Property Owners Select
Policy Schedule

Insured Name: Beechwood Spinney Management Company Limited
Policy Number: SP30015032
Effective Date: 05/05/2026
Insurance Adviser: Hughes Plane Limited

12 May 2026

Chartered Insurers

ALLIANZ.CO.UK

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Property Owners Select
Policy Schedule

12/05/2026

Insured Name
Beechwood Spinney Management Company Limited

Policy Number
SP30015032

Insurance Adviser
Hughes Plane Limited

Need to make a claim?

Property Damage Claims
0344 412 9988

Liability Claims
0344 893 9500

What you must do

Please note that the premium, terms and conditions of your policy have been based on the details you have given us. If there have been any alterations to those details it is important that you tell us about them so that your cover remains operative. If you have any doubts about what you should tell us, please contact your insurance adviser.

Policy Details

Insured Name:
Beechwood Spinney Management Company Limited

Policy Number:
SP30015032

Effective Date:
05/05/2026

Renewal date:
05/05/2027

First Premium:
£11,311.71

Annual Premium:
£11,311.71

Insurance Premium Tax (IPT):
£1,357.41

Insurance Premium Tax (IPT):
£1,357.41

Total First Premium:
£12,669.12

Total Annual Premium:
£12,669.12

Insurance Premium Tax is stated at the prevailing rate.

12/05/2026

Insured Name
Beechwood Spinney Management Company Limited

Policy Number
SP30015032

Insurance Adviser
Hughes Plane Limited

Need to make a claim?

Property Damage Claims
0344 412 9988

Liability Claims
0344 893 9500

Insured's Details

Insured Name:
Beechwood Spinney Management Company Limited

Correspondence Address:
The Spinney Beechwood Close, Hertford, SG13 7JR

Business Description:
Property Owner and Property Developer

Insurance Adviser Details

Insurance Adviser Name:
Hughes Plane Limited

Account Number:
14911

Correspondence Address:
Street Royal Wootton Bassett The Old School House 24 Hook, SN4 8EF

Claims Notifications

Claims can be notified to us in a number of ways. Visit www.allianz.co.uk/claims for all claims notification and tracking methods.

Premises

The Spinney, Beechwood Close, Hertford, SG13 7JR

Clauses Applicable to the whole Policy

No clauses apply to this policy.

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12/05/2026

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0344 412 9988

Liability Claims
0344 893 9500

Property Damage All Risks — Insured

Premises The Spinney, Beechwood Close, Hertford, SG13 7JR

Occupancy 16 x professional let, 20 x owner occupied (1 x unoccupied due to probate)

Item	Description	Excluded Events	Sum Insured
1.	Building	Sprinkler leakage, Escape of Oil	£20,230,919 (£15,562,245)
2.	Contents	Sprinkler leakage, Escape of Oil	£26,000 (£20,000)

Property Damage Excess details

Subsidence, Ground Heave or Landslip	£1,500
Escape of water from any tank, apparatus, pipe or drain	£750
Any other loss (not more specifically detailed)	£500

Clauses Applicable to the Property Damage All Risks Section

No clauses apply to this section.

Allianz

12/05/2026

Insured Name
Beechwood Spinney Management Company Limited

Policy Number
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Insurance Adviser
Hughes Plane Limited

Need to make a claim?

Property Damage Claims
0344 412 9988

Liability Claims
0344 893 9500

Loss of Rent All Risks — Insured

Premises The Spinney, Beechwood Close, Hertford, SG13 7JR

Item	Description	Excluded Events	Indemnity Period	Sum Insured
1	Loss of Rent	Sprinkler leakage, Escape of Oil	36 Months	£3,150,000

Clauses Applicable to the Loss of Rent All Risks Section

No clauses apply to this section.

12/05/2026

Insured Name
Beechwood Spinney Management Company Limited

Policy Number
SP30015032

Insurance Adviser
Hughes Plane Limited

Need to make a claim?

Property Damage Claims
0344 412 9988

Liability Claims
0344 893 9500

Property Owners Liability — Insured

Limit of Indemnity	£5,000,000
Third Party Property Damage Excess	£500

Clauses Applicable to the Property Owners Liability Section

No clauses apply to this section.

Employers' Liability — Not Insured

Terrorism – Property Damage — Not Insured

Terrorism – Business Interruption (Damage) — Not Insured

Terrorism – Business Interruption (Non-Damage) — Not Insured

12/05/2026

Insured Name
Beechwood Spinney Management Company Limited

Policy Number
SP30015032

Insurance Adviser
Hughes Plane Limited

Need to make a claim?

Property Damage Claims
0344 412 9988

Liability Claims
0344 893 9500

Commercial Legal Expenses — Insured

Insured Events

Event 1:	Employment
Event 2:	Tax and VAT
Event 3:	Criminal Prosecution Defence
Event 4:	Property Protection
Event 5:	Data Protection
Event 6:	Commercial Tenancy Agreement
Event 7:	Statutory Licence Appeal
Event 8:	Personal Injury
Event 9:	Jury Service Allowance
Event 10:	Contract Disputes and Disputed Debt

Master Policy Ref: 36931

Limit of Indemnity

The maximum amount the Insurer is liable to pay is:

1. £100,000 Any One Claim relating to Events 1, 2, 3, 4, 5, 6, 7, 8, and 10
2. £5,000 Any One Claim relating to Event 9 – Jury Service Allowance
3. £5,000 Any One Claim relating to Witness Attendance Allowance
4. £1,000,000 For all Claims in the aggregate first notified to the Insurer during the Period of Insurance

(collectively "the Limit of Indemnity")
The above amounts are all inclusive of Legal Expenses and Awards of Compensation.

Allianz Legal Online Registration Code: SelectSP24

Access to Allianz Legal Online website www.allianzlegal.co.uk providing support in producing legal paperwork. Click on the "register now" box and enter the above Registration Code.

Clauses applicable to the Legal Expenses Section

No clauses apply to this section.

Allianz

Introduction

Thank you for choosing Allianz Insurance plc.

We are one of the largest general insurers in the UK and part of the Allianz Group, one of the world's foremost financial services providers.

With Allianz Insurance plc you can be confident that you're insured by a company which is relentless in its commitment to protecting and serving you. You can trust us to insure your business as we've been providing leading insurance solutions in the UK for over 100 years.

We work in partnership with your insurance adviser to ensure you receive the highest levels of product and service excellence. Our technical experts understand how best to protect you against the risks your business faces.

If you need to make a claim you will be in safe hands. Our professionally trained staff aim to treat you, as you would expect, both promptly and fairly. By listening to you, and understanding your needs we will provide you with the most appropriate solutions to get your business trading again as quickly as possible.

Important
Should you need further details or have any questions your insurance adviser will be delighted to help.

This document provides details of your Policy and the terms and conditions that apply. Please read it carefully and keep it in a safe place.

Your Property Owners Select Policy is made up of several parts which must be read together as they form your contract of insurance with Allianz Insurance plc. Please take time to read all parts of the Policy to make sure they meet your needs and that you understand the terms conditions and exclusions. If you wish to change anything or there is anything you do not understand, please let your insurance adviser know.

The parts of the Policy which form your contract of insurance with Allianz Insurance plc are:

- this Introduction
- the proposal, presentation of the risk, or any other information supplied by you or on your behalf
- the General Definitions; the Insuring Clause; the General Exclusions and General Conditions, all of which apply to all Sections of the Policy
- the Sections of cover selected by you (as shown on the Schedule)
- the Exclusions and Conditions which apply to the Sections selected by you
- the Schedule, which includes all clauses applied to the Policy while the Policy is in force.

Any word or expression in the Policy which has a specific meaning has the same meaning wherever it appears in the Policy, unless stated otherwise.

For ease of reference you will be given only one Policy number even if you have taken out Directors & Officers Liability, Cyber and/or Professional Indemnity cover.

If you have taken out Directors and Officers Liability and/or Professional Indemnity cover, each of those covers forms a separate contract of insurance between you and Allianz Insurance plc. The parts of the Policy which form this separate contract or contracts of insurance with Allianz Insurance plc are:

- this Introduction (other than that part entitled 'Notifying a Claim')
- the proposal, presentation of the risk, or any other information supplied by you or on your behalf
- the General Definitions in so far as they are consistent with the definitions applied in

Introduction (continued)

- the Directors and Officers Liability or Professional Indemnity Sections
- the Insuring Clause
- the Directors and Officers Liability or Professional Indemnity Section of cover selected by you (as shown on the Schedule)
- the Exclusions and Conditions which apply to the Directors and Officers Liability or Professional Indemnity Section of cover selected by you
- the Schedule, which includes all clauses applied to the Policy while the Policy is in force.

Any word or expression in the Policy which has a specific meaning has the same meaning wherever it appears in the Policy, unless stated otherwise. For ease of reference you will be given only one Policy number even if you have taken out Directors and Officers Liability and/or Professional Indemnity cover.

Introduction (continued)

Insuring Clause

In consideration of payment of the premium the Insurer will indemnify or otherwise compensate the Insured against loss, destruction, damage, injury or liability (as described in and subject to the terms, conditions, limits and exclusions of this Policy or any Section of this Policy) occurring or arising in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agrees to accept a renewal premium.

Introduction (continued)

General Definitions

The following definitions apply to this Policy unless amended by Section Definitions and are denoted by a capital first letter throughout this Policy.

Business
The Business Description stated in the Schedule

Excess *(not applicable to the Employers' Liability Section)*
The first part of each and every claim, for which the Insured is responsible

Insured
The Insured named and shown in the Schedule

Insurer
Allianz Insurance plc

Period of Insurance
The period from the Effective Date to the Renewal Date as shown in the Schedule

Policy
The contract of insurance formed of the documents described in the Introduction. Where cover is provided under the Directors and Officers Liability and/or Professional Indemnity Sections, the Insured has more than one contract of insurance and the definition of "the Policy" should be construed accordingly

Premises
The address or addresses shown in the Schedule or notified to the Insured, including their grounds, all within the boundaries for which the Insured are responsible

Schedule
The part of this Policy that details information forming part of this contract of insurance and that shows the Sections of this Policy that are operative

Section/Sections
The parts of this Policy that detail the insurance cover provided for each individual Section of this Policy

Sum Insured
The maximum amount the Insurer will pay for each item insured under any Section

Total Sum Insured
The total of the Sums Insured for each item payable by the Insurer under any Section

United Kingdom
Great Britain, Northern Ireland, the Isle of Man and the Channel Islands

Introduction (continued)

General Exclusions

This Policy does not cover

1 **Radioactive Contamination** (Not applicable to the Computer, Engineering Machinery Damage and Directors and Officers Liability Sections)

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

- **a** ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- **b** the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- **c** any weapon or other device utilizing radioactive material and/or matter and/or ionising radiation and/or atomic or nuclear fission and/or fusion or other like reaction
- **d** the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

Exclusions **a** and **b** do not apply to the Employers' Liability Section other than in respect of

- **1** the liability of any principal
- **2** liability assumed by the Insured under a contract or agreement which would not have attached in the absence of such contract or agreement.

Exclusions **c** and **d** do not apply to the Employers' Liability and the Directors and Officers Liability Sections when insured by this Policy.

2 **War** (Not applicable to the Employers' Liability, Terrorism, Fidelity Guarantee and Directors and Officers Liability Sections)

Any claim, loss, damage, destruction, death, injury, disablement or liability, cost or expense, or any consequential loss, directly or indirectly caused by, arising out of, attributable to, or contributed to by:

- **a** war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
- **b** the discovery, detonation or explosion of Munitions (including both controlled and uncontrolled detonations and explosions), whether or not a state of war is current at the time of discovery, detonation or explosion; or
- **c** any action taken to disarm, diffuse, dispose of, neutralise, make safe, or otherwise remove Munitions, whether or not a state of war is current at the time,

regardless of any other cause or event operating concurrently, independently or in any other sequence to cause the loss, damage or liability.

For the purposes of this Exclusion

Loss includes, but is not limited to, financial and business interruption loss (including business interruption loss covered under the Extensions to the Business Interruption Sections), physical loss, loss of value, marketability or use of property, fines and penalties.

Introduction (continued)

General Exclusions (Continued)

Munitions mean any weapons or munitions from a current or historic war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military or usurped power, including but not limited to bombs, missiles, torpedoes, mines, ammunition, explosive devices, or any parts thereof, and any unexploded, derelict, abandoned and unused munitions or weapons.

3 **Terrorism** (Not applicable to the Employers' Liability, Property Owners Liability, Directors and Officers Liability or Terrorism [when insured as a separate section] Sections)

a in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987:

loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- **i** any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
- **ii** any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any other way related to such Act of Terrorism

In respect of **a** above an Act of Terrorism (Terrorism) means:

Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty's government in the United Kingdom or any government de jure or de facto

b in respect of territories other than those stated in **a** above:
loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- **i** any act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such act of Terrorism
- **ii** any action taken in controlling, preventing or suppressing any act of Terrorism, or in any way related to such act of Terrorism

In respect of **b** above an act of Terrorism (Terrorism) means:

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

in any action, suit or other proceedings where the Insurer alleges that by reason of this exclusion any loss or destruction or damage or any consequential loss is not covered the burden of proving to the contrary shall be upon the Insured.

In the event any part of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Introduction (continued)

General Exclusions (Continued)

4 **Cyber and Data Events** (Not applicable to Terrorism, Employers' Liability, Property Owners Liability, Computer, Directors and Officers or Commercial Legal Expenses Sections)

- **a** any Cyber Loss;
- **b** any claim, loss, damage, destruction, cost, expense, or any consequential loss, directly or indirectly caused or contributed to by, arising out of or in connection with, or consisting of any Data Loss; or
- **c** any cost, expense or fee incurred in replacing, reinstating, recovering, restoring or reproducing intangible elements of any Computer System,

regardless of any other cause or event operating or contributing concurrently, independently or in any other sequence to cause the claim, loss or damage.

But, subject to all the terms, conditions, limitations, exclusions and endorsements to this Policy:

i this exclusion will not apply to Physical Damage to Tangible Property at the Premises during the Period of Insurance by a Non-Cyber Cause which itself results from a Cyber Act or Cyber Incident, together with any business interruption solely and directly resulting from such Physical Damage to Tangible Property, provided always that the Policy will not cover:

- **a** any loss, costs or expenses comprising or consisting of Data Loss (including where resulting from Physical Damage to Tangible Property) other than as set out in sub-clause (ii) below;
- **b** any loss, distortion, erasure, corruption or alteration of or inability to access or use any other intangible property or assets or intangible elements of Computer Systems (including where resulting from Physical Damage to Tangible Property) or any business interruption resulting therefrom;
- **c** any business interruption caused or contributed to by any Data Loss which results directly or indirectly from Physical Damage to Tangible Property.

ii should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage by a Non-Cyber Cause which is otherwise insured by this Policy, this exclusion will not apply to the cost of repairing or replacing the damaged Data Processing Media plus the costs of copying Data from back-up or from originals of a previous generation onto the replacement or repaired Data Processing Media, but only where such back-ups or originals of a previous generation still exist and are accessible and provided always that the Policy will not cover:

- **a** any research and engineering costs;
- **b** any costs of recreating, gathering or assembling the Data;
- **c** any reduction in value of Data or any amount pertaining to the value of such Data to the Insured or any Third Party, even if such Datacannot be recreated, gathered or assembled or copied from back-up or from originals of a previous generation;
- **d** any business interruption loss caused directly or indirectly by or contributed to by any Data Loss or by the copying from back-ups or originals of any Data.

Introduction (continued)

General Exclusions (Continued)

For the purposes of this Exclusion

Any reference to the word 'loss' includes, but is not limited to, financial and business interruption loss (including business interruption loss covered under any or all of the Extensions to the Business Interruption Sections), physical loss, loss of value, marketability or use of property (including intangible property), fines and penalties, other than where this exclusion refers specifically to a particular type of loss, such as 'physical loss' or loss comprising or consisting of loss of Data or loss of other intangible property, in which case the word 'loss' will be interpreted in the context within which it is used

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, virtual server, cloud or microcontroller, including any similar system or any configuration or networks of the aforementioned and including any associated input, output, data storage or processing device, networking equipment, internet, intranet, virtual private network or similar facilities, or back up facility, located anywhere in the world and irrespective of whether such computer system is owned or operated by the Insured or any Third Party

Cyber Loss means any claim, loss, damage, destruction, cost, expense, or any consequential loss, directly or indirectly caused or contributed to by, or arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken or advice given to control, prevent, suppress, or remediate any Cyber Act or Cyber Incident or to mitigate or otherwise reduce the effects of any Cyber Act or Cyber Incident

Cyber Act means any unauthorised, malicious or criminal act (whether or not directed at the Insured), regardless of time and place, or the threat or hoax thereof, involving access to, processing, use, manipulation or operation of, or impairing any Computer System or Data, including but not limited to any unauthorised or malicious direction of network traffic or introduction of code, malware, virus or ransomware

Cyber Incident means:

i any error or omission involving access to, processing of, use of or operation of any Computer System, whether any such error or omission is made by or on behalf of the Insured or any Third Party;

ii any partial or total unavailability or failure of or reduction in functionality or operability of any Computer System (whether temporary or permanent) or inability to access, process, use or operate any Computer System; or

iii any partial or total inability to access, process, transmit, store or use any Data or any error or omission involving accessing, processing, transmitting, storing or using any Data, whether any such error or omission is made by or on behalf of the Insured or any Third Party

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form which is (or is capable of being) used, accessed, processed, transmitted or stored by a Computer System.

Data is not limited to the but includes Data which is owned, accessed, processed, transmitted, stored or used by any Third Party anywhere in the world

Introduction (continued)

General Exclusions (Continued)

Data Loss means any loss, distortion, erasure, corruption, theft, alteration, or manipulation of Data (whether temporary or permanent) or loss of use, reduction in functionality or reduction in value of Data or the act of (and costs and expenses associated with) repairing, replacing, reinstating, recovering, restoring or reproducing any Data

Data Processing Media means any tangible property insured by this Policy on which Data can be stored but not the Data itself Non-Cyber Cause means a cause, other than a Cyber Act, Cyber Incident, Data Loss or other cyber related cause, which is not otherwise excluded by the Policy.

Physical Damage to Tangible Property means accidental, physical loss, damage or destruction to tangible property insured under this Policy which is owned by the Insured or for which the Insured is responsible, excluding any Data and intangible elements of Computer Systems

Third Party means any person or entity other than the Insured (including, but not limited to, information technology and computer service suppliers, data centre operators, internet service providers, customers or suppliers of the Insured, transport operators, infrastructure providers, utilities and supply undertaking service providers or producers, telecommunication service providers and persons or entities wholly unconnected with the Insured, its Business, its Computer Systems or any Data which it owns, uses or relies on)

5 Contagious and Infectious Disease (*Not applicable to Employers Liability, Property Owners Liability, Directors and Officers Liability, Computer, Engineering Machinery Damage, Property Owners Commercial Legal Expenses and Terrorism Sections*)

Loss, damage, destruction, cost, expense, or any consequential loss, directly or indirectly caused by, arising out of, attributable to, or contributed to by:

a a Contagious or Infectious Disease;
b the fear or threat (whether actual or perceived) of a Contagious or Infectious Disease;
c the presence or suspected presence of Pathogens at, in or on the premises or property of any person or entity; or
d any action taken or advice given (whether or not by a competent authority) to prevent, reduce, control or mitigate the occurrence , outbreak, spread or effects of a Contagious or Infectious Disease or any Pathogens,

irrespective of any other cause, occurrence or event operating concurrently, independently or in any sequence to cause the loss.

