or control of the *Insured* or any *Person Employed*, other than:

- A. personal effects including vehicles and their contents of any *Person Employed* or any director or partner of or visitor to the *Insured*;
- B. premises including their contents, not owned by or leased or rented to the *Insured* but temporarily occupied by the *Insured* for the purposes of undertaking work in connection with the *Business*, provided that this paragraph shall not include any property to which A directly above applies; or
- C. premises and their fixtures and fittings leased or rented to the *Insured*, excluding liability:
 - i) which attaches by way of any contract or agreement and that would not have attached in absence of such agreement;
 - ii) *Damage* caused by fire or explosion.

6. Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*.

7. Vehicles

arising out of the ownership or possession or use of any mechanically-propelled vehicle by or on behalf of the *Insured* in circumstances where insurance or security is required under the provisions of any road traffic legislation but this Exclusion will not apply to:

- A mechanical plant while operating as a tool of trade;
- B the loading or unloading of any vehicle;

except in respect of legal liability for which:

- i insurance or security is required by law; or
- ii indemnity is provided by any motor insurance contract.

8. Vessels and Craft

arising out of the ownership, possession or use by or on behalf of the *Insured* of any vessel or craft designed to travel in, on or through water, air or space.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 5

Employers' Liability

Insuring Clause

The *Insurer* will indemnify the *Insured* and any *Additional Insured*:

- 1 against legal liability for damages and claimant's costs and expenses in respect of *Injury* caused to any *Person Employed* during the *Period Of Insurance* within the *Territorial Limits* and arising out of and in the course of employment by the *Insured* in the *Business*; and
- 2 in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Incident* which is or may be the subject of indemnity under 1 above.

Provided always that no indemnity will be afforded by the *Insurer* in respect of any judgement, award or settlement made in any country or territory outside the *Territorial Limits* or in respect of any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part, unless the *Insured* has requested that there shall be no such limitation and has accepted the terms offered by the *Insurer* in granting such cover, which offer and acceptance must be signified by an Endorsement attaching to this Policy.

Limit of Liability

Irrespective of:

- 1 the number of parties and/or entities entitled to indemnity; or
- 2 the number of claimants;

the total amount payable by the *Insurer* under this Section including all Extensions in respect of or arising from any one claim or series of claims against the *Insured* arising out of one *Occurrence* shall not exceed the *Limit of Liability* specified in the *Schedule* for Employers' Liability.

This Section provides cover against legal liability for damages, claimant's costs and expenses and *Legal Costs* in respect of *Injury* sustained by *Persons Employed* caused as a result of *Terrorism* during the *Period Of Insurance* within the *Territorial Limits* up to a limit of GBP 5,000,000 in respect of any one *Occurrence*.

Extension to Section 5

The following Extension shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

1. Contractual Liability

This Section will indemnify the *Insured* against liability, of the nature covered under this Section, assumed by the *Insured* under terms of a contract or agreement, which would not have attached in the absence of such contract or agreement, provided that such term(s) does not indemnify a party for or relieve a party from liability for its own negligence or breach of statutory duty.

2. Temporary overseas visits

The *Insurer* will indemnify the *Insured* and/or *Additional Insured* against legal liability in respect of *Injury* sustained in connection with the *Business* while temporarily outside the *Territorial Limits* during the *Period Of Insurance* provided that:

- A. such temporary business trips outside the *Territorial Limits* do not exceed a period of 3 (three) months; and
- B. the *Insured* and/or *Additional Insured* is domiciled within the *Territorial Limits*.

This Extension shall not apply directly or indirectly with respect to liability:

- i) arising out of, from or in connection with any country or territory which operates under the laws of the United States of America or of Canada; or
- ii) manual work carried out outside the *Territorial Limits*.

3. Unsatisfied Court Judgements

If a judgement for damages is obtained in any court within in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man:

- A by any *Person Employed* or the personal representatives of any *Person Employed* in respect of *Injury* caused to that *Person Employed* during the *Period Of Insurance* and arising out of and in the course of employment by the *Insured* in the *Business*;
- B against any individual or company, not insured under this Section, operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
- C which remains unsatisfied in whole or in part 6 (six) months after the date of such judgement;

then, at the request of the *Insured*, the *Insurer* will pay to the *Person Employed* or the personal representatives of the *Person Employed*, the amount of such damages and awarded costs that remain unsatisfied, provided that:

- i) any payment made by the *Insurer* shall only be in respect of liability for which the company or individual, under 3.B above, would have been entitled to indemnity had such company or individual been insured under this Section; and
- ii) there is no appeal outstanding; and
- iii) if any payment is made under the terms of this Extension, the *Person Employed* or the personal representatives of the *Person Employed* shall assign the judgement to the *Insurer*.

Exclusions to Section 5

The following Exclusions shall apply to this Section in addition to the **General Exclusions** of the Policy unless as stated otherwise.

The *Insurer* shall not be liable for the *Insured's* legal liability in respect of:

1 Medical and Repatriation Costs

- A medical costs or medical expenses; or
- B repatriation costs or repatriation expenses;

incurred by any *Person Employed* whilst outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

2 Road Traffic Legislation

Injury for which the *Insured* is required to arrange motor insurance or security in accordance with any road traffic legislation.

Extensions to Sections 4 and 5

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of Sections 4 and 5 and this Policy.

1 Cross Liabilities

If the *Insured* comprises more than one entity the *Insurer* will indemnify each entity in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount of indemnity afforded by the *Insurer* shall not exceed the *Limit of Liability* regardless of the number of entities entitled to indemnity.

2 Compensation for Court Attendance

If at the request of the *Insurer* any *Person Employed* or director or partner of the *Insured* shall attend court as a witness in connection with a claim in respect of which the *Insured* is entitled to indemnity under these Sections, the *Insurer* will provide compensation to the *Insured* at the following rates per day for each day on which attendance is required:

- A. any director or partner of the *Insured* GBP 500; and
- B. any other *Person Employed* GBP 250.

3 Corporate Manslaughter Legal Defence Costs

This Policy is extended to indemnify the *Insured* and if the *Insured* so requests any *Person Employed* or director or partner of the *Insured* in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide, including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation, provided that an offence is alleged to have been committed during the *Period Of Insurance* in the course of the *Business*.

The *Insurer* shall be entitled, but not obliged, to assume the conduct of the defence of any criminal proceedings in respect of which an indemnity is provided under this Extension.

The indemnity provided under this Extension shall not exceed GBP 5,000,000 any one claim and in the aggregate for all claims during any one *Period Of Insurance*.

However, the total liability of the *Insurer* under Sections 4 and 5 of this Policy, inclusive of this Extension, shall not exceed the Limits of Liability as specified in the *Schedule*.

This Extension shall not apply:

- A. to fines or penalties of any kind; or
- B. where indemnity is provided by any other insurance.

4 Health and Safety at Work Legal Defence Costs

Subject to the terms of the *Insurer's* written consent and the *Insurer's* control, the *Insurer* will indemnify the *Insured* and if the *Insured* so requests, any *Person Employed* or director or partner of the *Insured*, in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of any *Health and Safety Legislation*, provided that an offence is alleged to have been committed during the *Period Of Insurance* in the course of the *Business*.

This Extension will not apply:

- A. to fines or penalties of any kind;
- B. to proceedings consequent upon any deliberate act or omission by:
 - i) the *Insured*;
 - ii) any partner or director of the *Insured*;

which could reasonably have been expected to constitute a breach of the *Health and Safety Legislation* having regard to the nature and circumstances of such act or omission; or

- C. where indemnity is provided by any other insurance.

Exclusions to Section 4 and 5

The following Exclusions shall apply to this Section in addition to the **General Exclusions** of the Policy unless as stated otherwise.

The *Insurer* shall not be liable for any legal liability:

1. Contractual Liability

owed by the *Insured* to a party or liabilities retained by the *Insured*, such as hold harmless clauses or waiver of rights of recovery, under the terms of any contract or agreement which would not have attached to or been retained by the *Insured* in the absence of such contract or agreement, except where the *Insurer* gives its prior written agreement.

2. Cyber Liabilities

in respect of any claim for *Loss* or *Damage* arising out of *Business* conducted and/or transacted via any internet, intranet, extranet and/or via the *Insured's* own website, Internet site, web address and/or via the transmission of electronic mail or documents by electronic means.

3. Defamation

in respect of any form of defamation, libel or slander.

4. Deliberate act

in respect of *Injury*, *Damage*, *Personal Injury* or *Nuisance* and any costs and expenses, arising from any deliberate act or a failure to act by the *Insured* or *Additional Insured* which constitutes an offence under legislation or a breach under this contract but this exclusion shall not apply with respect to *Injury* resulting from the use of reasonable force to protect persons or property.

5. Electronic data

arising from *Loss*, alteration or impairment of, *Damage* to or distortion of processed data and/or *Electronic data* 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.