But this exclusion will not apply to Physical Damage to property insured under the Policy and any business interruption directly resulting from such Physical Damage, where such Physical Damage itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal or theft.

Introduction (continued)

General Exclusions (Continued)

For the purposes of this exclusion:

Loss includes, but is not limited to financial and business interruption loss, loss of value, marketability or use of property, fines and penalties. Cost or expense includes, but is not limited to any cost to:

- i clean-up, detoxify, decontaminate, or remove Pathogens from any property where the property is or is feared to have been affected by Pathogens or a Contagious or Infectious Disease;
- ii monitor or test for Pathogens or a Contagious or Infectious Disease; or
- iii provide medical treatment for persons affected by a Contagious or Infectious Disease

Physical Damage means physical loss, damage or destruction. For the avoidance of any doubt, the presence of any Pathogen on property or contamination of property by any Pathogen does not constitute Physical Damage;

Malicious persons do not include persons who maliciously, deliberately or recklessly:

- i cause Pathogens to come into contact with the premises or property of any person or entity; or
- ii cause or attempt to cause another person or persons to contract a Contagious or Infectious Disease and, in or by so doing, cause Pathogens to come into contact with the premises or property of any person or entity.

Contagious or Infectious Disease means
Any disease, illness or condition affecting humans or animals which is caused by or can be transmitted by means of any Pathogen, where 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 (including from one human to another, one animal to another, from an animal to a human or vice versa, or through contaminated water, faeces or food).

Pathogen means
Any pathogen, including but not limited to a virus, bacterium, parasite, fungus, other organism, micro-organism, any variation or mutation thereof, whether deemed living or not, or any other substance or agent capable of causing a Contagious or Infectious Disease.

6 Nationalisation (Not applicable to the Employers' Liability Section)

Any claim, loss, damage, destruction, death, injury, disablement or liability, cost or expense, or any consequential loss directly or indirectly caused by, arising out of, attributable to, or contributed to by any permanent or temporary dispossession, nationalisation, confiscation, expropriation, selective discrimination, deprivation, requisition or seizure by the Government or any public authority.

Introduction (continued)

General Exclusions (Continued)

7 Biological or Chemical Materials
(Not applicable to the Employers' Liability, Terrorism and Directors and Officers Liability Sections)

Any claim, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting for or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event operating or contributing concurrently, independently or in any other sequence to cause the claim, loss or damage.

8 Sanctions
Loss or benefit for any business or activity to the extent that the provision of such cover, payment of any claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America. For the avoidance of doubt any valid licence from the Office of Financial Sanction Implementation or similar authorised regulatory body shall have no bearing on this insurance, and this Policy will consider the sanction, prohibition or restriction to remain in force.

Introduction (continued)

General Conditions

1 **Fair Presentation of the Risk** (Not applicable to the Directors and Officers Liability and Professional Indemnity Sections)

- **a** The Insured must make a fair presentation of the risk to the Insurer at inception, renewal and variation of the Policy.
- **b** The Insurer may avoid the Policy and refuse to pay any claims where any failure to make a fair presentation is:
  - **i** deliberate or reckless; or
  - **ii** of such other nature that, if the Insured had made a fair presentation, the Insurer would not have issued the Policy.

  The Insurer will return the premium paid by the Insured unless the failure to make a fair presentation is deliberate or reckless.

- **c** If the Insurer would have issued the Policy on different terms had the Insured made a fair presentation, the Insurer will not avoid the Policy (except where the failure is deliberate or reckless) but the Insurer may instead:
  - **i** reduce proportionately the amount paid or payable on any claim, the proportion for which the Insurer is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurer would have charged had the Insured made a fair presentation; and/or
  - **ii** treat the Policy as if it had included such additional terms (other than those requiring payment of premium) as the Insurer would have imposed had the Insured made a fair presentation.

For the purposes of this condition references to:

- **a** avoiding a Policy means treating the Policy as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before or at the inception of the Policy), the renewal date (where the failure occurs at renewal of the Policy), or the variation date (where the failure occurs when the Policy is varied);
- **b** refunds of premium should be treated as refunds of premium back to the inception date, renewal date or variation date as the context requires;
- **c** issuing a Policy should be treated as references to issuing the Policy at inception, renewing or varying the Policy as the context requires;
- **d** premium should be treated as the premium payable for the particular contract of insurance which is subject to this condition (where there is more than one contract of insurance).

2 **Reasonable Precautions** (Not applicable to the Directors and Officers Liability Section)
The Insured shall take all reasonable precautions to prevent accidents and any injury, loss, destruction or damage and shall take all reasonable steps to observe and comply with statutory or local authority laws, obligations and requirements.

3 **Claims** (Not applicable to the Directors and Officers Liability Section)
Note that in addition to the General Claims Condition, Special or Additional Claims Conditions also pply to the individual Sections of the Policy. Please refer to each individual Section for details.

The Insured shall in the event of any injury, loss, destruction, damage or consequential loss as a result of which a claim is or may be made under this Policy or any Section of this Policy and again upon receipt by the Insured in writing of any notice of any claim or legal proceeding,

- **a** notify the Insurer as soon as reasonably possible
- **b** pass immediately and unacknowledged any letter of claim to the Insurer

Introduction (continued)

General Conditions (Continued)

- **c** notify the Insurer immediately upon being advised of any prosecution, inquest or enquiry connected with any injury, loss, destruction, damage or consequential loss, which may form the subject of a claim under this Policy
- **d** notify the police as soon as it becomes evident that any loss, destruction or damage has been caused by theft or malicious persons
- **e** carry out and permit to be taken any action which may be reasonably practicable to prevent further loss, destruction, damage or consequential loss
- **f** retain unaltered and unrepaired anything in any way connected with the injury, loss, destruction, damage or consequential loss for as long as the Insurer may reasonably require
- **g** provide the Insurer, at the Insured's expense, all information as the Insurer may reasonably require as soon as reasonably possible
- **h** make available at the Insured's expense any documents required by the Insurer with regard to any letter of claim
- **i** not pay or offer or agree to pay any money or make any admission of liability without the previous consent of the Insurer
- **j** allow the Insurer in the name of and on behalf of the Insured to take over and, during such periods as the Insurer thinks proper, to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof and co-operate fully with the Insurer for that purpose.

No claim under this Policy shall be payable unless the terms of this General Condition have been complied with and any payment on account of a claim already made shall be repaid to the Insurer.

4 Cancellation (Not applicable to the Directors and Officers Liability Section)

Other than where General Condition 5 Fraud applies the Insurer may cancel this Policy by giving the Insured thirty (30) days' notice at their last known address. Provided the premium has been paid in full and no claim has been made during the Period of Insurance, the Insured shall be entitled to a proportionate rebate of premium in respect of the unexpired period of the insurance.

If the premium for this Policy is paid by instalments and in the event that the Insured fail to pay one or more instalments whether in full or in part the Insurer may cancel the Policy by giving fourteen (14) days day's notice in writing to the Insured sent to their last known address.

5 Fraud (Not applicable to the Directors and Officers Liability and Professional Indemnity Sections)

If the Insured or anyone acting on the Insured's behalf:

- **a** makes any false or fraudulent claim;
- **b** makes any exaggerated claim;
- **c** supports a claim by false or fraudulent documents, devices or statements (whether or not the claim is itself genuine);
- **d** makes a claim for loss or damage which the Insured or anyone acting on the Insured's behalf deliberately caused,

the Insurer will:

- **i** refuse to pay the whole of the claim; and
- **ii** recover from the Insured any sums that it has already paid in respect of the claim.

The Insurer may also notify the Insured that it will be treating the Policy as having terminated with effect from the date of the earliest of any of the acts set out in sub-clauses **a** to **d** above.

In that event, the Insured will:

- **a** have no cover under the Policy from the date of the termination; and
- **b** not be entitled to any refund of premium.

6 Discharge of Liability (not applicable to the Directors and Officers Liability or Property Owners Commercial Legal Expenses Sections)

The Insurer may at any time pay to the Insured in connection with any claim or series of claims

- **a** the Limit of Indemnity
  or
- **b** the Sum Insured
  or
- **c** a lesser amount for which such claim or claims can be settled

after deduction of any sums already paid.

Introduction (continued)

General Conditions (Continued)

Upon such payment the Insurer shall relinquish the conduct and control of and be under no further liability in respect of such claim or claims except for costs and expenses which the Insurer have already agreed to bear incurred prior to the date of such payment.

7 Loss Reduction Conditions

If the Insured does not comply with any part of any condition which makes payment of a claim conditional upon compliance with it (a condition precedent), the Insurer will not pay for any claim, except that where the condition concerned:

- **a** operates only in connection with particular premises or locations, the Insurer will pay for claims arising out of an event occurring at other premises or locations which are not specified in the condition;
- **b** operates only at particular times, the Insurer will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the injury, loss, damage or liability which occurred;
- **c** would, if complied with, tend to reduce particular types of injury, loss, damage or, as the context may require liability, the Insurer will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the injury, loss, damage or liability which occurred.

8 Law Applicable and Jurisdiction (Not applicable to the Directors and Officers Liability Section or Cyber Sections)

Unless agreed otherwise by the Insurer

- **a** the language of the Policy and all communications relating to it will be English;
  and,
- **b** The Policy will be subject to the law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon the territory within which the registered or principal office of the Insured is located. If there is any dispute as to which law applies, it will be English and Welsh law.
- **c** The parties agree to submit to the exclusive jurisdiction of the Courts of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon the territory within which the registered or principal office of the Insured is located. If there is any dispute as to which jurisdiction applies, it will be the Courts of England and Wales.

9 Rights of Third Parties (Not applicable to the Directors and Officers Liability Section)

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

10 Assignment (Not applicable to the Directors and Officers Liability Section)

The Insured shall not assign any of the rights or benefits under this Policy or any Section of this Policy without the prior written consent of the Insurer

The Insurer will not be bound to accept or be affected by any notice of trust charge lien or purported assignment or other dealing with or relating to this Policy or any Section of this Policy.

11 Survey and Risk Improvement – Subjectivity Condition (Not applicable to the Directors and Officers Liability Section)

Subject to Survey

If this Policy has been issued or renewed subject to the Insurer completing a survey or surveys of the Premises or of any other location(s) as specified by the Insurer, then pending completion of such survey(s) indemnity is provided by the Insurer on the terms conditions exclusions and limits as specified in the Policy and in the Sections of the Policy

In the event that a survey should show that the risk or any part of it is not satisfactory in the opinion of the Insurer, then the Insurer reserves the right to

Introduction (continued)

General Conditions (Continued)

- **a** alter the premium or terms and conditions
- **b** exercise their right to cancel the Policy
- **c** leave the premium or terms and conditions unaltered

The Insurer will advise the Insured of their decision and the effective date of such decision. If the premium terms or conditions are amended by the Insurer then the Insured will have fourteen (14) days to accept or reject the revised basis of indemnity.

If the Insured elect to reject the revised basis of premium terms or conditions then they shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current Period of Insurance.

If the Insurer exercises their right to cancel the Policy, then the Insured shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current Period of Insurance

Risk Improvements
It is a condition precedent to the liability of the Insurer that the Insured must comply with all survey risk improvement recommendations required by the Insurer and classified as High Priority within completion time scales specified by the Insurer

In the event that a risk improvement recommendation classified as High Priority or Important by the Insurer is not completed, or risk improvement procedures are not introduced, within the completion time scales specified by the Insurer, then the Insurer reserves the right to

- **a** alter the premium or terms and conditions
- **b** exercise their right to cancel the Policy
- **c** leave the premium or terms and conditions unaltered

The Insurer will advise the Insured of their decision which will be effective either from the expiry of any time period specified by the Insurer for completion/introduction of the required survey risk improvements recommendations or any other period specified by the Insurer.

If the premium terms or conditions are amended by the Insurer then the Insured will have fourteen (14) days to accept or reject the revised basis of indemnity.

If the Insured elect to reject the revised basis of premium terms or conditions then they shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current Period of Insurance.

If the Insurer exercises their right to cancel the Policy, then the Insured shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current Period of Insurance

To the extent that this Condition conflicts with any other cancellation condition then this Condition shall prevail.

Except in so far as they are expressly varied by this Condition all of the terms, conditions, exclusions and limits of this Policy and of the Sections of the Policy shall continue to apply until advised otherwise by the Insurer.

12 Multiple Insureds

If there is more than one entity insured under this Policy then:

- **a** The total liability of the Insurer under this Policy to such insured entities shall be the same amount as if there was only one Insured entity and any such amount shall not exceed any sum insured or limit stated therein.
- **b** the total liability of the Insurer to all insured entities under this Policy collectively in respect of the cover insured by the Policy shall not exceed the Total Sum Insured or in respect of any item its Sum Insured or any other stated limit of liability.
- **c** any payment or payments made by the Insurer or other expenses incurred by the Insurer in settlement of a claim under the Policy, to any one or more of the insured entities, shall reduce to the extent of that payment or expense the liability of the Insurer to all such insured entities.

Introduction (continued)

Complaints

Our aim is to get it right, first time every time. If you have a complaint we will try to resolve it straight away but if we are unable to we will confirm we have received your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected.

If we have not resolved the situation within eight weeks we will issue you with information about the Financial Ombudsman Service (FOS) which offers a free, independent complaint resolution service.

If you have a complaint, please contact our Allianz Complaints Team at:

Allianz Complaints Team
Allianz Insurance PLC,
PO Box 5291,
Worthing
BN11 9TD

Telephone number: **01483 552438**
Fax number: **01483 790538**
Email: commercialcomplaints@allianz.co.uk

You have the right to refer your complaint to the Financial Ombudsman, free of charge - but you must do so within six months of the date of the final response letter.

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

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Website: financial-ombudsman.org.uk
Telephone: **0800 023 4567** or **0300 123 9123**
Email: complaint.info@financial-ombudsman.org.uk

Using our complaints procedure or contacting the FOS does not affect your legal rights.

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS).

The Insured may be entitled to compensation from the FSCS if the Insurer is unable to meet its liabilities. Further information about compensation scheme arrangements is available at fscs.org.uk, by emailing enquiries@fscs.org.uk or by phoning the FSCS on **0800 678 1100** or **0207 741 4100**.

Introduction (continued)

Privacy Notice Summary

Please find below a summary of our Privacy Notice. The full notice can be found on the Allianz UK website: allianz.co.uk/privacy-notice.html.

If you would like a printed copy of our Privacy Notice, please contact the Data Rights team using the details below.

Allianz Insurance plc is the data controller of any personal information given to us about you or other people named on the policy, quote or claim. It is your responsibility to let any named person know about who we are and how this information will be processed.

When we refer to "we", "us" and our in this notice it means Allianz Insurance plc, Allianz Engineering Inspection Services Limited, Pet Plan Limited and Vet Envoy Limited who are all part of the Allianz UK Group which includes insurance companies, insurance brokers and other companies owned by the Allianz UK Group.

Please see link for a detailed list of these companies here: allianz.co.uk/about-allianz/our-organisation.html#azuk

Anyone whose personal information we hold has the right to object to us using it.

They can do this at any time by telling us and we will consider the request and either stop using their personal information or explain why we are not able to.

If you wish to exercise any of your data protection rights you can do so by contacting our Data Rights team:

Telephone: **0208 231 3992**
Email: datarights@allianz.co.uk
Address: Allianz Insurance plc,
PO Box 5291
Worthing
BN11 9TD

Any queries about how we use personal information should be addressed to our Data Protection Officer:

Telephone: **0330 102 1837**
Email: dataprotectionofficer@allianz.co.uk
Address: Data Protection Officer,
Allianz Insurance plc,
PO Box 5291
Worthing
BN11 9TD

Introduction (continued)

Employers Liability Tracing Office

If your policy provides Employers Liability cover information relating to your insurance policy will be provided to the Employers Liability Tracing Office (the "ELTO") and added to an electronic database, (the "Database") in a format set out by the Employers Liability Insurance: Disclosure by Insurers Instrument 2011.

The Database assists individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK whilst working for employers carrying on, or who carried on, business in the UK and as a result are covered by the employers liability insurance of their employers, (the Claimants):

- **i** to identify which insurer (or insurers) was (or were) providing employers liability cover during the relevant periods of employment; and
- **ii** to identify the relevant employers liability insurance policies.

The Database and the data stored on it may be accessed and used by the Claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers liability insurance cover and any other persons or entities permitted by law.

The Database will be managed by the ELTO and further information can be found on the ELTO website elto.org.uk

Introduction (continued)

Notifying a Claim

(Not applicable to Commercial Legal Expenses Sections claims)

Claims under this Policy should be notified to the Insurer in accordance with General Condition 3 at the following Allianz Claims Handling Offices.

Please provide your policy number, and as much information as possible about the claim.

Allianz Claims Handling Office Telephone Numbers:

For Property Damage claims
Tel: **0344 412 9988**

Email: newpropertyclaims@allianz.co.uk

For Liability claims
Tel: **0344 893 9500**

Email: casualtyclaims@allianz.co.uk

For Computer Section and Engineering Claims
Tel: **01483 265825**

Email: claims@allianzengineering.co.uk

Lines are open from 9am to 5pm Monday to Friday.

Outside of normal opening hours contact us on our 24 hour claim notification line – Tel: **0345 604 9824**.

Allianz address for claims correspondence:

Allianz Claims
PO Box 5290
Worthing
BN11 9TB

Introduction (continued)

Commercial Legal Expenses Claims

If the Insured needs to make a Claim under any operative cover provided by the Legal Expenses Section, as stated in the Policy Schedule the Insured should call Lawphone Legal Helpline on **0370 241 4140** and quote the Master Policy reference contained within the Policy Schedule.

The Insured will be asked for a brief summary of the problem and these details will be passed on to an adviser who will call the Insured back. The Insurer will send the Insured a claim form to complete and sign. This must be returned, together with a copy of the Insured's Policy Schedule.

Please note that the Insured Person must not appoint a solicitor. If the Insured Person has already seen a solicitor before the Insurer has accepted the Insured Person's claim, the Insurer will not pay any fees or other expenses that the Insured Person has incurred.

If the Insured Person's claim is covered, the Insurer will appoint the Legal Representative that the Insurer has agreed to in the Insured Person's name and on the Insured Person's behalf, subject to the terms and conditions of the Legal Expenses Section. The Insurer will only start to cover the Insured Person's Legal Expenses from the time the Insurer has accepted the claim and appointed the Legal Representative.

The Insurer's address is:

The Claims Department
Allianz Legal Protection
Allianz - ALP
PO Box 5290
Worthing
BN11 9TB

Lines are open 24 hours a day, 7 days a week.

Additional Benefits

24 Hour Lawphone Legal Advice Helpline
When the Commercial Legal Expenses Section of this Policy is operative, the Insured gains the automatic benefit of access to a team of qualified legal advisers for advice on any commercial legal matter 24 hours a day, 365 days a year. The advice the Insured receives from the Lawphone Legal Advice Helpline will always be according to the laws of Great Britain and Northern Ireland.

To use this service ring **0370 241 4140**.

The Insured should quote the Master Policy reference contained within the Policy Schedule and provide a brief summary of the problem. The details will be passed to an adviser who will return the Insured's call.

All areas of Business law are covered. This advice is available to the Insured during the currency of the Policy, although no liability can be accepted for inability to provide advice due to breakdown or failure of the telephone network.

This telephone helpline is provided by Allianz Legal Protection, part of Allianz Insurance plc, who may record calls to protect the Insured.

Allianz Legal Online
As part of the Commercial Legal Expenses cover, the Insured has access to extensive online legal support via Allianz Legal Online.

This facility provides tools and services to help the Insured prepare a range of legal documents in connection with their business, such as employment contracts, HR policies, privacy policies and chasing debtors. In addition, this service provides the Insured with up-to-date online guidance on many legal issues, including business start-up, health & safety, intellectual property and debt recovery.

Introduction (continued)

Furthermore, documents created using the facility can be sent via the system to a specialist legal team for review. A member of the team will respond via email or phone within three working days, answering any questions and providing amendments necessary to ensure the document meets the Insured's particular requirements (subject to a maximum of one hour's work per document).

The legal documents and guidance provided are always in accordance with the laws of England, Scotland, Wales and Northern Ireland.

The Insured can access Allianz Legal Online at: allianzlegal.co.uk

A registration code is required to enter the web site and this is shown on the policy schedule. If the Insured has any problems relating to Allianz Legal Online please contact the Allianz Legal Online customer services team on **0345 644 8966** (lines open 9am - 5.30pm Monday to Friday excluding bank holidays) or e-mail them at support@allianzlegal.co.uk

Allianz Legal Online is provided by Epoq Legal Ltd of Unit 2, Imperial Place, Maxwell Road, Borehamwood, WD6 1JN.

24 Hour Glass Replacement

Broken glass is dangerous and in some circumstances can be a major security risk. Allianz Insurance plc have negotiated a special arrangement for you with one of Britain's leading glass replacement specialists. In an event of emergency or if your property is insecure please phone our Claims Team on **0344 412 9988**.

Allianz

Property Damage All Risks Section

(This section only applies if stated in the Policy Schedule)

Section Definitions

Buildings

The buildings (including foundations) at the Premises including the following all situate on in or at the Premises

- landlord's fixtures and fittings (including communal television and radio receiving aerials satellite dishes communication equipment and related fittings on or in a Residential Property), fixed glass fixed sanitary ware in on or pertaining to the buildings
- tenants' improvements comprising fixtures and fittings (but excluding moveable contents) formerly the property of tenants but relinquished to the Insured at the time of the surrender of the lease
- furnishings and other contents of common parts of the buildings including seasonal items introduced to shopping centres
- building management and security systems
- gangways pedestrian malls and pedestrian access bridges
- walls gates fences and Services
- fuel tanks and their ancillary equipment and pipe work
- car parks roads pavements forecourts tennis courts and similar hard surfaced areas all being constructed of solid materials
- garden furniture street furniture ornaments and statues but excluding external ponds and lakes
- electric vehicle chargers including wall-boxes.

Contents

Fitted carpets, furnishings and other contents of reception and storage areas and other communal parts of the buildings at the Premises, including

- the contents of fuel tanks at the Premises
- portable communal property in the open grounds of and used in connection with the buildings at the Premises
- Money, belonging to the Insured at the Premises for an amount not exceeding £1,000 in total
- deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records
- Data Processing Media but only in accordance with Basis of Settlement Adjustments Data Processing Media set out in this Section
- rare books or works of art for an amount not exceeding £5,000 any one article or £25,000 in total and so far as they are not otherwise insured
- partners', directors', and employees' personal effects of every description (other than motor vehicles) whilst at the Premises, for an amount not exceeding £1,000 for any one person.

Contract Works

The permanent and temporary works undertaken by or on behalf of the Insured for the purpose of alteration or improvement to the Premises including all unfixed materials and goods, for which the Insured are responsible and whether supplied free of charge or not, delivered to or placed on or adjacent to the permanent and temporary works and intended for incorporation in them in performance of the contract at the Premises specified in the Schedule, excluding any tools, contractors plant and equipment, site huts and other temporary accommodation and their contents belonging to the Insured or hired by them under a hiring agreement, hire purchase, lease agreement or on a free loan.

Damage/Damaged

Accidental loss or destruction of or damage to Property Insured.

Data

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form which is (or is capable of being) used accessed processed or transmitted or stored by Data Processing Media.

Data Processing Media

Tangible property on which Data can be stored but not the Data itself.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Day One Rebuilding Value

Total of the costs described within paragraphs **a**, **b**, **c** and **d** of the Basis of Settlement (at the level of costs applying at the commencement of the Period of Insurance) and including any Value Added Tax where applicable in rebuilding the Buildings or replacing the Contents to a condition substantially the same as their condition when new.

Declared Value

The base value shown in brackets in the Schedule below the Sum Insured and including any Value Added Tax where applicable but excluding any provision for inflation.

Money

Cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps, Holiday with Pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens and consumer redemption vouchers belonging to the Insured or for which the Insured are responsible.

Property/Property insured

Buildings, Contents, and other property belonging to the Insured or for which the Insured are responsible, as shown and/or described in the Schedule.

The Insurer agrees to accept the heading under which any Property or other item has been entered in the books of the Insured.

Residential Property

The flat or a block of flats apartment block maisonette or house situated at the Premises.

Services

Telephone gas electricity water mains drains gutters and sewers electrical instruments meters piping cabling and the accessories thereto providing services to or from the Buildings.

Specified Events

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe, sudden identifiable and unintended escape of oil from a fixed heating installation or impact by any road vehicle or animal.

Stipulations

European Union legislation or Building Regulations or public authority or other statutory requirements.

Unoccupied

Any building or flat or any part of any building which;

a at the inception of this Policy or on the date which any Premises are added to this Policy during the Period of Insurance, is empty or unfurnished or unattended or no longer in active use by the Insured or any tenant of the Insured

And,

b at any time during the Period of Insurance, is empty or unfurnished or untenanted or no longer in active use by the Insured or any tenant of the Insured for a period of exceeding 30 consecutive days or 60 consecutive days in respect of any building solely used for residential purposes

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Cover

If the Property Insured or any part of such Property at the Premises suffers Damage during the Period of Insurance other than by an excluded cause the Insurer will pay to the Insured the value of the Property Insured or the amount of the Damage at the time of its loss destruction or damage in respect of each item specified in the Schedule

Basis of Settlement

The Insurer will pay to the Insured the value of the Property Insured or the amount of the Damage at the time of its loss destruction or damage in respect of each item specified in the Schedule

The Insurer will pay the following amounts, subject to the Basis of Settlement Adjustments, in respect of Property Insured which has suffered Damage

a the cost of reinstatement being

- where the Property Insured is lost or destroyed: the cost incurred in rebuilding the property if a building or in the case of other property its replacement by similar property
- where the Property Insured is Damaged: the cost incurred in the repair of the Damage and the restoration of the Damaged portion of the Property Insured

to a condition equal to but not better or more extensive than its condition when new, provided that no payment beyond the amount the Insurer would have paid will be made

- unless such work of reinstatement commences and proceeds without unreasonable delay
- until the cost of such work of reinstatement has actually been incurred
- where the Property Insured at the time of Damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement

or if the Insured elects not to rebuild or restore the Property Insured (and provided that the Insurer does not exercise its option allowed by the Insurer's Option to Rebuild Basis of Settlement Adjustment)

the loss of market value being the reduction in the market value of the Property Insured immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable under the cost of reinstatement as described in **a** above

or if the Insured are required to rebuild or restore the Property Insured solely as a result of the Damage in a manner different from that immediately before the Damage solely to comply with the Stipulations (subject to agreement by the Insurer that such compliance is unavoidable)

the loss of market value being the reduction in market value of the Property Insured immediately following Damage and the amount payable shall be the cost of reinstatement as described in **a** above and a cash settlement representing the reduction in market value,

provided that

- the Insured have made every effort to regain the original planning consent
- the Insured shall not have nor had any reason to be aware of any Stipulations which could result in the Property Insured not being rebuilt or restored in their original form
- the amount payable shall be reduced by any compensation received or allowance made to the Insured as a result of such Stipulations being imposed
- the total payment made is no greater than the amount that would have been payable had the Property Insured been rebuilt or restored in an identical manner to their condition immediately before the Damage
- the total amount recoverable under any item shall not exceed its Sum Insured

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement (continued)

b European Union & Public Authorities Stipulations (including Undamaged Portions)

the cost of complying with the Stipulations being such additional cost of rebuilding or repair as may be incurred with the Insurer's consent in complying with Stipulations first imposed upon the Insured following the Damage provided that the work of rebuilding or repair be commenced and carried out without unreasonable delay

The liability of the Insurer shall not exceed in respect of any one claim

i in respect of complying with Stipulations relating to undamaged portions of the Buildings (other than foundations) 15% of the amount the Insurer would have been liable to pay to reinstate the Buildings had they been wholly destroyed

ii in respect of the property suffering Damage the Sum Insured applicable to each separate Premises

Provided that the Insurer will not be liable for

- the costs incurred in respect of Damage occurring prior to the granting of this cover or Damage not insured by this Section
- the costs incurred where notice has been served upon the Insured before the date of the Damage or where an existing requirement must be completed within a stipulated period
- the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new, had the necessity to comply with such Stipulations not arisen
- increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured
- any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the Stipulations

c removal of debris

the cost of removing debris being the cost incurred with the Insurer's consent in

- removing debris dismantling demolishing shoring up and propping portions of the Property Insured
- clearing cleaning or repairing Services as a result of Damage

but excluding any costs or expenses

i incurred in removing debris from outside the site of the Premises other than from the surface area immediately adjacent to the perimeter of the Premises

ii incurred or arising from pollution or contamination howsoever caused of property not covered by this insurance

iii in respect of Damage which occurred prior to the granting of cover under this insurance

d professional fees

subject to prior written agreement, the Insurer will cover the necessary and reasonable cost of professional fees incurred in the rebuilding or restoration of the Property Damaged but not for preparing any claim

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Limit of Liability

the most the insurer will pay for any one claim is

A the Total Sum Insured or for each item its individual Sum Insured or any other limit of liability in this Section whichever is the less at the time of the Damage

B the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of the cover insured by this Section shall not exceed the Total Sum Insured or in respect of any item its Sum Insured or any other stated limit of liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one event giving rise to a claim under this Section.

Basis of Settlement Adjustments

Subject to the terms, conditions, exclusions and limits of this Section, in calculating the most the Insurer will pay for any one claim, adjustments shall be made inaccordance with the following clauses.

1 Archaeological Discoveries

The Insurer will pay the reasonable costs incurred by the Insured solely in consequence of Damage as insured by this Section, as a direct result of the Insured complying with their statutory obligations following the discovery of archaeological finds during site excavation

Provided that

a the liability of the Insurer in respect of any one claim shall not exceed £50,000

b the Insured does not have any pre-existing knowledge of the presence of archaeological remains prior to the date of the Damage

2 Automatic Reinstatement

Following Damage as insured by this Section the Sums Insured or limits of liability shall not be reduced by the amount of any claim

provided that

a the Insurer does not give written notice to the contrary within 30 days of the notification of any Damage

b the Insured pays the appropriate additional premium on the amount of the claim from the date of the Damage to the expiry of the Period of Insurance

c the Insured agrees to comply with any security recommendations or other measures the Insurer may require to reduce the risk of Damage.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

3 Buildings awaiting Demolition

If at the time of Damage any Buildings are awaiting demolition the liability of the Insurer shall be limited to the additional cost of removing debris (as detailed in The Basis of Settlement paragraph c.) which is incurred by the Insured solely as a result of such Damage.

4 Buildings awaiting refurbishment redevelopment or renovation

If at the time of the Damage any Buildings or Property is awaiting refurbishment redevelopment or renovation the Insurer shall not be liable for any costs which would have been incurred by the Insured in the absence of such Damage.

5 Capital Additions

To the extent that they are not otherwise insured, Buildings and Contents items include alterations additions and improvements (but not appreciation in value in excess of Sums Insured) within the United Kingdom

Provided that

- **a** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** 20% of the Declared Value for each item covered, or
  - **ii** £5,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - **iii** £2,000,000 in respect of any one Premises occupied for any other purposes

  whichever is the less at any one Premises
- **b** the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's responsibility, effect specific cover retrospective to such date and pay the appropriate additional premium
- **c** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Basis of Settlement Adjustments.

6 Concern for Welfare Costs

The Insurer will pay the reasonable costs incurred by the Insured solely in consequence of Damage caused by the police or persons acting under their control in gaining access to the Buildings as a result of their concern for the welfare of an occupier of the Premises provided that the liability of the Insurer in respect of any one claim shall not exceed £10,000.

7 Continuing Interest and Hire Charges

In the event of Damage at the Premises where the Insured are liable under contract for interest charges or continuing hire charges not recoverable under the terms of a lease or similar agreement in respect of property for which the Insured are responsible and which is not otherwise insured the Insurer will pay such charges actually and reasonably incurred subject to a limit of £10,000 any one claim and in total in any one Period of Insurance.

8 Contracting Purchaser's Interest

The Insurer agrees that without prejudice to the rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured have contracted to sell their interest in any Building insured under this Section and the purchase has not been but is subsequently completed the purchaser shall be entitled on completion of the purchase to benefit under this Section in respect of such Damage until completion to the extent that such Buildings are not otherwise insured by the purchaser or on their behalf.

9 Contractors Interest

When the Insured is required by the terms or conditions of any contract to cover Buildings in the joint names of the Insured and of any contractor or sub-contractor named in such contract, the Insurer agrees to note such joint interests provided that the Insured shall notify the Insurer of details of any single contract valued at £250,000 or more, in advance of commencement of the work and pay any additional premium the Insurer may require.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

10 Contract Works

Cover for each Buildings item extends to include Contract Works undertaken in performance of any contract and for which the Insured are responsible under the terms of the contract

Provided that

- **i** the Insurer's liability shall not exceed £250,000 in respect of any one contract (unless stated otherwise in the Schedule) in respect of all losses arising out of one occurrence
- **ii** this insurance shall only apply in so far as the Contract Works are not otherwise insured.

11 Contribution and Underinsurance (Average)

If at the time of Damage any other insurance has been effected by or on behalf of the Insured covering any of the Property Damaged, the Insurer's liability under this Section shall be limited to the Insurer's rateable proportion of such Damage.

If such other insurance is subject to Underinsurance (Average), this Section if not already subject to Underinsurance (Average) shall be subject to Underinsurance (Average) in like manner.

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

12 Delays in Rebuilding

The Insurer shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured.

13 Data Processing Media

In the event of Damage to Contents comprising Data Processing Media, the amount payable by the Insurer will be:

- **a** the cost of purchasing blank Data Processing Media (without any data thereon) to replace that which has been physically lost or destroyed; or
- **b** the cost of repairing the Data Processing Media which has been physically damaged;and
- **c** the costs of copying data from back-up or from originals of a previous generation onto the replacement or repaired Data Processing Media, provided always that this Policy will not cover:
  - **i** any research and engineering costs;
  - **ii** any costs of recreating, gathering or assembling data;
  - **iii** any reduction in value of data or any amount pertaining to the value of such data, even if such data cannot be recreated, gathered or assembled or copied from back-up or originals of a previous generation.

If the Insured elects not to repair or replce Data Processing Media which has been Damaged, the amount payable by the Insurer will not include any of the costs set out at sub-clauses **a** to **c** and the basis of settlement shall instead be the difference between the re-sale value if the Data Processing Media without any data on it immediately after the Damage.

14 Debris Recycling

Cover includes additional expenses with the Insurer's prior written consent to sort, segregate and transport recyclable debris resulting from Damage, to recycling facilities

Provided that

- **a** the Insurer's liability in respect of such additional costs is limited to £5,000 in respect of any one claim
- **b** the Insurer will not be liable for such costs resulting from Damage to any Unoccupied buildings

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

15 Electrical Apparatus

If any electrical apparatus or fittings are Damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, the Insurer shall not be liable for Damage to the particular piece of apparatus or fitting which has caused the fire, but the Insurer shall be liable for Damage to any other apparatus or fittings in consequence of such fire.

16 Emergency Services

The Insurers will pay the reasonable costs incurred by the Insured following damage resulting from the actions of the emergency services, including deliberate acts where such deliberate acts are for the purpose of safeguarding human life or minimising Damage as insured by this Section. Provided that the liability of the Insurer in respect of any one claim shall not exceed £10,000.

17 Environmental Protection

In the event of Damage to Buildings if the Insured elects and the Insurer consents to rebuild or repair using the latest available materials and methods in a manner that aims to limit potential harm to the environment by improving energy efficiency, or reducing carbon emissions or atmospheric pollution, cover includes the reasonable additional costs incurred with the Insurer's prior consent and such Buildings shall not thereafter be regarded as being better or more extensive than when new

Provided that

a the Insurer's liability in respect of such additional costs is limited to
- **i** £25,000 in respect of any one claim or 5% of the total loss, whichever is the less
- **ii** £50,000 in total in any one Period of Insurance

b the improvements
- **i** in respect of Buildings must comply with the principles of the Building Research Establishments Environmental Assessment Methodology (BREEAM) Standard and achieve a BREEAM rating of Good or above.
- **ii** are designed, installed, and commissioned in accordance with any current relevant standards and manufacture's instructions

c if the liability of the Insurer under this Section, apart from under this extension, is reduced by the application of any of the terms and conditions of this Section, then the liability of the Insurer under this extension shall be reduced in like proportion

d the Insurer will not be liable for such costs for
- **i** incurred in complying with prevailing European Union and Public Authorities Stipulations
- **ii** in respect of work involving such rebuilding or repair that was already planned by the Insured prior to the Damage
- **iii** relating to undamaged portions of the Buildings or any undamaged items of Property Insured
- **iv** in respect of any Unoccupied buildings

e the Insurer will not be liable for the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Buildings or by the owner thereof by reason of the works funded by this extension.