6. Employment Practice Liability

directly or indirectly occasioned by, happening through or in consequence of any claim for breach of employment contract, defamation, discrimination and/or harassment and/or in relation to the hiring, supervision, retention and/or personal development of any director and/or partner of the *Insured* and/or *Person Employed* however arising.

7. Excess

for the amount of the *Excess* specified in the *Schedule* for each operative Section.

8. Fees for intervention

any payments raised under the Health and Safety (Fees) Regulations 2012 relating to 'Fees for intervention'.

9. Financial loss

directly or indirectly, for pure economic loss not ensuing from *Injury*, *Damage*, *Nuisance* or *Personal Injury* covered in this Policy.

10. Fines, Liquidated Damages, Penalty Clauses and Performance Warranties

for fines, liquidated damages clauses, penalty clauses or performance warranties.

11. Inhalation of Asbestos

directly or indirectly caused by, or contributed to by, or arising from work involving the manufacture, processing, mining, use, storage, installation, handling, removal, stripping out, demolition, transportation or disposal of asbestos, asbestos dust, asbestos fibres or materials containing asbestos fibre.

However, where such activities do not form any part of the *Insured's* normal activities this Exclusion shall not apply to legal liability arising from:

A the accidental discovery of materials known or suspected to be asbestos or to contain asbestos fibre; and

B the investigation of any such suspect materials;

provided always that:

- i** immediately upon discovery as defined in **A** above, all work ceases until the composition of all such materials is established; and
- ii** any subsequent handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre requiring license is carried out by qualified licensed subcontractors on terms which indemnify the *Insured* for liability arising out of such work;

other than in respect of **Section 5 Employers' Liability** where the total amount payable by the *Insurer* under **Section 5** including all Extensions in respect of or arising from any one claim or series of claims against legal liability incurred by the *Insured* arising out of one *Occurrence* shall not exceed GBP 5,000,000.

12. Loss of use

for loss or reduction of use to property without *Damage* to such property.

13. North American jurisdiction

in respect of

- A. Any *Incident* occurring in United States of America or Canada which gives rise to a claim under this Policy;
- B. any claim made or brought in the United States of America or Canada; or
- C. Any judgement, award or settlement made in any country or territory which operates under the laws of the United States of America or of Canada or in respect of any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part.

14. Professional Services

arising from or in connection with:

- A advice;
 - B design;
 - C specification; or
- provided for a fee.

15. Punitive and Exemplary Damages

for punitive or exemplary damages or any damages resulting from the multiplication of compensatory damages.

16. Radioactive Contamination

directly or indirectly caused by, or contributed to by, or arising from:

- A ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - B the radioactive, toxic, explosive or other *Hazardous* properties of any explosive nuclear assembly or nuclear component thereof.
- Provided that in respect of claims arising out of *Injury* which form the subject of indemnity under **Section 5**, this Exclusion shall only apply when the *Insured* under a contract or agreement has undertaken to indemnify any principal or has assumed liability for *Injury* caused to a *Person Employed* by contract or agreement and which liability would not have attached in the absence of such contract or agreement.

17. Work Offshore

arising from or in connection with any *Injury* or work undertaken *Offshore*.

This Section shall not apply to the policy unless specified as INSURED in the *Schedule*.

Section 6

Legal Expenses

Definitions

These Definitions are applicable to just this Section of the Policy. These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

Appointed Advisor

means the

- 1) solicitor, accountant, or other advisor (who is not a mediator), appointed by *Us* to act on behalf of the *Insured*;
- 2) mediator appointed by *Us* to provide impartial dispute resolution in relation to a claim accepted by *Us*.

Business

means the occupation, trade profession or enterprise carried out by the entity shown in the *Schedule*.

Collective Conditional Fee Agreement

means a legally enforceable agreement entered into on a common basis between the *Appointed Advisor* and *Us* to pay their professional fees on the basis of either

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Conditional Fee Agreement

means a legally enforceable agreement between *You* and the *Appointed Advisor* for paying their professional fees on the basis of either

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Employee

means a worker who has or alleges they have entered into a contract of service with *You*.

Insured

means:

- 1) *You*, *Your* directors, partners, managers, officers and *Employees* of *Your Business*.
- 2) A person declared to *Us*, who is contracted to perform work for *You*, who in all other respects *You* have arranged to insure on the same basis as *Your Employees* and who performs work under *Your* supervision.

Insured Property

means:

- 1) *Your Business* premises.
- 2) Property owned by *You* which is let or which *You* intend to let to tenants for business or residential purposes.
- 3) Property owned by *You* which is let or which *You* intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement.

Which is shown in the *Schedule* and is located in England, Scotland, Wales or Northern Ireland.

Insurer

means Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof).

Legal Costs & Expenses

means

- 1) Reasonable legal costs and disbursements reasonably and proportionately incurred by the *Appointed Advisor* on the standard basis and agreed in advance by *Us*. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the *Insured* has been ordered to pay them or pays them with *Our* agreement.
- 3) Reasonable accountancy fees reasonably incurred under Part B, Insured event 4) Tax disputes by the *Appointed Advisor* and agreed by *Us* in advance.
- 4) Health and Safety Executive Fees for Intervention.
- 5) *Your Employee's* basic wages or salary under Insured event 8) Loss of earnings in the course of their employment with *You* while attending court or tribunal at the request of the *Appointed Advisor* or whilst on jury service where lost wages or salary cannot be claimed back from the court or tribunal.

- 4) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Insured event 10) c) where the *Insured* has taken advice from *Our* Identity Theft Advice and Resolution Service.
- 5) The professional fees and expenses of an *Appointed Advisor* selected by *Us* to reduce the actual adverse or negative publicity or media attention under Insured events 10) e) Executive suite and 11) Crisis communication.

Reasonable Prospects Of Success

means

- 1) Other than as set out in 2) and 3) below, a greater than 50% chance of the *Insured* successfully pursuing or defending the claim and, if the *Insured* is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained.
- 2) In criminal prosecution claims where the *Insured*
 - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
- 3) In all claims involving an appeal, a greater than 50% chance of the *Insured* being successful.

Where it has been determined that *Reasonable Prospects Of Success* do not exist, the *Insured* shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Tenancy Agreement

means an agreement to let *Your Insured Property*:

- 1) under an assured shorthold tenancy; or
- 2) under an assured tenancy; as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or
- 3) under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or
- 4) under a short-assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or
- 5) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
- 6) to a limited company or *Business* partnership for residential purposes by its employees.

Territorial Limits

means:

For Part A – the United Kingdom.

For Part B Insured event 5) Legal defence - the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

For other Insured events under Part B - the United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

means ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the *Insurer*, Brit Syndicate 2987 at Lloyd's.

You/Your

means the business or person named in the *Schedule*, and/or any person or business appointed as an agent of the named business or person to manage the letting of *Insured Property* to the extent that any such agent has acted on behalf of the person or business named in the *Schedule*.

Insuring Clause

This policy is evidence of the contract between *You* and the *Insurer*. The policy and *Schedule* shall be read together as one document. Terms that appear in bold type have special meanings. Please read *Definitions* for more information.

This policy has two parts:

- Part A covers *You* for legal disputes that arise from owning or letting out *Your Insured Property*,
- Part B relates to other legal matters arising from *Your Business*.

If *You* are not trading as a *Business*, only Part A of this policy applies.

Your policy cover

Following an Insured event, the *Insurer* will pay *Legal Costs & Expenses* including the cost of appeals (and compensation awards under Part B Insured event 2) Employment compensation awards), up to the Limits of Liability stated below subject to all of the following requirements being met.

1. *You* have paid the insurance premium.
2. The *Insured* keeps to the terms of this policy and cooperates fully with *Us*.
3. Unless otherwise stated in this policy, the Insured events shown in Part B arise in connection with *Your Business*.
4. The Insured event occurs within the *Territorial Limit*.
5. The claim
 - A always has *Reasonable Prospects Of Success* and

B is reported to *Us*

i) during the *Period Of Insurance* and

ii) as soon as the *Insured* first becomes aware of circumstances which could give rise to a claim.

Where *You* have a disagreement with a tenant of *your Insured Property* *You* must notify *Us* within 60 days of first becoming aware of the dispute.

6. Unless there is a conflict of interest, the *Insured* always agrees to use the *Appointed Advisor* chosen by *Us*

A in any claim to be heard by an Employment Tribunal and/or

B before proceedings have been or need to be issued.

7. Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the *Territorial Limit*.

We consider that a claim has been reported to *Us* when *We* have received the *Insured's* fully completed claim form.

Limits of Liability

The most the *Insurer* will pay for all claims related by time or originating cause including the cost of appeals shall be limited to the following:

Insured events Part A:

- GBP50,000.