18 Eviction of Squatters

The Insurer's will pay reasonable costs and expenses necessarily incurred with the Insurers prior consent to remove or evict squatters from the Buildings

Provided that the Insurer will not be liable for

a fines, penalties, compensation or damages arising in the course of removal or eviction
b occupation by squatters occurring prior to the inception of this Section
c more than £5,000 any one claim
d such costs more specifically insured.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

19 Exhibitions and Models

The item on Buildings extends to include exhibition or display models and similar promotional equipment whilst being used or stored within any Premises insured which have suffered Damage provided that

- **a** such equipment is the property of the Insured or the Insured has accepted responsibility for the equipment at the time of Damage
- **b** the maximum liability of the Insurer any one claim and in the aggregate any one Period of Insurance shall not exceed £25,000
- **c** no other more specific insurance has been arranged.

20 Fire Brigade

The Insurer will pay the reasonable costs charged by any Public Authority relating to the extinguishing or fighting of fire.

Provided that the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

21 Fire Extinguishers and Sprinklers

The Insurer will pay the reasonable costs incurred by the Insured in re-filling fire extinguishers, local or fixed fire suppression system or sprinkler installation, replacing sprinkler heads, and having any fire and/or intruder alarms and closed circuit television equipment re-set solely in consequence of Damage by a Specified Event

Provided that

- **a** the Insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or fire service
- **b** the liability of the Insurer in respect of any one claim shall not exceed £50,000.

22 Fixed Glass & Sanitary ware

Cover under this Section extends to include Damage to fixed glass, (including shelves, showcases and mirrors), fixed sanitary ware and neon and illuminated signs.

Cover is extended to include the reasonable cost of

- **a** any necessary boarding up or temporary glazing pending full replacement
- **b** replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- **c** Damage to framework and to Contents caused by broken glass
- **d** removing and re-fixing window fittings and other obstacles to replacing broken glass

The Insurer will not pay for Damage

- **i** In respect of neon and illuminated signs
  - arising from adjustment repair dismantling or erection of any part of the sign or whilst removed from its normal working position
  - arising from mechanical breakdown of the sign or any part of the sign
  - to any part of the sign by its own ignition electrical breakdown or burn out
  - to tubes unless the glass is fractured
- **ii** existing prior to the inception of this Section.

23 Fly Tipping

The insurance by each item on Buildings extends to include costs necessarily and reasonably incurred in clearing and removing any property illegally deposited in on or around the Premises provided that

- **a** the liability of the Insurer shall not exceed £10,000 any one claim and £25,000 in aggregate in respect of all claims in any one Period of Insurance
- **b** the Insurer shall not be liable for the amount of the Excess shown in the Schedule or £500 whichever is the greater.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

24 Freeholders, Lessees and Mortgagees

The Insurer agrees that the interest of any Freeholder Lessee Under Lessee and/or Mortgagee in respect of Buildings insured by this Section and which attached before the happening of any Damage shall be automatically noted in this insurance if requested by the Insured but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

25 Further Investigation Expenses

Where any Buildings have suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Buildings which is not immediately apparent the Insurer will pay the reasonable costs incurred by the Insured with the Insurer's prior consent in establishing whether or not such Damage has occurred

The Insurer will also pay the reasonable costs incurred by the Insured in establishing whether or not other Buildings in the immediate vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered such Damage for which the Insurer is liable under this Section

Provided that the liability of the Insurer in respect of any one claim shall not exceed £5,000 (unless specified otherwise in the Schedule) or the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

26 Gardening Equipment

Cover extends to indemnify the Insured in respect of Damage to gardening equipment owned by the Insured and used in connection with the Business at the Premises.

Provided that the liability of the Insured in respect of any one claim shall not exceed £10,000.

27 General Interests & Hire Agreements

The Insurer agrees to automatically note the interest of any other party if requested by the Insured in any of the Property Insured and which attached before the happening of any Damage but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

28 Inadvertent Omission to Insure

The Insured having notified the Insurer of their intention to insure all property which they own or for which they are responsible situate within the United Kingdom with the Insurer (unless otherwise agreed in writing by the Insurer) from the inception date of this Section of the Policy and it being the Insured's belief that all such property is insured then the Insurer agrees to extend cover under this Section so that if subsequently any such property is found to have inadvertently been left uninsured by the Insured during the Period of Insurance then the Insurer will deem such property to be insured by this Section, provided that

- **a** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - **ii** £2,000,000 in respect of any one Building occupied for any other purposes, or
  - **iii** 1,000,000 in respect of any one Unoccupied building
  - **iv** Nil in respect of any one Building occupied by Excepted Trades
- **b** the Insured carry out at not less than twelve monthly intervals a check to ensure that effective insurance is in force for all property owned or leased by the Insured or for which the Insured are responsible
- **c** the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the sums insured to apply for any such property and effect specific cover retrospective to such date and pay the appropriate additional premium

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

d in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings

e this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Basis of Settlement Adjustments or in respect of any appreciation in value

f the value of the property which has been inadvertently omitted shall for the purpose of Underinsurance (Average) be added to the Sum Insured on the item to which the Property relates or in the case of Reinstatement (Day One Basis) the Declared Value

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass.

29 Index Linking

Unless the Insured requests to the contrary, the Sums Insured and/or Declared Values will be adjusted to take into account movements in the appropriate index and renewal premiums will be based on the adjusted Sums Insured and/or Declared Values.

For Buildings, the General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or for Residential Property the Household Rebuilding Cost Index issued by the Association of British Insurers (or some other suitable index the Insurer decides upon) will be used. For Contents and other Property shown and/or described in the Schedule, the Retail Price Index (or some other suitable index the Insurer decides upon) will be used.

30 Insurance Premiums

Cover extends to include the cost of any insurance premiums, or in respect of inherent defects policies technical agents fees, necessarily and reasonably incurred by the Insured with the consent of the Insurer as a result of Damage, in arranging contract works policies with the Insurer or in continuing with any pre-existing inherent defects policies

Provided that the Insurer's liability in respect of all losses arising out of one occurrence and in the aggregate in any one Period of Insurance shall not exceed £25,000 (unless amended otherwise in the Schedule).

31 Insurer's Option to Rebuild

The Insurer may at its option rebuild repair reinstate or restore the Property destroyed or portions damaged but without it being bound to rebuild repair reinstate or restore the Property in exactly or completely the same form as immediately prior to the Damage and only where circumstances permit and in reasonably sufficient manner. If the Insurer exercises such option the Insured shall at their own expense (unless otherwise provided for in this Section) produce and give to the Insurer all such plans documents books and information as the Insurer may reasonably require.

32 Japanese Knotweed Removal

Cover extends to include costs and expenses necessarily and reasonably incurred by the Insured in removing Japanese knotweed which is an imminent threat of Damage to the Property Insured.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

- **a** the Japanese knotweed is disposed of in accordance with the provisions under the Environmental Protection Act (Duty of Care) Regulations 1991 and any subsequent amending legislation
- **b** the appropriate waste management licence authorising disposal of Japanese knotweed is in force and disposal is carried out in accordance with the licence
- **c** such costs and expenses are incurred with the Insurers consent
- **d** the liability of the Insurer shall not exceed £2,500 in respect of any one Period of Insurance

The Insurer will not pay for

- **i** Legal or Local Authority costs involved in removing Japanese knotweed
- **ii** costs incurred in removing Japanese knotweed already at the Premises, prior to inception of this cover.

33 Landscaped Grounds

Cover includes costs incurred by the Insured in consequence of Damage to Property Insured at the Premises, up to the amount of £25,000 any one claim, in restoring landscape grounds to their original appearance when first laid out and planted.

The Insurer will not be liable for the costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established.

34 Leased and Rented Premises

Cover includes Buildings situated within the United Kingdom owned by the Insured for which (by the terms of an agreement with the Insured) the tenant lessee or other occupier of the building has an obligation to insure but has inadvertently failed to maintain such insurance in force

Provided that

- **a** a valid and enforceable agreement is in force
- **b** the Insured has obtained written confirmation from the tenant lessee or occupier and their Insurers at the inception of any such agreement that insurance is in force providing at least the extent of cover provided by this Section and carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all such Buildings
- **c** the Insured advise the Insurer immediately in writing when they become aware of any Buildings inadvertently left uninsured and within 30 days of discovery of the failure to insure the Insured will provide the Insurer with the sums insured to apply, arrange insurance with the Insurer and pay the appropriate premium due from the date the liability of the Insurer commenced
- **d** this insurance shall apply in respect of claims arising directly from a contingency specified in the agreement but only in so far as such contingencies are also insured by this Section and not otherwise excluded
- **e** in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- **f** The Insurer shall not be liable
  - for the amount of any Excess
  - where the tenant lessee or other occupier's policy fails due to any breach of any condition or warranty contained within the tenant lessee or other occupier's policy and as a result of the action of the landlord
  - where any Damage has been declined by any Insurer or made the subject of requirements which have not been completed
  - due to the failure of the tenant lessee or other occupier to make or pursue a legitimate insurance claim

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

- **g** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments
- **h** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** £2,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - **ii** £1,000,000 in respect of any one Building occupied for any other purposes, or
  - **iii** £500,000 in respect of any Unoccupied buildings or any Buildings undergoing or awaiting refurbishment or redevelopment
  - **iv** Nil in respect of any one Building occupied by Excepted Trades

  but in no case shall the liability of the Insurer exceed the difference between the amount payable under the insurance effected by the landlord or lessee or other party or any other insurance on the premises and the total cost of reinstatement as provided by this Section.

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass.

35 Loss Minimisation and Prevention Expenditure

Subject to the Insurer's consent this cover extends to pay the reasonable costs and expenses necessarily incurred by the Insured for the purpose of avoiding or alleviating the amount a loss following Damage which but for this expenditure would have occurred and which would have been covered under this Section.

Provided that

- **a** the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred
- **b** the impending Damage did not arise from any defect in the Property Insured
- **c** the Damage is not more specifically insured under this or any other policy bond indemnity security or other legally binding contract
- **d** such costs and expenses are incurred with the Insurer's consent
- **e** the liability of the Insurer shall not exceed £25,000 in respect of any one claim
- **f** the total liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

36 Managing Agents – Professional Fees

The Basis of Settlement paragraph d. is extended to include professional fees necessarily and reasonably incurred in the rebuilding or repair of the Property Insured payable to the Insured's managing agents when acting as professional advisers but not for any costs or fees incurred in preparing a claim. The use of such advisers will be accepted as necessary where the Insured would have employed them in respect of reinstatement or other work of an equivalent nature in the normal course of their Business. The cost of professional fees shall include the reasonable fees of managing agents where

- they are in respect of work of benefit to the Insurer and
- they relate to work which is necessary for repair or reinstatement and
- they have been agreed with the Insurer in advance but shall not include fees which are incurred as part of the managing agent's general administrative handling of a claim

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

Provided that the liability of the Insurer does not exceed for each item its individual Sum Insured or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage.

37 Metered Supplies

Cover includes additional water, gas, electricity or other metered supply charges incurred by the Insured in consequence of Damage and for which the Insured are legally responsible up to an amount of £50,000 any one claim.

The basis on which the amount payable is to be calculated will be the amount of the suppliers' charges for the period following the Damage, less the charge paid by the Insured for the corresponding period in the preceding year, adjusted for changes in the suppliers' charges and for variations affecting supply consumption by the Insured.

The Insurer will not pay for such charges incurred in respect of any building which is Unoccupied or property therein.

38 Newly Acquired Buildings

This Section is extended to include Buildings situate within the United Kingdom

- **i** from the date of exchange of contracts for Buildings newly acquired by the Insured from the date of practical completion for Buildings previously insured under a
- **ii** construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Provided that

- **a** the Insured shall give details in writing of such premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- **b** this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the premises
- **c** this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- **d** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - **ii** £2,000,000 in respect of any one Building occupied for any other purposes, or
  - **iii** £1,000,000 in respect of any one Unoccupied building
  - **iv** Nil in respect of any one Building occupied by Excepted Trades
- **e** in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the damage at the time of the damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- **f** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments.

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

39 Obsolete Building Materials

The Basis of Settlement in respect of Buildings extends to include the reasonable additional costs incurred in replacement of Damaged materials which given consideration to the scientific and technical knowledge at the time of installation construction or fitting were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials after the Damage

The Buildings shall not be regarded as being better or more extensive than when new provided that the Insurer's liability in respect of any one claim is limited to

a 10% of the Declared Value of such Buildings in respect of such additional costs
or

b the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section

whichever is the less at the time of any Damage in any one Period of Insurance.

40 Partial Damage

Where Damage occurs to only part of a Building the Insurer's liability for all costs in total shall not exceed the amount which the Insurer would have been liable to pay to rebuild the building had it been totally destroyed.

41 Preservation of Undamaged Property

The insurance includes costs necessarily and reasonably incurred by the Insured in dismantling and or moving and or removing undamaged Property within and or to and or from suitable alternative premises including haulage and warehousing charges incurred. Provided that the liability of the Insurer shall not exceed the Sum Insured by any one item.

42 Privity of Contract

The insurance provided by this Section is extended to provide indemnity to the Insured in respect of premises in the United Kingdom

1 against legal liability as former landlord or tenant to any current landlord or tenant to insure repair or reinstate Damage to the Buildings of premises which

- **i** arises solely though the Landlord and Tenant (Covenant) Act 1995; and
- **ii** arises from a breach by any current landlord or tenant of its obligations under a lease to insure repair or reinstate Damage by any of the causes or covers insured by this Section to any assigned premises such that the Insured is also thereby in breach of those obligations;
  and
- **iii** arises out of any claim which is first made in writing to the Insured during the Period of Insurance and notified to the Insurer during or within 30 days after expiry of the same Period of Insurance

2 against legal liability for claimant's costs and expenses in connection with **1** above

3 in respect of

- **i** costs of legal representation at proceedings in any court arising out of any occurrence specified in **1** above which may be the subject of indemnity under this Basis of Settlement Adjustment
- **ii** all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under **1** above

incurred with the written consent of the Insurer

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

Provided that

a the indemnity shall not apply to legal liability arising from any cause happening before the retroactive date which shall be the inception date of this Section of the Policy unless stated otherwise in the Schedule

b the liability of the Insurer including the costs and expenses of the claimant and the costs and expenses (incurred with the written consent of the Insurer) of the Insured in respect of any one claim for Buildings shall not exceed in respect of any one premises or in the aggregate in any one Period of Insurance £2,000,000 or as specified in the Schedule

c notwithstanding proviso **b** above in no case shall the liability of the Insurer exceed the lesser of

i the difference between

a the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and

b the total cost of insurance repairs or reinstatement as provided by this Section

except that if at the date of the occurrence or event giving rise to such liability the Assigned Premises are undergoing or awaiting refurbishment redevelopment renovation or demolition, then the liability of the Insurer shall not exceed the lesser of

b the total cost of insurance repairs or reinstatement as provided by this Section

except that if at the date of the occurrence or event giving rise to such liability the Assigned Premises are undergoing or awaiting refurbishment redevelopment renovation or demolition, then the liability of the Insurer shall not exceed the lesser of

ii the difference between

a the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and

b the amount payable calculated as being the value of the Property Insured or the amount of the Damage at the date of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Assigned Premises

but in no case under **c i** or **ii** above shall the Insurer's liability exceed the rateable portion of the Damage calculated according to the number of persons (whether or not insured) who have at the time held or who hold the reversion of the lease of the Assigned Premises

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

e the Insurer shall not be liable for the costs of remedying the presence of asbestos, asbestos dust or asbestos containing materials

f cover under this Basis of Settlement Adjustment shall cease upon any of the following events

- the current landlord or tenant entering into a new lease with the successors in title
- the existing lease being assigned to the new successors in title
- the Buildings being in turn sold or disposed of by the successors in title

For the purposes of this Basis of Settlement Adjustment Assigned Premises shall mean Buildings formally owned by or leased by or leased to the Insured which have been assigned to a successor landlord or tenant prior to an occurrence which may form the subject of a claim for indemnity under **1** above.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

43 Reinstatement on another site

The work of reinstatement of the Property Insured may be wholly or partially carried out upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Insurer.

44 Reinstatement to Match

Where the Property Insured has suffered Damage to the extent that repair is impractical and its replacement by similar property in a condition equal to but not better or more extensive than its condition when new is impossible then the Insured may replace repair or restore the property with equivalent property which employs current technology and replacement repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new.

Cover also extends to include

- **i** the cost of replacement or modification of undamaged Property (other than Stock) insofar as it is necessary to adapt it to operate in conjunction with lost destroyed or damaged Property which has been replaced repaired or restored the cost of
- **ii** replacement repair or modification of undamaged parts of a Building that form part of a matching set of articles or suite of common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Provided that

- **a** the total liability of the Insurer is not increased beyond the amount
  - **i** that would otherwise have been payable for the replacement repair or restoration of the property lost destroyed or damaged in its original form
  - **ii** that would overwise have been payable for replacement repair or modification of the whole property forming a set suite common design or function if such property had been wholly destroyed
- **b** the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- **c** where the property is lost destroyed or damaged in part only the Insurer will not pay more than the amount representing the cost which the Insurer would pay for reinstatement if such property had been wholly destroyed
- **d** the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

45 Removal of Debris – Tenants Contents

To the extent that they are not otherwise insured, cover includes irrecoverable costs necessarily incurred with the Insurers consent, in consequence of Damage in removing debris in respect of contents for which the Insured are not responsible, up to an amount of £5,000 any one claim.

The Insurer will not pay for any costs

- **a** incurred in removing debris other than from the site of such Property Damage and the area immediately adjacent to such site
- **b** arising from pollution or contamination of property not covered by this Section.

46 Removal of Wasp and Bee Nests

Cover includes costs incurred by the Insured, up to an amount of £500 any one claim, in removing wasp or bee nests from buildings at the Premises.

Provided that, the Insurer will not pay for the cost of removing nests already in buildings at the Premises, prior to inception of this cover.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

47 Replacement of Locks and Keys

Any cover granted under this Section in respect of theft includes the reasonable expenses necessarily incurred in replacing locks and keys which provide entry to the Premises consequent upon theft of keys or reasonable evidence that keys have been duplicated by an unauthorised person provided that the Insurer's liability in respect of any one claim shall not exceed £5,000 (unless specified otherwise in the Schedule).

48 Residential Property – Rent and Alternative Accommodation

Where as a result of Damage the buildings of a Residential Property are rendered uninhabitable or access is prevented to such Residential Property the Insurer will indemnify the Insured in respect of

- **a** the reasonable additional costs of comparable accommodation incurred by the owner lessee or tenant and temporary storage of residents furniture (including the reasonable costs of accommodation in kennels and/or catteries for residents dogs and/or cats if dogs and/or cats are not permitted in such residents alternative accommodation)
- **b** the loss of rent paid or payable to the Insured by tenants for accommodation provided and services rendered including service and management charges at the Premises

during the period necessary to restore the Residential Property to a habitable condition or to make it accessible

Provided that

- **i** cover for such costs shall only apply to the extent that such costs are not otherwise insured
- **ii** the maximum period during which payment under this Extension will be made shall not exceed 24 calendar months from the date of the Damage unless agreed otherwise by the Insurer in writing
- **iii** the liability of the Insurer under this Extension shall not exceed in total 30% of the Declared Value applying to the Residential Property or to the parts of the Residential Property Damaged
- **iv** that the Residential Property is not in whole or part an Unoccupied building

Terms to the contrary elsewhere in this Section are overridden as follows in respect of those costs and such rent to which this Extension applies:

The liability of the Insurer may exceed in the whole the Total Sum Insured where such excess is solely in respect of Rent or Alternative Accommodation payable under this Basis of Settlement Adjustment.