Insured events Part B:

- GBP100,000 for Insured events 1) to 9), 10) a), b), and c).
- GBP25,000 for Insured events 10) d) 10) e) and 11).

In respect of Part B Insured event 2) Employment compensation awards, the most the *Insurer* will pay for all claims notified to *Us* during any one *Period Of Insurance* is GBP1,000,000.

Telephone Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances.

However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning, usage is not reduced to a more reasonable level, we can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If you have a legal or tax problem relating to your business, we recommend you call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

We give advice about UK tenancy law, EU business-related legal matters within UK and EU law and tax matters within the UK. Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.

You can visit our website to see a video about this service.

Use of this service does not constitute reporting of a claim.

Redundancy assistance 0330 303 1955

If you are planning redundancies and need extra legal support, we can arrange specialist consultancy assistance for you. Redundancy assistance will help you to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If you would like us to arrange Redundancy assistance, please call us between 9am and 5pm on weekdays (except bank holidays).

Executive suite – identity theft resolution 0333 000 2083

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). We provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, our specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under Part B Insured event 10) c) when your executives use this helpline.

Crisis communication 0344 571 7964

Following an event that has attracted negative publicity which could affect your business, you can access professional public relations support from our Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for you to act upon will be provided over the phone. If your circumstances require professional work to be carried out at that time, we can help on a consultancy basis and subject to you paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage your business, you are insured against the costs of crisis communication services under Insured event 11) when you use this helpline.

Counselling assistance 0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone to your employees or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem.

www.araglegal.co.uk

Getting started

Click on the "How our services work" button on the home page to take a two-minute tour of our legal services website. Learn more about what the website offers and how you can use it to manage your tenancies, support the smooth running of your business and save legal costs. You will need to enter the following voucher codes when you register to access landlord and business content on the website.

- Register for Landlords' documents using voucher code **EC426C378CB8**.
- Register for Business legal services using voucher code **X1232KC79BB5**.

Once you have registered you can access the website at any time to create and securely store your legal documents.

Choosing your legal documents

We recommend selecting "Legal healthcheck" from the menu of services. This useful tool will help you to identify which legal documents are likely to be most useful to your business. We have suggested legal documents and law guide content that may help you in particular circumstances throughout this policy wording.

More help?

A review service is available for the most complex documents. Where it is available this service attracts a fee. You will need to order the review service before you start building your document if you require it.

Click on the Contact button to seek technical support if you have problems using the website. Our digital technical support team cannot give you legal or insurance advice.

Coverage Clauses

Insured events covered – Part A Your Insured Property

1. Property damage, nuisance & trespass

- A** An event which causes physical damage to *Your Insured Property* and/or anything owned by *You* at *Your Insured Property*. Provided that if the *Insured Property* is used as holiday accommodation:
- You* can provide a detailed inventory of its condition and contents which has been signed by *Your* guest(s) and
 - a dilapidations deposit has been paid in cash or payment has cleared in *your* bank account.
- B** A public or private nuisance or a trespass relating to *Your Insured Property*.

The *Insurer* shall not be liable for

- 1) The first GBP250 of any claim in respect of Insured event 1) b) except where *You* bring a claim against a person who is living at *Your Insured Property* without *Your* permission (i.e. squatters). *You* will have to pay this as soon as *We* accept *Your* claim.
- 2) Any claim arising from or relating to:
 - a) damage or loss arising from a contract between *You* and a third party who is not:
 - Your* tenant or ex-tenant; or
 - a guest or guests staying at *Your Insured Property* that *You* have let out as holiday accommodation
 - b) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority
 - c) a dispute with any party other than the party who caused the damage, nuisance or trespass
 - d) any nuisance or trespass claim in respect of Insured event 1) b) that arises from a contract, lease, licence or *Tenancy Agreement* between *You* and the third party (including trespass by *Your* ex-tenant).

2. Repossession of residential property

Pursuit of *Your* legal rights to repossess *Your Insured Property* that has been let under a *Tenancy Agreement* provided *You*:

- a) have demanded rent in writing from *your* tenant as soon as it is overdue and can provide evidence of this
- b) have given the tenant the correct notices for the repossession of *Your Insured Property*
- c) are seeking a right of possession in England, Wales or Scotland where the court MUST find that the named ground of possession applies or
- d) have a legal right to repossess *Insured Property* that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.

The *Insurer* shall not be liable for any claim in England, Wales and Scotland where *You* are seeking a right of possession where the court MAY find that the named ground of possession applies.

3. Commercial lease disputes

Pursuit or defence of *Your* legal rights arising from a dispute with *Your* business tenant under the terms of a written lease agreement in relation to *Your Insured Property* which is

- a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of *Your* lease agreement or the granting of a new business tenancy:
 - i) *You* will be opposing *Your* tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act 1954; and
 - ii) *You* can evidence that *You* have served the correct legal notice to terminate on the tenant in the prescribed form before *Your* tenant has served *You* with a request for a new tenancy, or
- b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) *You* have correctly served the necessary legal notice on *Your* tenant and
 - ii) *Your* tenant has made the relevant declaration and
 - iii) the lease is noted accordingly.

The *Insurer* shall not be liable for any dispute that arises from or relates to a disagreement with *Your* tenant over payment or non-payment of service charges; or recovery of rent arrears that is otherwise covered by Insured event 4).

4. Recovery of rent arrears

Pursuit of *Your* legal right to recover rent owed to *You* by:

- a) *Your* residential or business tenant or ex-tenant of the *Insured Property*
- b) a guest or guests staying at *Your Insured Property* which is used as holiday accommodation.

5. Holiday homes contract disputes

A dispute that arises from:

- a) a written agreement which *You* have entered into to let out *Your Insured Property* as holiday accommodation that is not otherwise covered by Part A Insured event 1) Property damage, nuisance & trespass or 4) Recovery of rent arrears
- b) a contract *You* have entered into to buy or hire goods or services for the *Insured Property* which *You* have let or intend to let to guests as holiday accommodation.

The *Insurer* shall not be liable for

Any claim arising from or relating to:

- 1) goods or services which exceed GBP6,000 (including VAT) in value
- 2) loans and mortgages
- 3) an employment contract
- 4) a settlement due under an insurance policy.

Insured events covered – Part B Your business

1. Employment

A dispute between *You* and *Your Employee*, ex-*Employee*, or a prospective *Employee*, arising from a breach or an alleged breach of their:

- a) contract of service with *You*
- b) related legal rights.

You can claim under the policy as soon as internal procedures as set out in the

- a) ACAS Code of Practice for Disciplinary and Grievance Procedures, or
 - b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland
- have been or ought to have been concluded.

The *Insurer* shall not be liable for

Any claim arising from or relating to:

- 1) the pursuit of an action by *You* other than an appeal against the decision of a court or tribunal
- 2) actual or alleged redundancy that is notified to *Employees* within 180 days of the start of this policy, except where *You* have had equivalent cover in force up until the start of this policy
- 3) costs *You* incur to prepare for an internal disciplinary hearing, grievance or appeal
- 4) a pension scheme where actions are brought by ten or more *Employees* or ex-*Employees*.

2. Employment compensation awards

Following a claim *We* have accepted under Part B Insured event 1) Employment, the *Insurer* will pay any

- a) basic and compensatory award or
- b) an amount agreed by *Us* in settlement of a dispute.

Provided that compensation is:

- a) agreed through mediation, conciliation or under a settlement approved by *Us* in advance or

b) awarded by a tribunal judgment after full argument unless given by default.

The *Insurer* shall not be liable for

- 1) Money due to an employee under a contract or a statutory provision relating thereto.
- 2) Compensation awards or settlements relating to
 - a) trade union membership, industrial or labour arbitration or collective bargaining agreements
 - b) civil claims or statutory rights relating to trustees of occupational pension schemes.

3. Employment restrictive covenants

A A dispute with *Your Employee* or *ex-Employee* which arises from their breach of a restrictive covenant where *You* are seeking financial remedy or damages.

Provided that the restrictive covenant

- i) is designed to protect *Your* legitimate *Business* interests, for a period not exceeding 12 months and
- ii) is evidenced in writing and signed by *Your Employee* or *ex-Employee* and
- iii) extends no further than is reasonably necessary to protect the *Business* interests.

B A dispute with another party who alleges that *You* have breached their legal rights protected by a restrictive covenant.

4. Tax disputes

A A formally notified enquiry into *Your Business* tax.

B A dispute about *Your* compliance with HMRC regulations relating to *Your Employees*, workers or payments to contractors.

C A dispute with HMRC about Value Added Tax.

Provided that:

- a) *You* keep proper records in accordance with legal requirements and
- b) in respect of any appealable matter *You* have requested an Internal Review from HMRC where available.

The *Insurer* shall not be liable for

Any claim arising from or relating to:

- 1) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
- 2) an investigation by the Fraud Investigation Service of HMRC
- 3) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to *Your* financial arrangements
- 4) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- 5) *Your* failure to register for VAT.

5. Legal defence

A A criminal investigation and/or enquiry by:

- i) the police or
- ii) other body with the power to prosecute

where it is suspected that an offence may have been committed that could lead to the *Insured* being prosecuted.

B The charge for an offence or alleged offence which leads to the *Insured* being prosecuted in a court of criminal jurisdiction.

The *Insurer* shall not be liable for any claim relating to a parking offence.

6. Compliance & regulation

A Receipt of a Statutory Notice that imposes terms against which *You* wish to appeal.

B Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.

C A civil action alleging wrongful arrest arising from an allegation of theft.

D A claim against *You* for compensation under the Data Protection Act 2018 provided that

- i) *You* are registered with the Information Commissioner
- ii) *You* can evidence that *You* have in place a process to
 - investigate complaints from data subjects regarding a breach of their privacy rights
 - offer suitable redress where a breach has occurred and that *Your* complaints process has been fully engaged.

E A civil action alleging that an *Insured* has

- i) committed an act of unlawful discrimination; or
- ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of *Your Employees*.

The *Insurer* shall not be liable for

Any claim arising from or relating to:

- 1) the pursuit of an action by *You* other than an appeal
- 2) a routine inspection by a regulatory authority
- 3) an enquiry, investigation or enforcement action by HMRC
- 4) a claim brought against *Your Business* where unlawful discrimination has been alleged.

7. Statutory licence appeals

An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run *Your Business*.

The *Insurer* shall not be liable for any claim relating to a licence or registration scheme affecting *Your Insured Property*.

8. Loss of earnings

The *Insured's* absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the *Appointed Advisor* or whilst on jury service which results in loss of earnings.

The *Insurer* shall not be liable for any sum which can be recovered from the court.

9. Personal injury

An event that causes bodily injury to, or the death of, an *Insured*.

The *Insurer* shall not be liable for any claim arising from or relating to a condition, illness or disease which develops gradually over time.

10. Executive suite

This Insured event applies only to the principal, executive officers, directors and partners of *Your Business*.

- A An HMRC enquiry into the executive's personal tax affairs.
- B A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from *Your Business*.
- C A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.
- D A dispute that arises from the terms of *Your Business* partnership agreement that is to be referred to mediation.
- E Crisis communication as described in Insured event 11) below shall be available to the principal, executive officers, directors and partners of the *Business* for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

The *Insurer* shall not be liable for

1) Any claim arising from or relating to:

- a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
- b) an investigation by the Fraud Investigation Service of HMRC
- c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
- d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- e) a parking offence
- f) costs incurred in excess of GBP25,000 for a claim under 10) d) and 10) e).

2) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

11. Crisis communication

Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on *Your Business*, *We* will:

- a) liaise with *You* and *Your* solicitor (whether the solicitor is an *Appointed Advisor* under this policy, or acts on *Your* behalf under any other policy) to draft a media statement or press release
 - b) prepare communication for your staff /customers/suppliers and/or a telephone or website script or social media messaging
 - c) arrange, support and represent the *Insured* at an event which media will be reporting
 - d) support the *Insured* by taking phone calls/emails and managing interaction with media outlets
 - e) support and prepare the *Insured* for media interviews
- provided that *You* have sought and followed advice from *Our* Crisis communication helpline.

The *Insurer* shall not be liable for

Any claim arising from or relating to:

- 1) matters that should be dealt with through *Your* normal complaints procedures
- 2) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
- 3) **Legal Costs & Expenses** in excess of GBP25,000.

Exclusion to Section 6

1. in respect of **Part A** and **Part B** only, the *Insured* is not covered for any claim arising from or relating to:
 - A. *Legal Costs & Expenses* or compensation awards incurred without *our* consent
 - B. any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the *Insured* knew or ought reasonably to have known could lead to a claim
 - C. an allegation against the *Insured* involving:
 - a) assault, violence, malicious falsehood, defamation
 - b) indecent or obscene materials,
 - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - d) illegal immigration;
 - e) money laundering or bribery offences, breach of international sanctions, fraud or any other financial except in relation to Part B Insured event 11) Crisis communication
 - D. defending a claim in respect of loss or damage to property owned by the *Insured*
 - E. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured event 10) d))
 - F. a) a franchise agreement
b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
 - G. a judicial review
 - H. a dispute with *Us*, the *Insurer* or the party who arranged this cover not dealt with under Condition 6
2. In respect of **Part A** only,
 - A. Any disagreement with a tenant of an *Insured Property* during the first 90 days of the first *Period Of Insurance* where the *Tenancy Agreement* started before the start of this cover except where *You* have had equivalent cover in force up until the start of this policy.
 - B. Registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal.
 - C. Any claim arising from or relating to an *Insured Property* owned by *You* which has been or which should have been registered as a House of Multiple Occupation.
3. in respect of **Part B** only, the *Insured* is not covered for any claim arising from or relating to:
 - A. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Part B Insured event 1) Employment)
 - B. National Minimum Wage and/or National Living Wage Regulations
 - C. patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured event 3) Employment restrictive covenants).

Conditions to Section 6

Where the *Insurer's* risk is affected by the *Insured's* failure to keep to these conditions, the *Insurer* can refuse a claim or withdraw from an ongoing claim. The *Insurer* also reserves the right to claim back *Legal Costs & Expenses* from the *Insured* if this happens.

1. The insured's responsibilities

An *Insured* must:

- a) tell *Us* immediately of anything that may make it more costly or difficult for the *Appointed Advisor* to resolve the claim in the *Insured's* favour
- b) cooperate fully with *Us*, give the *Appointed Advisor* any instructions *We* require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back *Legal Costs & Expenses* and, where recovered, pay them to the *Insurer*
- d) allow the *Insurer* at any time to take over and conduct in the *Insured's* name, any claim.

2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the *Insured* may choose an *Appointed Advisor*. In all other cases, no such right exists and *We* shall choose the *Appointed Advisor*.
- b) If:
 - i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an *Insured*, or
 - ii) there is a conflict of interestthe *Insured* may choose a qualified *Appointed Advisor* except, where the *Insured's* claim is to be dealt with by the Employment Tribunal, *We* shall always choose the *Appointed Advisor*.

- c) Where the *Insured* wishes to exercise the right to choose, the *Insured* must write to *Us* with their preferred representative's contact details.
- d) Where the *Insured* chooses to use their preferred representative, the *Insurer* will not pay more than *We* agree to pay a solicitor from *Our* panel and will pay only the costs that the *Insurer* would have been liable to pay. (*Our* panel solicitor firms are chosen with care and *We* agree special terms with them, including rates which may be lower than those available from other firms.)
- e) If the *Insured* dismisses the *Appointed Advisor* without good reason, or withdraws from the claim without *Our* written agreement, or if the *Appointed Advisor* refuses with good reason to continue acting for an *Insured*, the *Insurer's* liability in respect of that claim will end immediately.

3. Consent

- A The *Insured* must agree to *us* having sight of the *Appointed Advisor's* file relating to the *Insured's* claim. The *Insured* is considered to have provided consent to *Us* or *Our* appointed agent to have sight of their file for auditing and quality and cost control purposes.
- B An *Insured* must have *Your* agreement to claim under this policy.

4. Settlement

- A The *Insurer* can settle the claim by paying the reasonable value of the *Insured's* claim.
- B The *Insured* must not negotiate or settle the claim without *Our* written agreement
- C If the *Insured* refuses to settle the claim following advice to do so from the *Appointed Advisor* the *Insurer* reserves the right to refuse to pay further costs.

5. Barrister's opinion

We may require the *Insured* to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of their claim. If the opinion supports the *Insured*, then the *Insurer* will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by *Us*, then the *Insurer* will pay for a final opinion which shall be binding on the *Insured* and *Us*. This does not affect the *Insured's* right under Condition 6 below.

6. Arbitration

If any dispute between the *Insured* and *Us* arises from this policy, the *Insured* can make a complaint to *Us* as described on page 71 of this policy and *We* will try to resolve the matter. If *We* are unable to satisfy the *Insured's* concerns and the matter can be dealt with by the Financial Ombudsman Service the *Insured* can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If *We* and the *Insured* fail to agree on a suitable person to arbitrate the matter, *We* will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

7. Other insurance

The *Insurer* will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

8. Fraudulent claims and claims tainted by dishonesty

- A. If the *Insured* makes any claim which is fraudulent or false, the policy shall immediately become void and all benefit under it will be lost.
- B. An *Insured* shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of any claim, it appears to the *Appointed Advisor* that the *Insured* has breached this condition and that the breach has:
 - i) affected *Our* assessment of *Reasonable Prospects Of Success*, and/or
 - ii) prejudiced in any part the outcome of the *Insured's* claim
 the *Insurer* shall have no liability for *Legal Costs & Expenses* incurred from the date of the *Insured's* breach.