49 Seventy Two Hours Clause

Damage occurring at any one Premises within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

50 Sprinkler Installation Upgrading Costs

If following Damage the Insurer requires the upgrading of any automatic sprinkler installation in order that at the time of its reinstatement such installation will conform to Loss Prevention Council (LPC) Rules for Automatic Sprinkler Installations current at the time of reinstatement, the Insurer will pay the additional costs solely as imposed by the Insurer and incurred by the Insured in upgrading an automatic sprinkler installation to the current LPC rules solely as imposed upon the Insured by the Insurer following Damage to the Buildings provided that at the time of Damage the installation conformed to the 28th or 29th Edition Rules or to the LPC rules current at the time of installation but did not conform to subsequent amendments to those Rules

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

Provided that

a the amount recoverable excludes any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with the requirements of the Insurer
b the liability of the Insurer in respect of any one claim shall in no case exceed
  i 20% of the Sum Insured on the item including such sprinkler installation or the Sum Insured at each separate premises; or
  ii the Total Sums Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

51 Temporary Removal
Property Insured is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes to any address elsewhere than at the Premises, including whilst in transit, within the United Kingdom.

The Insurer will not pay for

a such Property more specifically insured
b Damage to vehicles licensed for road use, in so far as they are insured by this Section, occurring elsewhere than at the Premises from which such vehicles are removed
c more than 10% of the Sum Insured for each item covered, for Damage occurring elsewhere than at the Premises.

52 Temporary Removal – Documents
If deeds and other documents (including stamps on them), manuscripts, plans and writings of every description, books and other business records are included in the Property Insured, such items are covered whilst temporarily removed to any address elsewhere than at the Premises, including whilst in transit, within the United Kingdom.

The Insurer will not pay for

a such items more specifically insured
b more than 10% of the total value of such items.

53 Theft Damage to Buildings
Cover includes loss destruction or damage of or to the buildings or parts of the buildings covered by this Section (or of or to buildings or parts of buildings not covered by the Section but for which the Insured are responsible), including the cost of any temporary boarding-up and making good necessary to keep the Premises secure, caused by theft or attempted theft but excluding

a loss destruction or damage of or to any Unoccupied building unless agreed otherwise by the Insurer in writing
b loss destruction or damage expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises (unless by theft or attempted theft involving entry to or exit from the Premises by forcible or violent means or following threat of or assault or violence to the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises)
c loss destruction or damage of property for which the Insured is not liable for repairing such loss destruction or damage or which the Insured is able to recover from another source or which is more specifically or otherwise insured
d loss destruction or damage caused by or consisting of disappearance or unexplained shortage

Exclusion **2 c** in this Section does not apply to this Basis of Settlement Adjustment.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

54 Trace and Access
In the event of Damage in consequence of escape of water from any tank, apparatus or pipe or sudden identifiable and unintended escape of oil from a fixed heating installation, the Insurer will pay the costs necessarily and reasonably incurred by the Insured in locating the source of such Damage, and in the subsequent making good of Damage caused as a consequence of locating such source, up to an amount of £50,000 any one claim.

55 Tree Felling and Lopping
Cover includes costs incurred by the Insured, up to an amount of £10,000 any one claim, in removing or lopping trees which are an immediate threat to the safety of life or of Damage to the Property Insured.

The Insurer will not pay for

- **a** Legal or Local Authority costs involved in removing trees
- **b** costs incurred solely to comply with a Preservation Order.

56 Unauthorised Use of Supplies
Cover includes water, gas, electricity, oil or other metered supply charges incurred by the Insured and and for which the Insured are legally responsible, due to unauthorised use by persons taking possession of, keeping possession of or occupying any Premises without the written consent of the Insured, provided that

- **a** the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered
- **b** the Insured has advised the Insurer of such unauthorised use immediately on becoming aware of it
- **c** Section Condition 3 Unoccupied Buildings has been complied with by the Insured
- **d** the liability of the Insurer shall not exceed £50,000 in respect of any one claim and in total during any one Period of Insurance.

57 Underinsurance (Average)
The Sums Insured by

- **a** any items for Buildings or Contents are declared to be separately subject to Average. This means that if the Declared Value at each separate premises is less than the Day One Rebuilding Value at the time of the Damage the Insurer's liability for any loss shall be limited to that proportion of the amount otherwise payable which the Declared Value bears to the Day One Rebuilding Value. If the loss is settled under the Indemnity Basis of Settlement the Declared Value shall be 115% of the base value shown or if no base value is shown it shall be deemed to be the Sum Insured.
- **b** any other items of the Property Insured (other than any Sum Insured or Limit of Liability applying solely to Rent, Fees or Removal of Debris) are declared to be separately subject to Underinsurance (Average).

  This means that if at the time of Damage the Sum Insured for any item at each separate premises is less than the value of the item covered by such Sum Insured, the amount payable by the Insurer will be proportionally reduced.

58 Underinsurance (Average) Waiver – Professional Valuations
The Insurer agrees, subject to

- **a** the Insured providing at their own expense and at intervals of not more than 3 years, valuations of all Property Insured compiled by professionally qualified members of the Royal Institute of Chartered Surveyors (RICS) or some other suitable valuer the Insurer agrees to, and
- **b** Declared Values being adjusted from the date of such valuations to take into account alterations since prior valuations
- **c** appropriate allowance in Declared Values for inflationary increases in each period of insurance between valuations

that the provisions of Basis of Settlement Adjustments Clause 57. Underinsurance (Average) and of Average in Clause 14. Contribution and Underinsurance (Average) shall be waived.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

59 Value Added Tax

The insurance on each item on Buildings extends to include the Value Added Tax paid by the Insured which is not recoverable and subsequently found to have been inadvertently omitted from the Declared Value

Provided that

- **a** the Insured's liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such item relates following Damage
- **b** the Insurer has paid or has agreed to pay for such Damage
- **c** if any payment made by the Insurer in respect of the reinstatement or repair of such Damage shall be less than the actual cost of the reinstatement or repair of the Damage, any payment under this clause resulting from that Damage shall be reduced in like proportion
- **d** 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 destroyed or Damaged Buildings
- **e** where an option to rebuild on another site is exercised, that the Insurer's liability under this clause shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site
- **f** the Insurer's liability under this clause shall not include amounts payable by the Insured as penalties or interest for non payment or late payment of tax
- **g** the Insured has taken all reasonable precautions to insure adequately for Value Added Tax liability from the inception of this insurance and at each subsequent Renewal Date

Terms to the contrary elsewhere in this Section are over-ridden as follows in respect of those items to which this Extension applies

- **i** for the purpose of any condition of Underinsurance (Average) rebuilding costs shall be exclusive of Value Added Tax
- **ii** the liability of the Insurer may exceed the Sum Insured by an individual item on Buildings or in the whole the Total Sum Insured where such excess is solely in respect of Value Added Tax.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions

This Section does not cover:

1 Damage caused by or consisting of:

- **a** wear and tear, gradual deterioration, inherent vice, latent defect, frost, change in water table level, its own faulty or defective design or materials
- **b** the bursting of any boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to the Insured or under the control of the Insured in which internal pressure is due to steam only
- **c** pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but the Insurer will pay for subsequent Damage which itself results from a cause not otherwise excluded

- **d** faulty or defective workmanship by the Insured or any employee of the Insured
- **e** operational error or omission by the Insured or any employee of the Insured

but the Insurer will pay for

- **i** such Damage not otherwise excluded which itself results from a Specified Event
- **ii** subsequent Damage which itself results from a cause not otherwise excluded

- **f** acts of fraud or dishonesty by any partner, director or employee of the Insured

but the Insurer will pay for such Damage not otherwise excluded which itself results from a Specified Event.

2 Damage caused by or consisting of:

- **a** corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- **b** change in temperature, colour, flavour, texture or finish
- **c** theft or attempted theft
  - **i** which does not involve entry to or exit from a building or part of a building at the Premises by forcible and violent means or hold-up by violence or threat of violence to the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises
  - **ii** to property in the open or in open fronted Buildings or in Buildings not on permanent foundations
  - **iii** expedited or in any way brought about by the Insured or any partner, director or employee of the Insured

or Damage consisting of

- **d** joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- **e** mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but the Insurer will pay for

- **i** such Damage not otherwise excluded, which itself results from a Specified Event or from any other accidental loss, destruction or damage
- **ii** subsequent Damage which itself results from a cause not otherwise excluded.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

3 loss, destruction or damage directly or indirectly caused by, in any way contributed to by or in any way consisting of pollution or contamination, but the Insurer will pay for Damage to the Property Insured not otherwise excluded, caused by:

- **a** pollution or contamination which itself results from a Specified Event
- **b** any Specified Event which itself results from pollution or contamination.

4 Damage caused by or consisting of:

- **a** subsidence, ground heave or landslip
  - **i** in respect of walls, gates, fences, roads, car parks, yards, forecourts, patios, pavements, footpaths, and similar hard surfaced areas unless covered by this Section and a building covered by this Section is Damaged by the same cause at the same time
  - **ii** resulting from
    - **a** the settlement or movement of made-up ground
    - **b** coastal or river erosion
    - **c** defective design or workmanship or the use of defective materials
  - **iii** which commenced prior to the inception of this cover
  - **iv** occurring as a result of demolition, construction, structural alteration or repair of any Property or as a result of ground works or excavation, at the same Premises
- **b** normal settlement or bedding down of new structures
- **c** disappearance, unexplained or inventory shortage, misfiling or misplacing of information.

5 Destruction of or damage to any building or structure caused by its own collapse or cracking, but the Insurer will pay for such destruction or damage resulting from a Specified Event in so far as it is not otherwise excluded.

6 Damage in respect of any Unoccupied buildings caused by

- **a** freezing
- **b** escape of water from any tank, apparatus or pipe
- **c** malicious persons not acting on behalf of or in connection with any political organisation, but the Insurer will pay for such Damage caused by fire or explosion
- **d** the escape of oil from a fixed heating installation.

7 Damage in respect of fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, flood or dust.

8 Damage to any Property

- **a** caused by fire, resulting from its undergoing any heating process or any process involving the application of heat
- **b** resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair, but the Insurer will pay for such Damage caused by fire or explosion.

9 Damage in respect of

- **a** jewellery, precious stones or precious metals, bullion, furs, curiosities
- **b** works of art or rare books (other than in respect of Damage to such property defined as Contents, provided that Contents are specifically stated as insured in the Schedule and the Damage is not otherwise excluded)

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

- **c** Property in transit
- **d** glass (other than fixed glass), sanitary ware (other than fixed sanitary ware), china, earthenware, marble or other fragile or brittle objects
- **e** money (other than in respect of Damage to such property defined as Contents, provided that Contents are specifically stated as insured in the Schedule and the Damage is not otherwise excluded) bonds or securities of any description

but the Insurer will pay for such Damage caused by

- **i** a Specified Event in so far as it is not otherwise excluded
- **ii** theft or attempted theft of property described under 9d above

10 Damage to

- **a** vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
- **b** Property or structures in course of construction or erection and materials or supplies in connection with all such Property or structures
- **c** land, piers, jetties, bridges, culverts, or excavations
- **d** livestock or growing crops

but the Insurer will pay for such property where specifically described in the Schedule or in this Section.

11 Property which at the time of the happening of Damage is insured by or would but for the existence of this Section be insured by any marine policy or policies, but the Insurer will pay for any excess beyond the amount which would have been payable under such marine policy or policies had this Section not been effected.

12 Any Property more specifically insured by or on behalf of the Insured..

13 Damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of Damage by fire or explosion) strikers, locked out workers and persons taking part in labour disturbances.

14 Consequential loss or damage of any kind or description, except loss of rent (alternative accommodation) when such loss is insured by this Section.

15 Damage directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date, including the failure

- **a** correctly to recognise any date as its true calendar date
- **b** to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

c to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date

but the Insurer will pay for subsequent Damage which is not otherwise excluded and which itself results from a Specified Event.

After the application of all other terms and conditions of this Section and the Policy including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate Premises, the amount of the Excess specified in the Schedule'

16 After the application of all other terms and conditions of this Section and the Policy including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate Premises, the amount of the Excess specified in the Schedule.

Section Conditions

1 Precautions

The Insured must take all reasonable precautions to keep the Property Insured secure and in a good state of repair.

2 Alteration in Risk

The Insured must notify the Insurer as soon as possible if during the Period of Insurance there is any alteration in the ownership of the Insured, or if in respect of any of the Property Insured there is any alteration

a due to its disposal or removal
b in respect of which the interest of the Insured ceases except by will or operation of law
c in respect of the risks of subsidence, ground heave or landslip where any demolition, construction, ground works or excavation work is being carried out on any adjoining site
d to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurer at inception, renewal or variation of the Policy

which materially increases the risk of Damage as insured by this Section.

Upon being notified of any such alteration, the Insurer may, at its absolute discretion

a continue to provide cover under this Section on the same terms
b restrict the cover provided by this Section
c impose additional terms
d alter the premium
e cancel this Section and the Policy.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

If the Insured fails to notify the Insurer of any such alteration, the Insurer may

- **a** treat this Section and the Policy as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired Period of Insurance, if the Insurer would have cancelled this Section and the Policy had it known of the increase in risk
- **b** treat this Section and the Policy as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as the Insurer would have applied had it known of the increase in risk
- **c** reduce proportionately the amount paid or payable on any claim, the proportion for which the Insurer is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurer would have charged had it known of the increase in risk.

3 Unoccupied Buildings

It is a condition precedent to the liability of the Insurer that

- **A** The Insured must notify the Insurer in writing as soon as they become aware that any buildings or parts of any buildings are or are to become Unoccupied. The Insurer will notify the Insured of the terms and conditions to apply to such buildings and the Insured may be required to pay an additional premium.
- **B** in respect of any buildings or parts of any buildings that are Unoccupied or become Unoccupied after the commencement of cover under this Section until such buildings or parts of buildings again become occupied the Insured or their nominees must
  - **a** turn off electricity gas and water supplies at the mains and drain down all water systems except for those
    - **i** connected to automatic fire alarm or intruder alarm installations
    - **ii** connected to automatic sprinkler installations or other fire suppression systems
  - **b** maintain automatic sprinkler installations and other fire suppression systems automatic fire alarm and intruder alarm installations and keep them fully operational
  - **c** maintain a level of heating sufficient to prevent freezing of automatic sprinkler installations
  - **d** secure the buildings and all points of access against entry by intruders and put all protective and locking devices and any intruder alarm installations into full and effective operation
  - **e** remove all waste unfixed combustible materials and gas bottles from the interior of the buildings including any communal parts and from any external areas owned by the Insured
  - **f** carry out an internal and external inspection of the buildings at least once every 14 days and
    - **i** maintain a record of such inspections
    - **ii** ensure that any defects in the condition or state of repair of the buildings or defects in security or alarm or fire protection installations are rectified remedied or repaired immediately
    - **iii** ensure that any graffiti is removed immediately
    - **iv** notify the Insurer immediately of any damage or signs of unauthorised access to the premises, irrespective of whether access has resulted in damage or not and whether any damage is insured or not
  - **g** notify the Insurer immediately if the buildings are to be occupied by contractors for renovation alteration or conversion purposes
  - **h** complete any risk improvements put forward by the Insurer within the timescale specified

unless the Insurer agrees otherwise in writing.

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

4 Non Invalidation

This insurance shall not be invalidated

- **a** by repairs, structural and other alterations of a minor nature and general maintenance work being undertaken at the Premises
- **b** by any increase in risk of Damage resulting from an alteration act or omission which occurs without the authority or knowledge of the freeholder mortgagee or lessor but this shall only protect the interest of the freeholder mortgagee or lessor and shall only apply if the Insurer be notified immediately on the party becoming aware of the increase in risk and the payment of any reasonable additional premium.

5 Additional Claims Conditions

In the event of Damage, in consequence of which the Insured make or may make a claim under this Section, the Insured shall at their own expense deliver to the Insurer

- **a** within 30 days after such Damage (28 days in the case of Damage by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft) or such further time as the Insurer may allow in writing
  - **i** full information in writing of the Property Insured Damaged and the amount of Damage
  - **ii** details of any other insurances on the Property Insured covered by this Section
- **b** all such proof and information relating to the claim as may reasonably be required
- **c** if required, a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

6 Reinstatement

If any property is to be reinstated or replaced by the Insurer, the Insured shall at their own expense provide all plans, documents, books and information as may reasonably be required. The Insurer shall not be bound to reinstate exactly, but only as circumstances permit, and in a reasonably sufficient manner, and shall not in any case be bound to expend for any one item of this Section more than its Sum Insured.

7 The Insurer's rights following a claim

In respect of Damage for which a claim is made, the Insurer and any person authorised by the Insurer may without incurring any liability or diminishing any of the Insurer's rights in respect of the cover under this Section, enter take or keep possession of the Premises where such Damage has occurred, and take possession of or require to be delivered to the Insurer any Property Insured, and to deal with such Property for all reasonable purposes and in any reasonable manner.

- No Property may be abandoned to the Insurer, whether taken possession of by the Insurer or not
- The Insurer will not pay for any claim unless the terms of this Condition have been complied with.

8 Subrogation

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

The Insurer shall not enforce any rights against

- **a** a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act

Property Damage All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

b any Company being a parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986

c any Managing agent acting on behalf of the Insured but excluding Damage due to Managing agent's gross negligence or wilful misconduct.

9 Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

10 Change of Occupancy

The Insured must notify the Insurer in writing as soon as they become aware that any Unoccupied buildings or Unoccupied parts of any buildings are or are due to become occupied. The Insurer will notify the Insured of the terms and conditions to apply to such buildings and the Insured may be required to pay an additional premium.

11 Declaration

At inception of each Period of Insurance, the Insured shall notify the Insurer of the Declared Value of the Property Insured. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the forthcoming Period of Insurance, appropriately adjusted if Index Linking applies.

12 Explosion – Engineering Inspection

In respect of any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any statutory regulations cover against loss destruction or damage caused by an explosion originating therein is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service.

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Loss of Rent All Risks Section

(This section only applies if stated in the Policy Schedule)

Section Definitions

Business Interruption
Loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of Damage.

Damage/Damaged
Accidental loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

Indemnity Period

A For occupied Premises or occupied parts of Premises

The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage

B For Unoccupied buildings

i which are not let but are tenantable and for which there is evidence of an agreement with a prospective tenant

The period beginning with the date upon which but for the Damage Rent would have commenced to be payable and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage

ii which are not let but are tenantable but for which there is no evidence of an agreement with a prospective tenant

The period beginning with the date upon which but for the Damage it is anticipated that Rent would have commenced to be payable and ending not later than

a the date upon which the building or that part of the building Damaged is restored to its pre-damaged condition and is capable of direct occupation, or
b the Maximum Indemnity Period thereafter

whichever is the earlier during which the results of the Business shall be affected in consequence of the Damage.