9. Cancellation

- A. *You* may cancel the policy:
 - i) within 14 days of the date of its purchase with a full refund of premium paid provided that a claim has not been accepted; or
 - ii) at any other time by giving *Us* at least 21 days written notice and the *Insurer* will refund the premium for the time remaining of the *Period Of Insurance* unless a claim has been or is later accepted by *Us* in which case no refund of premium shall be allowed.
- B. Where there is a valid reason for doing so, the *Insurer* has the right to cancel the policy at any time by giving *You* at least 21 days written notice. The *Insurer* will refund the premium for the time remaining of the *Period Of Insurance*. *We* will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:
 - i) where the party claiming under this policy fails to cooperate with or provide information to *Us* or the *Appointed Advisor* in a way that materially affects *Our* ability to process a claim, or *Our* ability to defend the *Insurer's* interests,
 - ii) where the *Insured* uses threatening or abusive behaviour or language, or intimidates or bullies *Our* staff or suppliers,
 - iii) where *We* have evidence that the *Insured* has committed a fraudulent act.
- C. The *Insurer* may also cancel the policy and refund the premium for the remaining *Period Of Insurance* if at any time *You*:
 - i) enter into a voluntary arrangement or a deed of arrangement or
 - ii) become bankrupt, are placed into administration, receivership or liquidation or
 - iii) have *Your* affairs or property in the care or control of a receiver or administrator.

10. Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments, bodies and rules referred to within this policy shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This policy will be governed by English law.

11. Contracts (Rights of Third Parties) act 1999

Except for any person or *Business* appointed as *Your agent* to manage the letting of *Your Property* a person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

General Exclusions

The following General Exclusions shall apply to all Sections of this Policy unless as stated otherwise. In the event any portion of these Exclusions is found to be invalid or unenforceable the remainder shall remain in full force and effect.

The *Insurer* shall not be liable under this Policy for:

1. Chemical and Biological

Loss, Damage, Loss of Rent Receivable or legal liability 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 chemical and/or biological and/or radiological irritants, contaminants or pollutants provided that this exclusion shall not apply to the extent covered under [Section 3-Terrorism](#), if specified as 'INSURED' in the *Schedule*.

2. Cyber attack

Loss, Damage, Loss of Rent Receivable or loss or legal liability directly or indirectly caused by or consisting of or arising from any form of cyber attack or cyber intrusion whether committed with malicious intent or not.

3. Excess

for the amount of the *Excess* specified in the *Schedule*.

4. Electronic Date Recognition

Loss, Damage, Loss of Rent Receivable or consequential loss or legal liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the *Insured* or not:

- A. correctly to recognise any date as its true calendar date;
- B. to capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; or
- C. to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer *Software*, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date;

but this shall not exclude subsequent *Damage* to the *Insured's* property including hired in plant and hired temporary buildings or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from a *Defined Peril*.

For the purposes of this General Exclusion the words *Defined Peril* shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal and theft.

5. Electronic Data

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from *Damage*, destruction, distortion, erasure, corruption or alteration of *Electronic Data* from any cause whatsoever (including but not limited to *Virus or Similar Mechanism* or *Hacking* or *Denial of Service Attack*) 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, unless any such loss or damage results from a *Defined Peril* and is not otherwise excluded.

6. Law and Jurisdiction

Judgements, awards, settlements or orders of courts outside the *Territorial Limits* as defined, or to orders seeking to enforce such judgements, awards, settlements or orders, or to any liability arising under the law of any place outside the *Territorial Limits*.

7. Marine

Loss, Damage, Loss of Rent Receivable or legal liability arising from *Damage* to property which at the time of the happening of the loss, destruction or damage is insured by, or would but for the existence of this Policy be insured by, any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

8. More Specific Insurance

Loss, Damage, Loss of Rent Receivable or consequential loss or legal liability arising from *Loss* or destruction of or *Damage* to any property more specifically insured by or on behalf of the *Insured*.

9. Mould and Fungus

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from *Pathogenic Organisms* or any form of bacterial contamination except in respect of insurance provide by the **Disease, Infestation and Defective Sanitation under Section 2 – Loss of Rent Receivable**.

10. Nationalisation and Confiscation

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from loss or destruction of or *Damage* to any property or any consequential loss caused by or contributed to confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

11. Northern Ireland

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from *Damage* to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- A. civil commotion; or
- B. any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any *Unlawful Association*.

In any action, suit or other proceedings where the *Insurer* allege that by reason of this exclusion any loss, destruction or *Damage* or loss resulting from such loss, destruction or *Damage* is not covered by this Insurance (or is covered only up to a *Limit of Liability* as specified in the *Schedule*) the burden of proving such loss, destruction or *Damage* or loss resulting from such loss, destruction or *Damage* is covered (or is covered beyond that *Limit of Liability*) shall be upon the *Insured*.

12. Other Insurance

Loss, Damage, Loss of Rent Receivable, legal liability arising, or cost and expenses which are otherwise more specifically insured under any other Policy by or on behalf of the *Insured*.

13. Punitive and Exemplary Damages

for any fines or damages for breach of contract or any penalties of whatsoever nature.

14. Radioactive Contamination,

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from:

- A. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- B. the radioactive, toxic, explosive or other *Hazardous Substance* or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- C. any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

15. Sonic Boom

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

16. Terrorism or Act of Sabotage

- A.** *Loss, Damage, Loss of Rent Receivable* or legal liability arising, directly or indirectly, from any *Act of Terrorism* or *Act of Sabotage* including any action taken in controlling, preventing, suppressing or any *Act of Terrorism*;
- B.** *Loss, Damage, injury, cost or expense* directly or indirectly arising out of: or
 - i)** any business interruption losses resulting from customers or suppliers extensions or denial of access due to any *Act of Terrorism* or *Act of Sabotage*; or
 - ii)** *Loss, Damage, cost or expenses* directly or indirectly arising out of any service interruption due to any *Act of Terrorism* or *Act of Sabotage*;

Provided that this exclusion shall not apply

- a)** to the extent covered under **Section 3- Terrorism**, if specified as 'INSURED' under **Section 3- Terrorism** in the *Schedule*; and
- b)** in excess of the *Terrorism* cover provided under **Section 4 – Property Owners Liability** and **Section 5- Employers' Liability**.

17. War

Loss, Damage, Loss of Rent Receivable or legal liability arising, directly or indirectly, from *War*, whether *War* be declared or not.

Claims Conditions

The following Claims Conditions shall apply to all Sections and Extensions of this Policy unless stated otherwise.

In respect of Section 1- Property Damage, Section 2 – Loss of Rent Receivable and Section 3 – Terrorism

1. In the event of a claim, or any incident occurs which may give rise to a claim, under this Policy the *Insured* shall notify the *Insurer* via the broker or intermediary or by contacting the *Insurer* directly via the Claims Notification details specified in the *Schedule*:
 - A. within 7 (seven) days in the case of *Damage* caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons; or
 - B. as soon as practicable but in no event later than 30 (thirty) days of the event giving rise to the *Loss or Damage* caused by any other *Defined Peril*.
2. Additionally, in the event of any theft, attempted theft, riot, malicious damage or *Act of Terrorism* (if and to the extent that *Act of Terrorism* is insured by this Policy), the *Insured* shall immediately notify the Police Authority.
3. The *Insured* shall supply at its own expense full details of the claim in writing together with any supporting information, receipts and proofs which the *Insurer* may reasonably require and no claim shall be paid until the *Insured* has complied with this paragraph.