Maximum Indemnity Period
The period shown in the schedule.

Specified Events
Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal and the escape of oil from any fixed heating installation.

Unoccupied
Any building or flat or any part of any building which;

a at the inception of this Policy or on the date which any Premises are added to this Policy during the Period of Insurance, is empty or unfurnished or unattended or no longer in active use by the Insured or any tenant of the Insured

And,

b at any time during the Period of Insurance, is empty or unfurnished or untenanted or no longer in active use by the Insured or any tenant of the Insured for a period of exceeding 30 consecutive days or 60 consecutive days in respect of any building solely used for residential purposes

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Rent

A For occupied Premises or occupied parts of Premises

being the money paid or payable to the Insured by tenants for accommodation provided and services rendered at the Premises in course of the Business

B For Unoccupied buildings

being the amount that it is reasonably anticipated would have been paid or payable to the Insured by tenants for accommodation provided and services rendered at the Premises in course of the Business,

provided that

- **i** in respect of Premises which are not let but are tenantable and for which there is Evidence of an agreement with a prospective tenant such amount applying at the date upon which but for the Damage Rent would have commenced
- **ii** in respect of Premises which are not let but are tenantable but for which there is no Evidence of an agreement with a prospective tenant such amount and the date upon which but for the Damage Rent would have commenced will be determined having regard
  - **a** to actual negotiations with prospective tenants both before and after the date of the Damage
  - **b** to the demand for and the general level of rents applying to similar accommodation in the locality at the date of the Damage

Evidence for the purpose of this definition shall mean leases to be signed or in course of negotiations and that such leases or negotiations are evidenced by exchange of contracts or exchange of legally binding letters of intent containing a specified completion date or similar legally binding documents

If required the advice of a professional valuer acceptable to both the Insured and the Insurer will be sought and such fees will be included in the indemnity provided.

Residential Property

The flat or a block of flats apartment block maisonette or house situate at the Premises occupied for domestic residential purposes.

Cover

If property or any part of any property or Premises owned by the Insured and suffers Damage during the Period of Insurance other than by an excluded cause, and in consequence the Insured Business carried on by the Insured at the Premises be interrupted or interfered with, the Insurer will pay the Insured as indemnity the amount of the loss at the time of the Damage resulting from such interruption or interference.

Basis of Settlement

The Insurer will pay the Insured, subject to the Basis of Settlement Adjustments, in respect of each item

- **i** the loss of Rent being the actual amount by which the rent during the Indemnity Period falls short of the Rent which but for the Damage would have been received by the Insured
- **ii** the costs of re-letting being the expenditure necessarily and reasonably incurred from the date of the Damage until the expiry of the Indemnity Period in consequence of the Damage in re-letting the Premises (including legal fees managing agents costs or other charges in connection with such re-letting) solely in consequence of such re-letting
- **iii** the additional expenditure being the additional expenditure (other than that recoverable under ii above) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent which but for that expenditure would have taken place during the Indemnity Period

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement (continued)

Provided that

a this insurance shall not apply in respect of any item on Rent unless at the time of the Damage there is in force an insurance covering the interest of the Insured in the Premises where the Damage has occurred and

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

except that this proviso shall not apply in respect of any item on Rent where another party (not being the Insured) is responsible for insuring the Premises by virtue of lease or other contractual arrangements

b the Insurer will not pay the Insured for

- **i** additional expenditure exceeding the loss of Rent thereby avoided
- **ii** legal fees or other charges payable by any new tenant acquired in re-letting the Premises in consequence of the Damage
- **iii** any amounts saved during the Indemnity Period in respect of any of the charges and expenses of the Business payable out of Rent that may cease or may be reduced.

Limit of Liability

The most the Insurer will pay for any one claim in any one Period of Insurance is

A
- **i** 200% of the Rent Sum Insured
- **ii** in respect of any other item 100% of its Sum Insured or any other limit of liability applicable to such item in this Section whichever is the less at the time of the Damage
- **iii** in total the sum of 200% of the Rent Sum Insured and 100% of the Sum Insured or limit of liability for any other items in this Section whichever is the less at the time of the Damage

B the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of any of the Covers insured by this Section shall not exceed the total Sum Insured or in respect of any item its Sum Insured or any other stated limit of liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one event giving rise to a claim under this Section.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

In calculating the amounts the Insurer will pay the Insured as indemnity, adjustments shall be made in accordance with the following clauses.

1 Accountants & Legal Fees

If any of the Premises suffer Damage the Insurer will pay the reasonable charges payable by the Insured and incurred with the consent of the Insurer to

- **a** their auditors or professional accountants for producing such information as may be required by the Insurer under the terms of the Additional Claims Conditions and for reporting that such information is in accordance with the Insured's accounts
- **b** their lawyers for determining their contractual rights under any rent cessor clause or insurance break clause contained in the lease

but not for any other purposes in the preparation of any claim.

Provided that the Insurer's liability in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any Limit of Liability stated in the Policy whichever is the lower.

2 Additional Increase in Costs of Working

Where an item for Additional Increase in Cost of Working is shown in the Schedule, cover extends to include additional expenditure beyond that the Insurer will pay as indemnity in respect of Increase in Cost of Working under the Basis of Settlement, necessarily and reasonably incurred in consequence of Damage for the purposes of avoiding or diminishing the loss of Rent during the Indemnity Period.

The most the Insurer will pay for any one claim is the Sum Insured shown in the Schedule.

3 Alternative Premises

If during the Indemnity Period accommodation shall be provided or services rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable for such accommodation or services shall be taken into account in arriving at the Rent during the Indemnity Period.

4 Automatic Reinstatement of Sum Insured

Following Damage as insured by this Section the Sums Insured or limits of liability shall not be reduced by the amount of any claim

provided that

- **a** the Insurer does not give written notice to the contrary within 30 days of the notification of any Damage
- **b** the Insured pays the appropriate additional premium on the amount of the claim from the date of Damage to the expiry of the Period of Insurance.

5 Book Debts

Cover extends to include the Insured's loss in respect of Outstanding Debit Balances following Damage to the Insured's Records.

The most the Insurer will pay for any one claim is the Sum Insured shown in the Schedule.

The following Definitions apply in respect of this cover:-

Geographical Limits

At the Premises or any other premises in the United Kingdom occupied by persons acting on behalf of the Insured, to which Records have been temporarily removed in transit, including sea or air transit, within the United Kingdom.

Insured's Records

The Insured's books of account or other business books or records.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

Outstanding Debit Balances
The total recorded by the Insured under the provisions of the Outstanding Debit Recording Condition adjusted for

- **a** bad debts
- **b** amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the Insured's books at the time of the event) to customers' accounts in the period between the date to which the total last recorded relates and the date of the Damage
- **c** any abnormal condition of trade which had or could have had a material effect on the Business

so that the adjusted figures represent as near as reasonably practicable results which but for the Damage the Insured would have obtained at the date of the Damage had the Damage not occurred.

The following Basis of Settlement applies in respect of this cover:-

The Insurer will pay the Insured the amount of their claim for Outstanding Debit Balances if in consequence of Damage within the Geographical Limits the Insured are unable to trace or establish Outstanding Debit Balances in whole or in part.

The cover is limited to loss sustained by the Insured directly due to the Damage and the amount payable shall not exceed

- **a** the difference between
  - **i** the Outstanding Debit Balances, and
  - **ii** the total of the amounts received or traced in respect of such balances
- **b** the additional expenditure incurred with the Insurer's previous consent in tracing and establishing customers' debit balances after the Damage.

Except that if the Sum Insured at the time of the Damage is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

Provided that

1 Outstanding Debit Recording
At the end of each month the Insured shall record the total amount outstanding in customers' accounts at that time, and keep a copy of such records at a place other than the Insured's Premises.

2 Additional Claims Condition
In the event of Damage in consequence of which the Insured make or may make a claim under this Basis of Settlement Adjustment, the Insured shall at their own expense deliver to the Insurer full information in writing of the particulars of the claim, together with details of all other policies covering Outstanding Debit Balances or any part of them, and the amount of any resulting Outstanding Debit Balances. The Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

3 Underinsurance (Average)
If the Sum Insured at the time of the Damage is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

6 Break Clause
The insurance shall not be prejudiced by any insurance or causality break clause in a lease which enables a lessee to determine the lease in event of Damage deeming the property to be uninhabitable.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

7 Buildings Awaiting Sale

If at the time of the Damage the Insured shall have contracted to sell their interest in the Premises or shall have accepted an offer in writing to purchase their interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage the Insured may opt for the amount payable by the Insurer to be as follows:

A during the period prior to the date upon which but for the Damage the Premises would have been sold, the loss of Rent being the actual amount of the reduction in Rent solely in consequence of the Damage

B during the period commencing with the date upon which but for the Damage the Premises would have been sold and ending with the actual date of sale or when the Premises or that part of the Premises capable of direct occupation and affected by the Damage is restored to its pre-damaged condition or the Maximum Indemnity Period whichever is the earlier during which the results of the Business shall be affected in consequence of the Damage

- **a** the loss in respect of interest being
  - **i** the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business
  - **ii** the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under **a i**

  less any amount receivable in respect of Rent

- **b** the additional expenditure being
  - **i** the additional expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss payable under **A** and **B** above but not exceeding the amount of loss avoided by such expenditure
  - **ii** the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding an amount equivalent to the expenditure incurred immediately prior to the Damage.

Provided that

- **i** the Insured shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage
- **ii** the assessment of the actual loss of interest shall be at a rate of not more than 2% above the London Interbank Offered Rate applying during the Indemnity Period
- **iii** the amount payable under this Section shall not exceed the amount of Rent that would have been earned had the Premises been leased or rented
- **iv** the Insurer's liability in total in any one Period of Insurance shall in no case exceed 10% of the Rent Sum Insured specified against the relevant item or £100,000 whichever is the lower, unless stated otherwise in the Schedule.

8 Capital Additions

Cover includes Rent in respect of alterations additions and improvements to Premises situate within the United Kingdom,

provided that

- **a** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** 20% of the Total Sum Insured for each item covered, or
  - **ii** £2,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - **iii** £1,000,000 in respect of any one Premises occupied for any other purposes, or
  - **iv** £250,000 in respect of any one Unoccupied building

  whichever is the less at any one Premises

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

- **b** the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's interest in such Rent and effect specific cover retrospective to such date and pay the appropriate additional premium
- **c** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Basis of Settlement Adjustments.

9 Contracting Purchaser's Interest

The Insurer agrees that without prejudice to the rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured shall have contracted to sell their interest in any Premises for which Rent is insured under this Section and the purchase has not been but is subsequently completed, the purchaser shall be entitled on completion of the purchase to benefit under this Section for loss of Rent in consequence of such Damage until completion, to the extent that such Rent is not otherwise insured by the purchaser or on their behalf.

10 Current Cost Accounting

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

11 Inadvertent Omission to Insure

The Insured having notified the Insurer of their intention to insure Rent in respect of all property which they own or for which they are responsible situate within the United Kingdom (unless otherwise agreed in writing by the Insurer) from the inception date of this Section of the Policy and it being the Insured's belief that all such property is insured then the Insurer agrees to extend Cover under this Section so that if subsequently any such property is found to have inadvertently been left uninsured by the Insured during the Period of Insurance then the Insurer will deem such property to be insured by this Section,

provided that

- **a** the maximum liability of the Insurer any one claim shall not exceed
  - **i** £3,000,000 in respect of any one premises occupied solely for office, retail or residential purposes
  - **ii** £1,000,000 in respect of any one premises occupied for any other purposes, or
  - **iii** £250,000 in respect of any one Unoccupied building
  - **iv** Nil in respect of any one Building occupied by Excepted Trades
- **b** the Insured carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all property which they own or for which they are responsible
- **c** the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the Rent sum insured to apply and effect specific cover retrospective to such date and pay the appropriate additional premium
- **d** the value of the property which has been inadvertently omitted shall for the purpose of the Underinsurance (Average) Basis of Settlement Adjustment be added to the Sum Insured on the item to which the premises relates
- **e** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Basis of Settlement Adjustments or in respect of any appreciation in value.

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

12 Loss of Investment Income on Late Payment of Rent

If as a result of Damage the Insurer is paying indemnity in respect of loss of Rent and the payment by the Insurer to the Insured is made later than the date upon which the Insured would normally have expected to receive the Rent from a lessee the Insurer will pay a further sum representing the investment interest lost to the Insured during the delay period

Provided that

- **i** the assessment of the interest lost shall be at a rate of not more than 2% above the London Interbank Offered Rate applying during the Indemnity Period
- **ii** the Insurer's liability in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any Limit of Liability stated in this Section whichever is the lower.

13 Newly Acquired Premises

Cover includes Rent in respect of Premises situate within the United Kingdom

- **i** from the date of exchange of contracts for premises newly acquired by the Insured
- **ii** from the date of practical completion for premises previously insured under a construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Provided that

- **a** the Insured shall give details in writing of such premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- **b** this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the premises
- **c** this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- **d** the maximum liability of the Insurer for any one claim shall not exceed
  - **i** £3,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - **ii** £1,000,000 in respect of any one Premises occupied for any other purposes, or
  - **iii** £250,000 in respect of any one Unoccupied building
  - **iv** Nil in respect of any one Building occupied by Excepted Trades
- **e** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments.

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass

14 Payments on Account

The Insurer will make payments on account during the Indemnity Period, if the Insured so request, subject to any necessary adjustment at the end of the Indemnity Period.

15 Relocation of Tenants

In the event that the tenant is relocated to an empty Premises of the Insured following Damage the claim for any resultant loss of Rent in relation to the Damaged Premises will not be reduced

provided that

- **a** the Buildings are insured under the Property Damage Section of this Policy
- **b** the maximum the Insurer will pay by any item is the Sum Insured.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

16 Rent Free Period

If at the date of the Damage no Rent is receivable in respect of all or any part of the Premises due solely to the existence of a contractual agreement granting any tenant or lessee a Rent Free Period then at the option of the Insured and in respect only of that part of the Premises subject to such agreement then for the purpose of this Basis of Settlement Adjustment the following shall apply:

The Maximum Indemnity Period shown in the Schedule shall be adjusted by adding the unexpired portion of the Rent Free Period at the date of the Damage to the number of months shown in the Schedule provided that such additional period does not exceed 12 months (unless otherwise agreed by the Insurer in writing).

In respect of the cost of re-letting such costs and expenses which are necessarily and reasonably incurred during the Rent Free Period shall be regarded as having been incurred during the Indemnity Period.

When assessing the amount of any charge or expense ordinarily payable out of Rent which shall cease or reduce the sum saved during the Rent Free Period shall be deducted from the amount otherwise payable.

Underinsurance Condition: Rent shall mean the actual annual Rent that applies from the date immediately after the Rent Free Period ceases proportionately increased where the Indemnity period exceeds one year.

Rent Free Period shall mean the period between the completion date of the lease and the commencement date of the payment of Rent.
Subject to

i allowance for the amount of the actual future Rent having been included in the Sums Insured under this Section

ii the liability of the Insurer in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any limit of liability stated in this Section whichever is the lower.

17 Seventy Two Hours Clause

Damage occurring at any one Premises within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

18 Service Charges and Other Charges

Rent is deemed to include

i service charges and other income paid or payable to the Insured for the use of the Premises and services provided in connection therewith and for car parking facilities

ii insurance premiums where there is a cessor clause in the lease which enables the lessee to cease paying such premiums or part thereof in the event of Damage

unless otherwise stated in the Schedule.

19 Trends and Variations

Adjustments shall be made in arriving at the actual Rent during the Indemnity Period and the Maximum Indemnity Period to reflect any trends or circumstances (including but not limited to prospective increases in Rent under the terms of the lease or leases of the Premises) which affect the Business either before or after the date of the Damage and which would have affected the Business had the Damage not occurred so that the adjusted figure will represent, as near as possible, the results which would have been achieved during the relative period had the Damage not occurred.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments
(continued)

20 Underinsurance (Average)

If the Sum Insured by any Item on Rent at the commencement of the Period of Insurance is less than the Calculated Rent for that item the amount payable will be proportionately reduced

For the purpose of this Condition Calculated Rent means

For occupied Premises or occupied parts of Premises

The amount of the actual annual Rent at commencement of the Period of Insurance plus increases as a result of rent reviews known to be due during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises or parts of Premises that are Unoccupied

The amount of annual Rent at commencement of the Period of Insurance that it is reasonably anticipated would have been paid or payable to the Insured during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises subject to a Rent Free Period concession the actual annual Rent that applies from the date immediately after the Rent Free Period ceases.

21 Value Added Tax

All terms in this Section shall be exclusive of value added tax to the extent that the Insured are accountable to the tax authorities for such tax.

Section Extensions

Any claim resulting from interruption of or interference with the Business at any situation or to any property shown below, within the United Kingdom, shall be understood to be Business Interruption as covered by this Section.

Provided that after the application of all other terms, exclusions, conditions and provisions of this Section the liability of the Insurer for any one claim shall not exceed the Limit stated in respect of each extension.

To the extent that a claim or claims arising out of or in connection with the same originating cause are covered under more than one Extension, or under one Extension and the general cover afforded by this Section, the Insurer's maximum liability under this Section and all the Extensions combined shall not exceed the largest of any applicable Limits of Sums Insured.

1 Managing Agents Premises

Damage to property at any location in the United Kingdom owned or occupied by the Insured's managing agents for the purposes of their business in consequence of which the Rent receivable by the Insured is reduced

Provided that

- **i** such loss of Rent is not insured by any other policy
- **ii** such loss of Rent is not paid to the Insured as a direct result of the Damage
- **iii** Rent is not outstanding for more than 120 days in excess of its due date
- **iv** the Insured take all reasonable steps to recover rent receivable and repay to the Insurer all sums paid to the Insured under this Extension which they later recover
- **v** the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £500,000 whichever is the less unless specified otherwise in the Schedule.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

2 Denial of Access – Damage

Damage to property within a one mile radius of the Premises which prevents or hinders the use of or access to the premises whether the Premises or property in the premises is destroyed or damaged or not but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Premises.

Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim.

Limit: £5,000,000 or the Sum Insured in the Schedule whichever the less in respect of any one claim and in the total during the Period of Insurance.

3 Loss of Attraction – Leased premises

Damage to property within a one mile radius of the Premises which causes a loss of custom to the lessee's business due to a fall in the number of customers visiting the area in consequence of which the Rent receivable by the Insured is reduced

Provided that

- **a** Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
- **b** the Maximum Indemnity Period shall not exceed three (3) months
- **c** the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £500,000 whichever is the less unless specified otherwise in the Schedule.