In respect of Section 4 – Property Owners’ Liability and Section 5 – Employers’ Liability

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. If the *Insured* breaches the conditions precedent below, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

1. As a condition precedent to liability, the *Insured* shall notify the *Insurer* via the dedicated 24 (twenty-four) hour telephone number specified in the *Schedule*, immediately the *Insured* is aware of any occurrence or circumstances which may give rise to a claim, regardless of any applicable *Excess*, which shall include any accident at work which results in 3 (three) or more days’ absence for any *Person Employed*.
2. In the event that the *Insurer* may require the completion of a ‘Claim Form’ following notification of any occurrence or circumstances which may give rise to a claim, it is a condition precedent to *Insurer’s* liability, that the *Insured* shall complete and sign the ‘Claim Form’ required by the *Insurer* as a Statement of Fact and return it to the address below within 7 (seven) days of receipt.
3. As a condition precedent to *Insurer’s* liability, every letter, claim, writ, summons and/or process in connection with such occurrence or circumstances shall be forwarded to the *Insurer* at the address specified in the *Schedule*, immediately on receipt and in electronic format within 3 (three) days (business) of the date and time of receipt.
4. As a condition precedent to liability, the *Insured* shall notify the *Insurer* via the Claims notification details specified in the *Schedule* immediately the *Insured* shall have knowledge of any prosecution, inquiry or inquest in connection with any occurrence or circumstances which may give rise to liability under this Policy.
5. As a condition precedent to liability, no admission, offer, promise, payment, *Legal Cost* or indemnity shall be made or given by or on behalf of the *Insured* without the *Insurer’s* written consent.
6. As a condition precedent to liability, the *Insurer* shall be entitled to take over and conduct in the name of the *Insured* the defence or settlement of any claim, or to prosecute any claim in the name of the *Insured* for their own benefit, and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. The *Insured* shall give all such information and assistance as the *Insurer* may require.
7. It is a condition precedent, with respect to Property Owners’ Liability or Employers’ Liability Claims, that if the *Insured* receives any Claim Notification Form(s) or notification directly from an *Person Employed* or third party Claimant or their appointed representative, that the *Insured* must acknowledge receipt of the Claim Notification Form(s) or notification to the *Person Employed* or third party Claimant or their appointed representative in;
 - A. An electronic format; and
 - B. Within 24 (twenty four) hours from the date and time of receipt thereof; and

- C. The acknowledgement of the Claim Notification Form(s) must state that the Claim Notification Form(s) has been sent to your *Insurer*.
- 8. It is also a condition precedent that the Claim Notification Form(s) must be sent, within 24 (twenty four) hours to the *Insurer* and any failure to comply with this condition may result in the *Insurer* refusing to indemnify or the *Insured* being liable for any increased costs and/or damages to settle the claim if such costs and damages would not have been incurred had the *Insured* complied with this 'Acknowledgement of Claim Notification Form(s)' clause.
- 9. In respect of any claims against the *Insured* under the Property Owner's Liability and Employers' Liability Sections of this Policy to which a *Limit of Liability* applies, the *Insurer* may at any time pay the amount of such *Limit of Liability* after deduction of any sums already paid/incurred or any less amount for which at the absolute discretion of the *Insurer* such claims can be settled. The *Insurer* will then relinquish control of the said claims and be under no further liability in respect thereof, except for *Legal Costs* for which the *Insurer* may be responsible prior to the date of such payment unless the *Limit of Liability* is inclusive of *Legal Costs*.

In respect of Section 6 - Legal Expenses

Telling us about your claim

1. If an *Insured* needs to make a claim, they must notify *Us* as soon as possible.
2. Where *You* are claiming under Part A, *You* must have correctly issued the necessary notices informing *Your* tenant of your intention to repossess the *Insured* Property. (Section 8 and Section 21 notices to repossess residential property and covering letters can be downloaded from *Our* Landlords' legal services website).
3. If an *Insured* instructs their own solicitor or accountant without telling us, they will be liable for costs that are not covered by this policy.
4. A claim form can be downloaded at www.arag.co.uk/newclaims or requested by telephoning *Us* on **0330 303 1955** between 9am and 5pm weekdays (except bank holidays).
5. The completed claim form and supporting documentation can be sent to *Us* by email, post or fax. Further details are set out in the claim form itself.

What happens next?

1. We will send the *Insured* a written acknowledgment by the end of the next working day after receiving their claim form.
2. Within five working days of receiving all the information needed to assess the availability of cover under the policy, *We* will write to the *Insured* either:
 - A. confirming cover under the terms of this policy and advising the *Insured* of the next steps to progress their claim; or
 - B. if the claim is not covered, *We* will explain in full the reason why and advise whether *We* can assist in another way.
3. When a representative is appointed they will try to resolve the *Insured's* dispute without delay, arranging mediation whenever appropriate.
4. *We* will check on the progress of the *Insured's* claim with the *Appointed Advisor* from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

General Conditions

The following General Conditions shall apply to all Sections of this Policy unless stated otherwise:

1. Abandonment

The *Insured* shall not in any case be entitled to abandon any property to the *Insurer* whether taken possession of by the *Insurer* or not.

2. Action to Minimise Loss

It is a condition precedent that if any incident occurs which may give rise to a claim under this Policy the *Insured* shall take action to minimise the *Loss* or *Damage*, to avoid interruption or interference with the *Business* and to prevent further *Damage* or *Injury*. Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. If the *Insured* breaches this condition precedent, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

3. Alteration of risk

If, after the inception of the *Period Of Insurance*, there is any alteration:

- A. by removal;
- B. whereby the risk of *Damage, Injury* or legal liability is increased;
- C. whereby the *Insured's* interest ceases except by will or operation of law;
- D. whereby the *Business* of the *Insured* is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
- E. any change is made in the description of the *Business*;

the *Insured* shall give written notice to the *Insurer* as soon as reasonably practical and in any event no later than 14 (fourteen) days from the date of the alteration or the *Insured's* knowledge of the alteration.

The *Insurer* reserve the right to amend the terms of this Policy at the time of such notification and no indemnity shall be provided until the *Insured* has accepted the terms, which offer and acceptance must be signified in writing and by an Endorsement attaching to this Policy. Any change in the description of the *Business* and any material variation from the information supplied to the *Insurer* at the time this insurance was effected, not notified to the *Insurer* are not indemnified hereunder.

4. Arbitration

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

5. Assignment

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the *Insurer*.

6. Cancellation

This Insurance may be cancelled at any time by the *Insured*, by giving notice in writing to the *Insurer*.

- A. If the *Insured* seeks to cancel the policy the in the first year of insurance during the first 14 (fourteen) days of inception of receipt of the insurance documents or inception of the contract, whichever is the earlier (the cooling off period), the *Insurer* will refund the premium paid in respect of the Policy provided:

- i) no claims are made under the Policy for which the *Insurer* has made payment;
- ii) no claims made under the Policy which are still under consideration; and
- iii) no incident likely to give rise to a claim is notified to the *Insurer*.

If a claim has been submitted or paid or an incident is notified as likely to give rise to a claim during the *Period Of Insurance*, no refund of the premium shall be given.

- B. If the *Insured* wishes to cancel the Policy, after the expiry of cooling off period specified in A i) above, the *Policy* may be cancelled by sending a 14 (fourteen) days' notice by recorded delivery letter to the *Insurer*. The *Insured* shall be entitled to a return of premium in respect of the unexpired portion of the *Period Of Insurance*, subject to no claims having been paid or being outstanding (in whole or in part) in respect of the expired portion of the *Period Of Insurance*.

If a claim has been submitted or paid or an incident is notified as likely to give rise to a claim during the *Period Of Insurance*, no refund the premium shall be given.

This Insurance may also be cancelled by the *Insurer*, by sending a 14 (fourteen) days' notice by recorded delivery letter to the last known address of the *Insured* stating the reason for cancellation. Where this Condition is exercised, the *Insured* shall become entitled to a return of premium in respect of the unexpired portion of the *Period Of Insurance*, after any adjustment of the *Premium* paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the *Period Of Insurance*.

In the event of receipt of notice of cancellation, after a claim has been paid, any premium outstanding shall become immediately payable.

7. Choice of Law

Unless otherwise agreed by the *Insurer* and the *Insured*, this Policy shall be subject to and construed solely in accordance with the laws of England and Wales.

8. Condition precedent

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of any of the above conditions precedent in respect of any claim the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

9. Contract (Rights of Third Parties) Act 1999

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or any amending or subsequent legislation by any person who is not named as the *Insured* and both the *Insurer* and *Insured* may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

10. Contribution

If at the time of any claim(s) covered by the **Section 1 - Property Damage**, **Section 2 - Loss of Rent Receivable** and **Section 3 - Terrorism** Sections of this Policy, other insurances cover the same risk or part thereof, the *Insurer* shall not be liable for more than their rateable proportion thereof.

If any such other insurance be subject to any condition of Average, this Policy, if not already subject to any such condition of Average, shall be subject to Average in like manner.

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy, either in whole or in part, or from contributing rateably, the liability of the *Insurer* shall be limited to that proportion of the *Damage* which the *Sum Insured* under this Policy bears to the value of the property.

11. Declarations/Adjustments of Premium

If any part of the *Premium* is based on estimates provided by the *Insured*, the *Insured* shall keep an accurate record containing all relevant information and shall at any time allow the *Insurer* to inspect such record. The *Insured* shall within 60 (sixty) days after the expiry of each *Period Of Insurance* furnish the relevant information, including but not limited to wage roll and turnover, as the *Insurer* may require. The *Premium* shall then be adjusted and the difference paid by or allowed to the *Insured*, subject to any Minimum *Premium* required within 30 (thirty) days of receipt of the *Insurer's* adjusted premium calculations. The *Insurer* reserve the right to request the *Insured* to supply an auditor's certificate attesting to the accuracy of any information furnished to the *Insurer*.

This applies to any Policy (or Policies) which may be issued by the *Insurer* in substitution for this Policy and the same discount shall be allowed off the premiums for any substituted Policy (or Policies) issued by the *Insurer* as aforesaid.

Payment of the premium due at the expiry date as specified in the *Schedule* shall be deemed to be acceptance by the *Insured* of the terms of this Condition.

12. Jurisdiction

In respect of any dispute or claim which do not fall within the scope of the **Arbitration** clause under **General Conditions** of this Policy, the *Insurer* and the *Insured* agree that such disputes arising out of or in connection with this Policy, including but not limited to any disputes relating to the formation, validity and interpretation and application of the terms, conditions, limits and exclusions of this Policy, shall be subject to the exclusive jurisdiction of the courts of England and Wales.

13. Employers' Liability Tracing office database

The *Insurer* is required by regulation to maintain a database of all the companies and subsidiary companies for which it provides insurance under the Employers' Liability (Compulsory Insurance) Regulations 1998 and to submit such details to the Employers' Liability Tracing Office database.

Where this Policy provides insurance under **Section 5 - Employers' Liability**, it is a condition of this insurance that the *Insured* undertakes to supply full details (as required by the Employers' Liability Tracing Office) of the company and all subsidiary companies to the *Insurer* at inception of this policy and promptly thereafter following acquisition or disposal of any subsidiary company.

14. Excess

No indemnity is provided until the applicable *Excess* for any claim has been paid to and received by the *Insurer* hereon.

15. Fraud

If the *Insured* or any person acting on behalf of the *Insured* commits fraud, by any means, knowing it to be false or fraudulent, and thereby obtains benefit under this Policy from such fraud, this Insurance shall become void from the date of the fraudulent act and all benefit obtained from the Policy from the date of the fraud shall be forfeited.

16. Fraudulent claims

A. If the *Insured* makes a fraudulent claim under this insurance, the *Insurer*:

- i) is not liable to pay the claim;
- ii) may recover from the *Insured* any sums paid by the *Insurer* to the *Insured* in respect of the claim; and
- iii) may by notice to the *Insured* treat the contract as having been terminated with effect from the time of the fraudulent act.

- B.** If the *Insurer* exercises its right under **16 A iii)**:
- i)** 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
 - ii)** the *Insurer* need not return any of the premiums paid.

17. Fraudulent claims – group insurance

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 **16 A** above as if there were an individual insurance contract between the *Insurer* and a covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.

18. Insurance Act 2015

Nothing in this insurance contract is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under, and/or the effect of, Parts 2, 3, 4 or 5 of the Insurance Act 2015.

19. Investigation Rights following a Claim

On the happening of any *Incident* in respect of which a claim is or may be made under this Policy, the *Insurer* (and every person authorised by them) shall have the right, without thereby incurring any liability or diminishing their right to rely on any condition of this Insurance, to enter the premises where the *Incident* has occurred, and to take and keep possession of any of the *Property Insured* (or require it to be delivered to them) for investigative purposes, and to deal with any salvage in a reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition has been complied with. This condition shall be evidence of permission from the *Insured* to the *Insurer* so to do.

If the *Insured* or anyone acting on behalf of the *Insured* shall not comply with the requirements of the *Insurer* or shall hinder or shall obstruct the *Insurer* in doing any of the above mentioned acts then all benefit under this Policy shall be forfeited.

20. Long Term Undertaking

The discount as specified in the *Schedule* is allowed off the premiums for this Policy as a whole or specific Sections of this Policy as noted in the *Schedule* in consideration of the *Insured* having given an undertaking expiring on the date as specified in the *Schedule*, to offer annually to the *Insurer* the insurance under this Policy on the limits, terms, conditions and exclusions in force at the expiry of each *Period Of Insurance* and to pay the premium annually in advance, it being understood that:

- A.** the *Insurer* shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking; and
- B.** where appropriate the *Sum Insured* may be reduced at any time to correspond with any reduction in value or in the *Business*.

21. Non aggregation

In the event a claim involves indemnity under more than one Section of this policy, the *Insured* shall be entitled to indemnification under only that Section providing more specific cover with regard to that claim or the Section with the highest limit with respect to that claim.

22. Observance of Terms and Right of Recovery

Observance of the terms of this Policy relating to anything to be done or complied with by the *Insured* is a condition precedent to any liability of the *Insurer*, except in so far as is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to the compulsory insurance of legal liability to *Persons Employed*. The *Insured* shall repay to the *Insurer* all sums paid under of this Policy, with special reference to the **Section 5 Employers' Liability** section, which the *Insurer* would not have been liable to pay but for the provisions of such legislation. Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. If the *Insured* breaches this condition precedent, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

23. Observance and Care

It is a condition precedent to liability of the *Insured* to:

- A.** comply with all statutory and other obligations and regulations imposed by any authority;
- B.** maintain the *Insured Premises*, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair where you are responsible;
- C.** exercise reasonable care in the selection and supervision of *Persons Employed* and in the employment of competent staff;
- D.** in the event of discovery of any defect or danger immediately cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require;
- E.** take all reasonable care to prevent any circumstances or to cease any activity which may give rise to liability under this Policy and
- F.** act in accordance with all statutory obligations and regulations.

Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of any of these conditions precedent in respect of any claim the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

24. Payment of Premium

No indemnity is provided by this Policy until the premium has been paid to and received by the *Insurer* hereon. If the premium is not paid and accepted by the *Insurer* on or before the premium payment date specified in the *Schedule* the *Insurer* can give written notice to the *Insured* at its address specified on the *Schedule*, cancelling the Policy.

25. Reasonable diligence

It is a condition precedent that the *Insured* shall take all reasonable precautions:

- A. for the safety of and to avoid, prevent or minimise any *Damage* to the *Property Insured*; and
- B. to avoid, prevent or minimise any injury to others or *Damage* to their property;

which might give rise to a claim under this Policy.

If the *Insured* does not take such reasonable precautions, the *Insurer* will be entitled to rely on such non-compliance to exclude, limit or discharge their liability for any claim unless the *Insured* shows that its non-compliance with this term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

26. Reinstatement of Damage

If the *Insurer* elect or become bound to reinstate or replace any property, the *Insured* shall at its own expense provide all such plans, documents, books and information as the *Insurer* may reasonably require. The *Insurer* shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner, and shall not in any case be bound to expend in respect of any one of the items of *Property Insured* more than its *Sub-Limit*.

27. Remedies for breach of the duty of fair presentation

- A. 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.
 - i) If the *Insured's* breach of the duty of fair presentation is deliberate or reckless:
 - a) The *Insurer* may avoid the contract, and refuse to pay all claims; and
 - b) The *Insurer* need not return any of the premiums paid.
 - ii) 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:
 - a) 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.
 - b) 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.
 - c) 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 $X = (\text{premium actually charged} / \text{higher premium}) \times 100$.
- B. 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:
 - ii) If the *Insured's* breach of the duty of fair presentation is deliberate or reckless:
 - a) The *Insurer* may by notice to the *Insured* treat the contract as having been terminated from the time when the variation was concluded; and
 - b) The *Insurer* need not return any of the premiums paid.
 - iii) 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:
 - a) 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.
 - b) 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.

- c) 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 $X = (\text{premium actually charged/higher premium}) \times 100$.
- d) 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 $X = (\text{premium actually charged/reduced total premium}) \times 100$.

28. Risk Improvements Survey

The *Insurer* or a representative of the *Insurer* has the right to undertake a risk improvement survey of the *Insured's* premises. If this option is exercised by the *Insurer*, it shall produce a risk improvement requirements survey report for the *Insurer*.

Following the survey report, it is a condition precedent to *Insurer's* liability that the risk improvement requirements in the report are completed by the *Insured* on or before any specific completion deadline dates quoted by the *Insurer* for the completion of such requirements. If the *Insured* is unable to comply with one or more of the risk improvement requirements by the date specified, the *Insured* or their representative should notify the *Insurer* within seven (7) days of their receipt of the report and agree alternative completion deadline date or dates. However, this shall not be permitted in respect of such risk improvement requirements which the *Insured* had agreed to complete immediately or within 14 days of the date of the survey. Conditions precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. If the *Insured* breaches this condition precedent, the *Insurer* is entitled to decline liability and shall not be required to make any payment to the *Insured* for such claim.

If such deadline dates are unrealistic, the *Insured* shall be responsible to make this clear to the surveyor at the time of the survey, and to agree alternative deadline dates with the surveyor. If the *Insured* does not respond to the *Insurer* within seven (7) days of their receipt of the survey report it will be regarded that completion dates have been understood, accepted and will be complied with.

If the risk improvement requirements have not been completed in whole or in part by the completion deadline dates the *Insurer* shall have the right to:

- A. amend the Policy terms, conditions or exclusions and / or require completion of risk improvements issued in writing by the *Insurer* within a defined period.