4 Loss of Attraction – Unleased Premises

Damage to property within a one mile radius of the Premises which in direct consequence results in the termination and or renegotiation of any agreements for lease and or other loss of tenancy and or delay in completion or letting of the Premises and in consequence of which the Rent receivable by the Insured is reduced

Provided that

- **a** Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
- **b** the Maximum Indemnity Period shall not exceed three (3) months
- **c** the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £100,000 whichever is the less unless specified otherwise in the Schedule.

5 Supply Undertakings

- **A** Damage to property at any land based premises
- **B** Damage to property comprising any land based cable or pipe connecting to the terminal connecting point at the Premises or any pylon through which any such cable runs

of any supply undertaking service provider or producer in the United Kingdom from which the Insured obtains

- **i** electricity (including generating stations or sub-stations)
- **ii** gas (including any natural gas producer provided that it supplies gas directly to the supply undertaking or service provider which supplies gas to the Insured)
- **iii** water (including works and pumping stations)
- **iv** telecommunications services

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

Provided that

- **a** the Maximum Indemnity Period shall not exceed 1 month beginning with the date on which the damage occurred
- **b** the Insurer shall not be liable
  - **i** unless the loss, destruction or damage results in a complete cessation of the supply of the relevant service to the Premises for more than 48 consecutive hours
  - **ii** for the 48 consecutive hours of cessation of the supply of the relevant service to the Premises
  - **iii** for any Business Interruption caused by loss or destruction of or damage to any overhead transmission and distributing cables or lines and their supporting structures (including pylons), other than where such loss, destruction or damage occurs to such cables, lines and structures situated within one (1) mile of the Premises
  - **iv** for more than £1,000,000 for each occurrence (of loss, damage or destruction to the supply undertaking's, service provider's or producer's property) or series of occurrences arising out of or in connection with the same originating cause, irrespective of the number of the Premises which are affected by the occurrence or series of occurrences. Where the same originating cause results in loss, damage or destruction to the property of more than one supply undertaking, service provider or producer, the Insurer shall not be liable to pay more than £1,000,000 under this Extension in respect of all occurrences of loss, destruction or damage combined and in the aggregate, irrespective of the number of supply undertaking's, service provider's properties affected.

6 Documents

Damage to documents belonging to the Insured or held by the Insured in trust, whilst at premises not being the Insured's Premises, or in transit by road, rail or inland waterway. Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit: £50,000 unless specified otherwise in the Schedule

7 Failure of Supply

Accidental failure of supply of

- **i** electricity at the terminal ends of the service provider's feeders at the Premises
- **ii** gas at the service provider's meters at the Premises
- **iii** water at the service provider's main stop cock serving the Premises
- **iv** telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the Premises
- **v** other telecommunications services including intranet and extranet services) at the incoming line terminals or receivers at the Premises

Provided that

- **a** the Maximum Indemnity Period shall not exceed 1 month beginning with the date on which the failure of the supply first started occurring
- **b** the Insurer shall not be liable
  - **i** unless there is a complete cessation of the supply of the relevant service to the Premises of more than 48 consecutive hours
  - **ii** for the first 48 consecutive hours of cessation of the supply of the relevant service to the Premises
  - **iii** for any Business Interruption resulting from the deliberate act of any supply undertaking or service provider, or from any such undertaking or provider exercising its power to withhold or restrict supply or services or otherwise not performing its services, save where the supply undertaking or service provider is acting for the sole purpose of safeguarding life or protecting the supply undertaking's or service provider's system

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

iv for any Business Interruption resulting from failure of supply caused by
- strikes or any labour or trade dispute
- Riot or Civil Commotion
- drought
- other atmospheric or weather conditions, but this shall not exclude failure due to physical damage caused by such conditions
- the acts of any government or nation state or any person acting on their behalf
- energy, supply or fuel shortages, schemes or rationing and rota disconnections and pre-planned supply outages

v for any Business Interruption caused by the failure of any overhead transmission and distributing cables, lines and their supporting structures (including pylons), other than where such failure occurs to such cables, lines and structures situated within one (1) mile of the Premises

vi for any Business Interruption resulting from the failure of telecommunications services delivered via satellite

vii for any Business Interruption which is insured under the Supply Undertakings Extension

viii for more than £25,000 for each failure of supply or series of failures arising out of or in connection with the same originating cause, irrespective of the number of the Premises which are affected by the failures. Where the same originating cause results in failure of supply from more than one supply undertaking or service provider, the Insurer shall not be liable to pay more than £25,000 under this Extension in respect of all failures of supply combined and in the aggregate, irrespective of the number of supply undertakings or service providers involved.

8 Exhibition Sites

Damage to property at any exhibition site within the United Kingdom

Provided that

i such exhibition site is not under canvas or in the open

ii the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; £25,000 unless specified otherwise in the Schedule.

9 Anchor Tenants

Damage to property in any part of the Premises directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of letting other parts of the Premises

a the Maximum Indemnity Period shall not exceed 12 months

b Limit 10% of the Sum Insured by the relevant items or £1,000,000 whichever is the less

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions

This Section does not cover:

1 Business Interruption caused by or consisting of:

- **a** gradual deterioration, wear and tear, inherent vice, latent defect, frost, change in water table level, its own faulty or defective design or materials
- **b** the bursting of any boiler (not being a boiler or economiser on the Premises or a boiler used for domestic purposes only), belonging to the Insured or under the control of the Insured in which internal pressure is due to steam only
- **c** pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but the Insurer will pay for subsequent Business Interruption which itself results from a cause not otherwise excluded

- **d** faulty or defective workmanship by the Insured or any employee of the Insured
- **e** operational error or omission, by the Insured or any employee of the Insured

but the Insurer will pay for

- **i** such Business Interruption not otherwise excluded which itself results from a Specified Event
- **ii** subsequent Business Interruption which itself results from a cause not otherwise excluded

- **f** acts of fraud or dishonesty by any partner, director or employee of the Insured

but the Insurer will pay for such Business Interruption not otherwise excluded which itself results from a Specified Event.

2 Business Interruption

- **a** caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- **b** caused by or consisting of change in temperature, colour, flavour, texture or finish
- **c** caused by theft or attempted theft
  - **i** which does not involve entry to or exit from a building or part of a building at the Premises by forcible and violent means or hold-up by violence or threat of violence to the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises (but this shall not exclude theft or attempted theft of a building or part of a building provided that at the time of the Damage there shall be in force insurance against such Damage under the Property Damage Section of this Policy)
  - **ii** to property in the open or in open fronted buildings or in buildings not on permanent foundations
  - **iii** expedited or in any way brought about by the Insured or any partner, director or employee of the Insured

- **d** consisting of joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- **e** consisting of mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

- **f** caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services

but the Insurer will pay for

- **i** such Business Interruption not otherwise excluded, which itself results from a Specified Event or from any other accidental loss, destruction or damage
- **ii** subsequent Business Interruption which itself results from a cause not otherwise excluded.

3 loss, destruction or damage directly or indirectly caused by, in any way contributed to by or in any way consisting of pollution or contamination, but the Insurer will pay for such loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business, not otherwise excluded, caused by

- **a** pollution or contamination which itself results from a Specified Event
- **b** any Specified Event which itself results from pollution or contamination

4 Business Interruption caused by or consisting of:

- **a** subsidence, ground heave or landslip
  - **i** in respect of walls, gates, fences, roads, car parks, yards, forecourts, patios, pavements, footpaths, and similar hard surfaced areas unless a building at the same Premises is also Damaged by the same cause at the same time
  - **ii** resulting from
    - **a** the settlement or movement of made-up ground
    - **b** coastal or river erosion
    - **c** defective design or workmanship or the use of defective materials
  - **iii** which commenced prior to the inception of this cover
  - **iv** occurring as a result of demolition, construction, structural alteration or repair of any Property, or as a result of ground works or excavation, at the same Premises
- **b** normal settlement or bedding down of new structures

5 Business Interruption arising directly or indirectly from disappearance, unexplained or inventory shortage, misfiling or misplacing of information

6 Loss resulting from destruction or damage to any building or structure used by the Insured at the Premises caused by its own collapse or cracking, but the Insurer will pay for such loss resulting from a Specified Event in so far as it is not otherwise excluded

7 Business Interruption in respect of fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, flood or dust.

8 Business Interruption

- **a** caused by fire, resulting from its undergoing any heating process or any process involving the application of heat
- **b** resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair, but the Insurer will pay for such Damage caused by fire or explosion.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

9 Business Interruption in respect of any Unoccupied buildings caused by

- **a** freezing
- **b** escape of water from any tank apparatus or pipe
- **c** malicious persons not acting on behalf of or in connection with any political organisation but the Insurer will pay for any such Business Interruption caused by fire or explosion
- **d** escape of oil from any fixed heating installation

10 Business Interruption in respect of Damage to

- **a** glass (other than fixed glass), sanitary ware (other than fixed sanitary ware), china, earthenware, marble or other fragile or brittle objects
- **b** vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
- **c** property or structures in course of construction or erection and materials or supplies in connection with all such property or structures
- **d** land, piers, jetties, bridges, culverts or excavations
- **e** livestock or growing crops

but the Insurer will pay for such Business Interruption caused by a Specified Event in so far as it is not otherwise excluded.

11 Business Interruption directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date, including the failure

- **a** correctly to recognise any date as its true calendar date
- **b** to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- **c** to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date

but the Insurer will pay for subsequent Business Interruption which is not otherwise excluded and which itself results from a Specified Event.

12 Business Interruption in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of Business Interruption by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances.

13 The amount of any Excess specified in the Schedule.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions

1 Alteration in Risk

The Insured must notify the Insurer as soon as possible if during the Period of Insurance there is any alteration in the ownership of the Insured, or any alteration in or to the Business at the Premises

- **a** due to the Business being wound up or carried on by a liquidator or receiver or permanently discontinued
- **b** in respect of which the interest of the Insured ceases other than by death
- **c** in respect of the risks of subsidence, ground heave or landslip where any demolition, construction, ground works or excavation work is being carried out on any adjoining site
- **d** to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurer at inception, renewal or variation of the Policy

which materially increases the risk of an Event and any other loss or expenditure as insured by this Section.

Upon being notified of any such alteration, the Insurer may, at its absolute discretion

- **a** continue to provide cover under this Section on the same terms
- **b** restrict the cover provided by this Section
- **c** impose additional terms
- **d** alter the premium
- **e** cancel this Section and the Policy.

If the Insured fails to notify the Insurer of any such alteration, the Insurer may

- **a** treat this Section and the Policy as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired Period of Insurance, if the Insurer would have cancelled this Section and the Policy had it known of the increase in risk
- **b** treat this Section and the Policy as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as the Insurer would have applied had it known of the increase in risk
- **c** reduce proportionately the amount paid or payable on any claim, the proportion for which the Insurer is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurer would have charged had it known of the increase in risk.

2 Additional Claims Conditions

In the event of Damage, in consequence of which the Insured make or may make a claim under this Section, the Insured shall at their own expense deliver to the Insurer

- **a** within 30 days after such Damage (28 days in the case of Damage by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft) or such further time as the Insurer may allow in writing, full information in writing of the Damage
- **b** not later than 30 days after the expiry of the Indemnity Period or such further time as the Insurer may allow in writing, full information in writing of the particulars of the claim together with details of all other policies covering the Premises for the purpose of the Business or any part of the Business and the amount of any resulting Damage
- **c** such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence that the Insurer may reasonably require for the purpose of investigating or verifying the claim together with if required a statutory declaration of the truth of the claim and of any matters connected with it
- **d** with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss.

Loss of Rent All Risks Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

Particulars or details contained in the Insured's books of account, or other business books or documents which may be required by the Insurer for the purpose of investigating, or verifying any claim under this Section may be produced by professional accountants if at any time they are regularly acting for the Insured. Their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

3 Contribution

If at the time of any Damage resulting in a claim under this Section there is any other insurance effected by or on behalf of the Insured covering such loss or any part of it, the liability of the Insurer under this section shall be limited to the Insurer's rateable proportion of such loss.

4 Subrogation

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

The Insurer shall not enforce any rights against

a a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act

b any Company being a parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986

c any Managing agent acting on behalf of the Insured but excluding Damage due to Managing agent's gross negligence or wilful misconduct.

5 Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

6 Declarations

The Insured may at the Insured's option provide the Insurer with a declaration confirmed by the Insured's auditors or professional accountants of the Rent earned during the financial year most nearly concurrent with an expired Period of Insurance. If any Damage has occurred giving rise to a claim for loss of Rent, such declaration will be increased by the Insurer for the purpose of premium adjustment by the amount by which the Rent was reduced during such financial year solely in consequence of such Damage.

If such declaration of Rent is proportionately increased where the maximum Indemnity Period exceeds 12 months is less than the Sum Insured on Rent for the relative Period of Insurance the Insurer will allow a pro rata return of premium not exceeding 50% of the premium paid.

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Property Owners Liability Section

(This section only applies if stated in the Policy Schedule)

Section Definitions

Injury

A Bodily injury, death, disease, illness, mental injury, mental anguish or nervous shock
B invasion of the right of privacy, false arrest, false imprisonment, false eviction or malicious prosecution of any person.

Employee

A Any person under a contract of service or apprenticeship with the Insured
B Any of the following persons whilst working for the Insured in connection with the Business
- **i** any labour master or labour only subcontractor or person supplied by them
- **ii** any self-employed person using labour only
- **iii** any home worker or outworker
- **iv** any trainee or person undergoing work experience
- **v** any voluntary helper
- **vi** any person who is borrowed by or hired to the Insured
- **vii** any person working under the Community Service by Offenders (Scotland) Act 1978 or similar legislation
- **viii** any prospective employee being assessed by the Insured as to their suitability for employment
- **ix** any person a court of law in the United Kingdom deems to be an employee

Business

The Business specified in the Schedule including

A the ownership maintenance and repair of Premises used in connection therewith
B the provision and management of
- **i** canteen, social, sports or welfare organisations for the benefit of Employees
- **ii** fire and security services of the Insured
- **iii** ambulance, first aid and medical services

C the execution of private duties by Employees for any director partner or senior official of the Insured
D the repair and/or servicing of the Insured's motor vehicles
E the training or retraining of any Employee at Government or other training centres
F participation at trade shows exhibitions or conferences
G the organisation of or participation by the Insured in fund raising or other charitable event
H provision of nursery crèche or child care facilities where incidental to the Business
I provision of car parking for the benefit of Employees customers and visitors.

Territorial Limits

A The United Kingdom
B in respect of Injury, loss or damage caused by or arising from
- **i** manual and non-manual work occurring during any temporary visit or journey anywhere in the world (other than the United States of America or Canada) and
- **ii** non-manual work occurring during any temporary visit or journey to the United States of America or Canada by any partner, director or Employee of the Insured normally resident in **A**.

Products

Any goods or other property (including their containers, packaging, labelling and instructions for use) sold, supplied, delivered, installed, erected, repaired, altered, treated or tested by the Insured in connection with the Business and not in the charge or control of the Insured.

Pollution or Contamination

A All pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
B all Injury, loss or damage directly or indirectly caused by such pollution or contamination.

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

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Offshore Installations

A any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
B any installation in the sea or tidal waters which is intended for the storage or recovery of gas
C any pipe or system of pipes in the sea or tidal waters
D any installation which is intended to provide accommodation for persons who work on or from the locations specified in Definition **a**, **b** or **c** above.

An Act of Terrorism
An act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or 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.

Asbestos
Asbestos or fibres or particles of asbestos or any material containing asbestos.

Intellectual Property Rights
Any patent trade mark copyright registered design technical or commercial information or other intellectual property.

Notice of Adjudication
Any notice issued to a party to a contract to which the Housing Grants Construction and Regeneration Act 1996 or any subsequent legislation applies stating an intention to refer a dispute under the contract to adjudication.

Cover

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental

a Injury to any person
b loss of or damage to material property
c nuisance, trespass, obstruction or interference with any right of way, light, air or water

occurring within the Territorial Limits during the Period of Insurance in connection with the Business.

In addition the Insurer will pay costs and expenses incurred by the Insurer or with the written consent of the Insurer

a in connection with the defence of any claim
b for representation of the Insured
  i at any coroner's inquest or fatal accident inquiry in respect of death
  ii at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury, loss or damage

which may be the subject of indemnity under this Section.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Limit of Indemnity

A The Insurer's liability for all compensation payable in respect of

- **i** any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- **ii** all Injury, loss and damage occurring during any one Period of Insurance and caused by and arising from Products
- **iii** all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance

shall not exceed the Limit of Indemnity stated in the Schedule.

B In respect of all claims against the Insured made within the legal jurisdiction of the United States of America or Canada or any dependency or trust territory the Limit of Indemnity shall be inclusive of the amount of all

- **i** claimants' costs and expenses
- **ii** costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of such claims.

C Asbestos

In respect of Injury loss or damage occurring during any one Period of Insurance directly or indirectly caused by or arising from in consequence of or in any way involving

- **i** exposure to or the inhalation of Asbestos
- **ii** fear of the consequences of exposure to or inhalation of Asbestos
- **iii** the costs of management (including those of any persons under any statutory duty to manage) removal repair alteration recall replacement or reinstatement of any property or part thereof arising out of the presence of Asbestos

The liability of the Insurer shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser) and such Limit of Indemnity shall be inclusive of the amount of all claimants' costs and expenses and all costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of any claim.

For the purposes of this Limit of Indemnity all such Injury loss or damage which arises from one incident shall be deemed to have occurred at the time such incident takes place.

D Act of Terrorism

In respect of an Act of Terrorism the Limit of Indemnity shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser).

If the Insurer alleges that by reason of this limitation any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the Insured.

E Corporate Manslaughter and Corporate Homicide Act 2007

In respect of the indemnity provided under this Section for the Corporate Manslaughter and Corporate Homicide Act 2007:

- **a** the liability of the Insurer shall not exceed £5,000,000 in any one Period of Insurance or Limit of Indemnity stated in the Schedule (whichever is the lesser)
- **b** all amounts payable will form part of and not be in addition to the Limit of Indemnity as stated in the Schedule
- **c** where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals arising from such proceedings arising out of the same cause or occurrence which gave rise to said proceedings under another Section of the Policy the amount paid under that Section shall contribute to the maximum amount payable under this Section.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions

(Subject to the terms limits conditions and exclusions of this Section and the Policy)

A Indemnity to Other Parties

The indemnity provided by this Section will also apply:

- **a** in the event of the death of the Insured, to any personal representative of the Insured in respect of liability incurred by the Insured

and if the Insured so request the Insurer will indemnify the following parties

- **b** any officer or committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
- **c** any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

as though each party was individually named as the Insured in this Section

- **d** any principal for whom the Insured have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured.

Provided that

- **i** each such party shall observe fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- **ii** the Insurer's liability to the Insured and all parties indemnified shall not exceed in total the Limit of Indemnity.

B Joint Insured – Cross Liabilities

If there is more than one entity insured under this Policy then this Section shall apply as though each were insured separately provided that the Insurer's liability to all parties indemnified shall not exceed in total the Limit of Indemnity specified in the Schedule.