If the *Insurer* elects to change the terms in accordance with A above, the *Insured* may:

- i) terminate the Policy within 14 days of receipt of the revised terms by giving notice in writing to the *Insurer* and the *Insured* shall be entitled to a pro rata return of premium for the unexpired *Period Of Insurance* ; or
- ii) continue the Policy at the revised terms for the remainder of the *Period Of Insurance* .

- B. terminate the Policy from inception, in writing to the *Insured* at the address in the *Schedule*.

29. Terms not relevant to the actual loss

Where:

- A. there has been a failure to comply with a term (express or implied) of this insurance contract, other than a term that defines the risk as a whole; and
- B. compliance with such term would tend to reduce the risk of loss of a particular kind and/ or loss at a particular location and/ or loss at a particular time,

the *Insurer* cannot rely on the breach of such term to exclude, limit or discharge its liability if the *Insured* shows that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

30. Sanctions

The *Insurer* shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

31. Several Liability

The subscribing *Insurer's* obligations hereunder are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing *Insurers* are not responsible for the subscription of any co-subscribing *Insurer(s)* or underwriter(s) who for any reason does not satisfy all or any part of their obligations.

32. Subrogation

Any claimant under this Policy shall, at the request and expense of the *Insurer*, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the *Insured*, whether such steps are or become necessary before or after any payment is made by the *Insurer*.

33. Subrogation Waiver

Notwithstanding the subrogation condition above, in the event of a claim arising under this Policy the *Insurer* agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- A. any Company standing in the relation of parent to *Subsidiary* (or subsidiary to parent) of the *Insured*; or
- B. any Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary;

in each case within the meaning of the Companies Act(s).

In respect of any other party, it is a condition precedent to cover that the *Insured* does not, without specific prior written agreement by the *Insurer*, agree to any term of any contract or agreement which restricts, reduces or waives the *Insured's* or the *Insurer's* right of recovery from any other party. When such prior written agreement is requested by the *Insured*, the *Insurer* shall be entitled to:

- i) charge an additional premium;
- ii) request that *Insured* seek to renegotiate its contract to omit entirely such term(s);
- iii) exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/ or
- iv) apply a net contribution limit to the *Insurer's* indemnity in respect of the relevant project.

Further Information

Making a Claim

THE NAME AND ADDRESS TO WHOM THE INSURED SHOULD DIRECT CLAIMS

In respect of Property Damage, Loss of Rent claims

Brit UK Property Claims Team
E-mail: britukproperty@broadspiretpa.co.uk
Telephone: 01908 302 214

In respect of Property Owners Liability and Employers Liability claims

Brit Global Specialty Claims Team
Email: brit@crawco.co.uk
Telephone: 0845 609 4655

Claims Correspondence address:
Brit Global Specialty Claims Team
249 Midsummer Boulevard,
Milton Keynes,
Buckinghamshire,
MK9 1YA

In respect of Legal Expenses claims

You can download a claim form by visiting www.arag.co.uk/newclaims or *You* can request one by telephoning ARAG plc on 0117 917 1698 between 9am and 5pm Monday to Friday (except bank holidays).

Complaints Procedure

We are committed to giving You a first class service at all times and will make every effort to meet the high standards We have set. If You feel We have not attained the standard of service You would expect or You are dissatisfied in any other way, then this is the procedure that You should follow:

Stage One – Initiating Your Complaint (other than Legal Expenses)

You should first contact Us at Faversham Underwriting Ltd by emailing Us at info@favershamunderwriting.com, or by calling Us on 0203 5444844, full details of which are shown on Your Policy Schedule. We will confirm to You the receipt of Your complaint within five working days and do Our best to resolve the problem within 14 days. If We cannot deal with Your complaint within 14 days We will let You know when an answer may be expected. We expect that the majority of complaints will be quickly and satisfactorily resolved at this stage, but if You are not satisfied, You can take the issue further.

If You remain dissatisfied and wish to make a complaint, You may refer the matter at any time to:

Policyholder and Market Assistance
Lloyd's Market Services
One Lime Street
London
EC3M 7HA

Telephone: 020 7327 5693
Facsimile: 020 7327 5225
E-mail: complaints@lloyds.com

Copies of the complaints procedures are also available from this address.

Should You remain dissatisfied with the final response from the Policyholder and Market Assistance, You may be able to refer the matter to The Financial Ombudsman Service.

Stage One – Initiating Your Complaint (Legal Expenses)

You should first contact ARAG plc who will arrange to have it reviewed at the appropriate level. ARAG plc can be reached in the following ways:

Customer Relations Department
ARAG plc
9 Whiteladies Road
Clifton
Bristol
BS8 1NN

Telephone: 0117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For Our mutual protection and training purposes, calls may be recorded).
E-mail: customerrelations@arag.co.uk

If You remain dissatisfied and wish to make a complaint, You may refer the matter at any time to Lloyd's at the above address.

Stage Two - Financial Ombudsman Service (FOS)

If the differences between Us remain unresolved, You may refer Your complaint to the Financial Ombudsman Service (FOS). You can ask the Financial Ombudsman Service to review Your complaint if for any reason You are still dissatisfied with the final response from Brit, or if a final response has not been issued within eight weeks from Your first complaint.

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR
Tel: 0800 023 4567 (from a landline) or 0300 123 9123 (from a mobile)
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Please note that You have six months from the date of the final response in which to refer Your complaint to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service is an independent body that arbitrates on complaints about general insurance products.

The Financial Ombudsman Service will only consider complaints after Brit has issued a final response. Following this procedure will not affect Your legal rights.

Please quote Your Policy number in any communication.

Financial Ombudsman Service UK - Eligible Complainant

You can use the FOS as a recourse in the event of dissatisfaction if You are:

a private individual acting outside Your trade, business or profession

“micro-enterprises”, i.e. smaller business that have a turnover or annual balance sheet of not more than EUR 2m and fewer than 10 people employed

a charity with less than GBP 1m annual income

Financial Services Compensation Scheme

We are covered by the financial services compensation scheme (FSCS). You may be entitled to compensation from the scheme if We cannot meet Our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS

Financial Services Compensation Scheme

10th Floor Beaufort House

15 St Botolph Street

London

EC3A 7QU

Telephone: 0207 7414100

Facsimile: 0207 7414101

Email:enquiries@fscs.org.uk

www.fscs.org.uk

Important Information

The Employers Liability (Compulsory Insurance) Regulations 1998 lay down certain obligations for employers and in particular, You should be aware of the following.

Display of Certificates

We will provide You with a Certificate of Employers Liability Insurance and this will state clearly the companies covered by it. You must display either an original copy or make available a copy of the Certificate of Employers Liability Insurance in an electronic format at each Business Premises where Your Employees can see it easily.

Retention of Certificates

The Employers' Liability (Compulsory Insurance Amendment) Regulations 2008 remove the requirement for You to retain copies of Certificates of Employers Liability Insurance that have expired for at least 40 years. However it is still good business practice to retain the certificates because certain claims e.g. disease could be made many years after the disease is caused and if Your Insurer can not be identified You could be liable for any payments.

Data Protection

We may use the details You have given to provide You with a quotation deal with Your Policy to search credit reference agencies who may keep a record of the search to support the development of Our business by including Your details in customer surveys and for market research and compliance business reviews.

We share Your details with those companies who are underwriting Your Policy with approved organisations for fraud prevention purposes and with companies where We are legally obliged to do so.

We may also share Your details with third parties so that We may tell You of products and services which We think may interest You by telephone email or post. If You do not want to know about these products or services please write to Faversham Underwriting Ltd.

Under the Data Protection Act We can only discuss the details given with You. If You would like anyone else to act on Your behalf please let Us know. Your details will not be kept longer than is necessary.

Under the terms of the Data Protection Act 1998, You are entitled to a copy of all information Faversham Underwriting Ltd holds about You.

Your personal details may be transferred to countries outside the EEA. They will at all times be held securely and handled with the utmost care in accordance with all principles of UK law.

Privacy Statement (Legal Expenses)

This is a summary of how ARAG collect, use, share and store personal information. To view ARAG's full privacy statement, please see ARAG's website www.arag.co.uk

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. ARAG will hold and process this information in accordance with the relevant data protection regulations and legislation. Should ARAG ask for personal or sensitive information, ARAG undertake that it shall only be used in accordance with our privacy statement. ARAG may also collect information for other parties such as suppliers ARAG appoint to process the handling of a claim.

Using personal or sensitive information

The reason ARAG collect personal or sensitive information is to fulfil their contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, ARAG may need to share personal or sensitive information with other organisations.

ARAG will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected.

Please refer to ARAG's full privacy statement for full details.

Keeping personal information

ARAG shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how ARAG hold personal data including; the right to a copy of the personal data ARAG hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

For a full list of privacy rights and when ARAG will not be able to delete personal data, please refer to ARAG's full privacy statement