C Overseas Personal Liability

The Business is extended to include personal activities (not connected with any gainful occupation or profession nor with the ownership or tenure of any land or building) of any partner, director or Employee of the Insured or family member of such partner, director or Employee normally resident within the United Kingdom in the course of any journey or temporary visit to any other country made in connection with the Business.

D Motor Contingent Liability

The Insurer will indemnify the Insured in the terms of this Section against liability arising out of the use in connection with the Business of any vehicle not owned, provided or being driven by the Insured but this Section does not cover liability

- **a** in respect of loss of or damage to such vehicle
- **b** arising out of any such use in any country outside the European Union
- **c** incurred by any party other than the Insured
- **d** incurred by any party identified in paragraph B. (Indemnity to Other Parties) other than an Employee.

For the purpose of this cover Exclusion 1. (Injury to Employees) does not apply.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

E Health and Safety at Work – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of

- **a** costs and expenses incurred with the Insurer's written consent
- **b** costs and expenses of the prosecution awarded against any such party

in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- **i** the proceedings relate to the health, safety or welfare of any person other than an Employee
- **ii** the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

- **a** fines or penalties of any kind
- **b** proceedings or appeals in respect of any deliberate act or omission
- **c** costs or expenses insured by any other insurance.

F Data Protection Act

The Insurer will indemnify the Insured and if the Insured so requests any Employee or director or partner of the Insured and expenses in respect of distress under Section 168 of the Data Protection Act 2018 occurring as a result of a contravention of General Data Protection Regulation (GDPR) committed during the Period of Insurance within the United Kingdom and arising in connection with the Business provided that the Insured

The Insurer will not pay for

- **A** any distress caused by any deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
- **B** the payment of fines or penalties
- **C** any distress caused by a Cyber Event
- **D** the costs and expenses of replacing reinstating rectifying or erasing blocking or destroying any Data
- **E** any distress caused by any act of fraud or dishonesty by the Insured
- **F** any legal liability arising from the recording, processing or provision of Data for reward or to determine the financial status of any person.

For the purposes of this Extension

Data includes but is not limited to Personal Data, facts, concepts and information, software or other coded instructions in a formalised manner useable for communications, interpretation or processing.

Personal Data means any information relating to an identified or Identifiable Natural Person.

An Identifiable Natural Person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Cyber Event means

- **a** any unauthorised Processing of Data by the Insured
- **b** any breach of laws and infringement of regulations pertaining to the maintenance or protection of Data
- **c** any Network Security Failure in the Insured's Sphere.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

Processing means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaption or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

Insured's Sphere means any system or device leased, owned, operated, or lost by or which is made available or accessible to the Insured for purpose of Processing Data.

Network Security Failure means any non-physical and technological failure of computer system security or other technological security measures leading to unauthorised access and/or theft of Data, loss of operational control of Data, transmission of virus or malicious code and/or denial of service.

The liability of the Insurer under this Extension shall not exceed £1,000,000 in the aggregate during the Period of Insurance all costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of any claim.

G Defective Premises Act 1972

The Insurer will indemnify the Insured in the terms of this Section against liability incurred by the insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001 in connection with premises or land disposed of by the Insured.

Provided that this Extension does not cover

a the costs of rectifying any damage or defect in the premises or land disposed of
b liability for which the Insured is entitled to indemnity under any other insurance
c the presence of Asbestos.

H Consumer Protection and Food Safety Acts – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of legal costs and expenses incurred with the written consent of the Insurer in connection with the defence of any criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under

a Part 2 of the Consumer Protection Act 1987 or
b Section(s) 7, 8, 14, and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

a fines or penalties of any kind
b proceedings or appeals in respect of any deliberate act or omission
c costs or expenses insured by any other policy.

I Court Attendance Compensation

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required:

i	any director or partner	**£750**
ii	any Employee	**£250**

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

J Contractual Liability

In respect of liability assumed by the Insured by a contract or agreement entered into by the Insured and which would not have attached in the absence of such contract or agreement, the indemnity provided by this Section shall only apply if the sole conduct and control of any claim is vested in the Insurer

Provided that the Insurer shall not in any event provide indemnity

a under Exclusion **9 a** except as stated therein

b. in respect of liquidated damages or fines or damages imposed by or payable under any penalty clause.

K Legionellosis Liability

Exclusion **4 b** shall not apply to any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like

Provided that

a the Insurer will only indemnify the Insured

i in respect of claims arising from Pollution or Contamination which arise out of or as a consequence of any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like first made in writing to the Insured during the Period of Insurance

or

ii if the first notification of a circumstance which has caused or is alleged to have caused Injury or damage and can be reasonably expected to give rise to a claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like is notified to the Insurer during the Period of Insurance or within thirty days (30) after expiry of the same Period of Insurance

b the liability of the Insurer under this Extension for all compensation (including interest thereon) and claimants costs' and expenses payable shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser) and for all claims arising from Pollution or Contamination shall not exceed the Limit of Indemnity shown in the Schedule

c this Extension shall not apply to any claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like if before the Period of Insurance the Insured had become aware of circumstances which have given or may give rise to such Pollution or Contamination.

L Corporate Manslaughter and Corporate Homicide Act 2007

This Section extends to indemnify the Insured in respect of

a legal costs and expenses incurred with the prior written consent of the Insurer and

b costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man in respect of any fatal injury occurring during the Period of Insurance in the course of the Business and which may be the subject of indemnity under this Section

Provided that

a the Insurer agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment

b the Insurer's liability under this Extension shall not exceed the Limit of Indemnity E.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

In respect of this Extension the Insurer will not pay for

- **i** any fines or penalties imposed on the Insured or the cost of implementing any remedial order or publicity order
- **ii** legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed
- **iii** costs and expenses provided by another source or any other insurance or where but for the existence of this Extension would have been provided by such source or insurance
- **iv** costs and expenses in connection with the defence of any criminal proceedings brought in any country other than in the United Kingdom
- **v** costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the Insured or any partner or director of the Insured or any Employee.

M Libel and Slander

This Section extends to indemnify the Insured in respect of legal liability to pay damages claimants' costs and expenses and costs and expenses incurred by the Insurer or with the written consent of the Insurer in respect of claims made against the Insured during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by the Insured during the Period of Insurance in the course of the Business

Provided that

- **a** the indemnity granted by this Extension shall apply solely to the Insured's in-house and trade publications and advertising material prepared by the Insured
- **b** the first 10% or £1,000 (whichever is the greater) of all compensation costs and expenses payable in respect of each occurrence shall be retained by the Insured as their own liability which will be payable before the Insurer shall be liable to make any payment
- **c** this Extension does not cover any claim arising from proceedings brought against the Insured in a court of law outside the United Kingdom or any other member country of the European Union
- **d** the liability of the Insurer under this Extension in respect of any one claim and in total for all claims made during any one Period of Insurance shall not exceed £250,000 inclusive of all costs and expenses.

Special Claims Conditions applicable to Libel and Slander Cover

1. Upon the Insured becoming aware of any publication or material published or statement likely to give rise to liability under this Extension and again upon receipt by the Insured of notice of any claim whether well or ill founded the Insured shall immediately and in any case within 7 days give notice of the same to the Insurer and supply a copy of such publication or material published together with any communication received from any claimant

2. The Insured shall not disclose the fact that they are insured.

N Financial Loss

This Section extends to indemnify the Insured described in the Schedule and no other party against liability at law for damages and claimants' costs and expenses and costs and expenses incurred by the Insurer or with the written consent of the Insurer for accidental Financial Loss in connection with the Business

Financial Loss shall mean for the purpose of this Extension a pecuniary loss cost or expense incurred within the United Kingdom during the Period of Insurance by a tenant as a direct result of the failure of the Insured to provide any property or service where such loss cost or expense is not consequent upon death of or bodily injury to any person or loss of or damage to material property
Provided that

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

- **i** this Extension applies only in respect of any claim made against the Insured and notified to the Insurer during the Period of Insurance or within 30 days after the expiry of the Period of Insurance
- **ii** the indemnity will not apply to legal liability for fines or penalties, compensation ordered or awarded by a Court of Criminal Jurisdiction, or aggravated exemplary or punitive damages awarded by any Court outside the United Kingdom
- **iii** the indemnity granted by the Cross Liabilities Cover shall not apply
- **iv** the first 10% of or £1,000 (whichever is the greater) of each and every claim shall be retained by the Insured as their own liability and will be payable before the Insurer shall be liable to make any payment
- **v** the liability of the Insurer in respect of all claims made during any one Period of Insurance including all costs and expenses shall not exceed £50,000 and the total amount payable under this Section during any one Period of Insurance (including this Extension) shall not exceed the Limit of Indemnity.

The indemnity provided by this Extension shall not apply to

- **a** any liability which attaches by reason of any express term of any contract or agreement unless such liability would have attached notwithstanding such term
- **b** liability in respect of the failure or partial failure of any managing agent of the Insured to properly fulfil their obligations under any contract with the Insured
- **c** the cost of reinstating or replacing any property
- **d** the cost of or reduction in value of any property, Products or work carried out by the Insured or on behalf of the Insured
- **e** liability arising out of any act of fraud or dishonesty or insolvency or financial default of the Insured or inducement of breach of contract
- **f** liability arising out of or in connection with passing off of any Intellectual Property Rights
- **g** liability arising from the non performance non-completion or delay in completion of any contract agreement or work financial default or insolvency
- **h** liability arising out of professional advice or professional negligence
- **i** the cost of removal repair recovery alteration replacement demolition breaking out dismantling making good recall or the cost of or reduction in value of anything sold supplied manufactured work executed supervised or structure erected by or on behalf of the Insured
- **j** liability arising from actual or alleged breach of duty breach of trust breach of contract neglect error mis-statement misleading statement omission breach of warranty of authority or other act done or wrongfully attempted by any director or officer of the Insured
- **k** any claim which arose out of any circumstances known to the Insured at the inception of this Extension
- **l** liability to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties
- **m** liability arising out of any occurrence happening before the inception date of this Extension.

O Obstructing Mechanically Propelled Vehicles

If a mechanically propelled vehicle which is not the property or responsibility of the Insured causes an obstruction within the United Kingdom to the extent of interfering with the carrying out of the Business then notwithstanding Exclusion 5 (Mechanically Propelled Vehicles) the Insurer will indemnify the Insured in the terms of this Section in respect of the legal liability of the Insured for Injury or loss of or damage to material property arising from the movement of such vehicle by the Insured or by any Employee

Provided that

- **a** such movement shall be limited to the minimum necessary to clear the obstruction
- **b** the indemnity will not apply to loss of or damage to such vehicle or its contents
- **c** this Extension shall not apply to circumstances for which a certificate of insurance or security is required in accordance with road traffic legislation.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

P Environmental Clean Up Costs

For the purposes of this Extension, the following definitions shall apply:

Remediation

shall mean works or operations to treat, remove or dispose of Pollution and Contamination. For the avoidance of doubt, it excludes:

- **a** works or operations to reinstate, reintroduce or restore flora or fauna
- **b** works or operations to restore natural habitats or species protected under Environmental Legislation

Environmental Legislation

shall mean any legislation for the protection of the environment or control of Pollution and Contamination.

Pollution and Contamination

shall mean all pollution or contamination of water or land (but excluding any pollution or contamination of buildings or other structures)

In respect of Pollution or Contamination occurring in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man caused by a sudden identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance, the Insurers will also indemnify the Insured against:

- **a** the cost of any Remediation legally required or ordered by any statutory authority or regulator (acting in accordance with the terms of any Environmental Legislation) to be conducted by the Insured; and
- **b** liability for the cost of any Remediation conducted by any statutory authority or regulator and legally sought from the Insured by that statutory authority or regulator in accordance with the terms of any Environmental Legislation.

All Pollution and Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

Provided that:

1 under this Extension, the Insurers shall indemnify the Insured only to the extent that the Remediation to which the indemnified cost relates is the minimum necessarily conducted under the provisions of Environmental Legislation.

2 this Extension does not cover any costs, or any liability for costs, of Remediation arising out of:
- **a** Pollution and Contamination occurring outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- **b** Pollution and Contamination consisting of any radioactive substances or asbestos

c Pollution and Contamination caused by Products

d Pollution and Contamination caused by or arising out of the ownership operation or use of any motor vehicle (whilst on any road), marine vessel or aircraft.

3 this Extension does not cover any costs, or any liability for costs, of Remediation carried out on, or in order to protect, any property belonging to or in the charge or control of the Insured other than premises not belonging leased rented or hired to the Insured but temporarily in the Insured's charge for the purpose of carrying out work.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

4 the total amount payable under this Extension during any one Period of Insurance shall not exceed £1,000,000
and
the total amount payable

- **a** under this Extension and
- **b** otherwise under this Section for all compensation in respect of Pollution or Contamination (as defined therein) which is deemed to have occurred during any one Period of Insurance shall not exceed in the aggregate during any one Period of Insurance the Limit of Indemnity in the Schedule

this Extension does not cover the first £5,000 of the cost of any Remediation arising out of any one incident.

5 this Extension does not cover any costs, or any liability for costs, to the extent they relate to any measures to prevent the spread of Pollution or Contamination or the removal

- **a** of an immediate threat of Pollution or Contamination
- **b** the removal or disposal of any waste deposited by or on behalf of the Insured
- **c** any amounts payable by way of compensation to third parties affected by such Pollution and Contamination
- **d** any amount payable by way of fine or penalty
- **e** any costs and expenses incurred by the Insured, or prosecution costs and expenses awarded against the Insured, in connection with any criminal proceedings arising out of the Pollution or Contamination
- **f** any works or operations that improve the state or condition of water or land in comparison with its state or condition immediately prior to the incident that caused Pollution and Contamination..

this Extension does not cover the first £5,000 of the cost of any Remediation arising out of any one incident.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions

This Section does not cover:

1 Injury to Employees
Liability in respect of Injury to any Employee arising out of and in the course of the employment or engagement of such person by the Insured.

2 Work on Offshore Installations
Liability in respect of Injury, loss or damage arising in connection with work on or travel to or from Offshore Installations.

3 Fines, penalties, liquidated, punitive, exemplary or aggravated damages
Liability in respect of

- **a** fines, penalties or liquidated damages
- **b** punitive, exemplary or aggravated damages or any damages resulting from the multiplication of compensatory damages.

4 Pollution or Contamination
Liability in respect of

- **a** Pollution or Contamination occurring in the United States of America or Canada or any dependency or trust territory
- **b** Pollution or Contamination occurring elsewhere unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

5 Mechanically Propelled Vehicles
Liability arising out of the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (or trailer attached thereto) which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply

- **i** while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- **ii** in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle

except where more specifically insured by any other policy.

6 Vessels or Craft
Liability 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 (other than hand-propelled watercraft).

7 Property in the charge or control of the Insured
Liability in respect of loss of or damage to any property belonging to or in the charge or control of the Insured other than

- **a** personal effects or vehicles of any partner, director or Employee of or visitor to the Insured
- **b** premises (and their contents) not belonging, leased, rented or hired to the Insured but temporarily in the charge of the Insured for the purpose of carrying out work
- **c** premises (including their fixtures and fittings) leased, rented or hired to the Insured but this Section does not cover liability attaching to the Insured solely under the terms of any tenancy or other agreement.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

8 Damage to Goods Supplied
Liability in respect of

a loss of or damage to any goods or other property sold, supplied, delivered, installed or erected by or on behalf of the Insured
b all costs of or arising from the need for making good, removal, repair, rectification, replacement or recall of

i any such goods or property
ii any defective work executed by or on behalf of the Insured

except that **8 a** and **8 b i** above shall not apply to liability in respect of loss of or damage to the said goods or property if such loss or damage is caused by or arises from

1 any alteration, repair or servicing work executed
2 any other goods or property sold, supplied, delivered, installed or erected

by the Insured under a separate contract.

9 Products
In respect of Injury, loss or damage caused by or arising from Products

a any liability which attaches to the Insured solely under the terms of an agreement other than
i under any warranty of goods implied by law
ii under any indemnity clause in any agreement between the Insured and any independent carrier in respect of Injury, loss or damage caused by Products entrusted to such carrier for transit by road, rail or waterway

b any Product installed or incorporated in any craft designed to travel in or through air or space and which to the Insureds knowledge was intended to be installed or incorporated in any such craft.

10 Advice and Design
Liability for Injury, loss or damage arising out of or in connection with advice, design, formula, specification, inspection, certification or testing provided or performed for a fee by or on behalf of the Insured other than where provided or performed in connection with any Product.

11 Contract Works and J.C.T. Clause 6.5.1
Liability in respect of loss of or damage to any property

a comprising or to be incorporated in the contract works in respect of any contract undertaken by the Insured
b against which the Insured are required to effect insurance under the terms of Clause 6.5.1. of the J.C.T. (R.I.B.A.) Conditions of Contract or of any other contract condition requiring insurance of a like kind.

12 Computer Date Recognition
Liability arising directly or indirectly from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

i correctly to recognise any date as its true calendar date
ii to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

iii to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date.

13 Cyber Event

Any loss, damage, expense or liability howsoever arising out of a Cyber Event.

Definitions

Cyber Event means

a any unauthorised Processing of Data by the Insured

b any breach of laws and infringement of regulations pertaining to the maintenance or protection of Data

c any Network Security Failure in the Insured's Sphere

Data includes but is not limited to Personal Data, facts, concepts and information, software or other coded instructions in a formalised manner useable for communications, interpretation or processing.

Personal Data means any information relating to an identified or Identifiable Natural Person.

An Identifiable Natural Person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Processing means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

Damage to Data means any loss, destruction or corruption of Data. Any Damage to Data of a Third Party by the Insured is not deemed to be a Cyber Event if there is not any Network Security Failure involved.

Insured's Sphere means any system or device leased, owned, operated, or lost by or which is made available or accessible to the Insured for the purpose of Processing Data.

Network Security failure means any non-physical and technological failure of computer system security or other technological security measures leading to unauthorised access and/or theft of Data, loss of operational control of Data, transmission of virus or malicious code and/or denial of service.

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Exclusions (continued)

This exclusion does not apply to:

1. Bodily injury, death or disease to any person
2. Loss of or damage to material property including any consequential financial losses caused by the operation of the Insured's Business
3. Nuisance, trespass, obstruction or interference with any right of way, light, air or water
4. Pollution or Contamination occurring other than in the United States of America or Canada, and caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

14 Excess

The amount of any Excess specified in the Schedule.

Section Conditions

1 Other Insurances

The Insurer will not indemnify the Insured in respect of liability which is insured by or would but for the existence of this Section be insured by any other policy or section except in respect of any excess beyond the amount payable under such other policy or section or which would have been payable under such other policy or section had this Section not been effected.

2 Alteration in Risk

The Insured must notify the Insurer as soon as possible if during the Period of Insurance there is any alteration:

- **a** in or to the Business
- **b** in the ownership of the Insured
- **c** to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurer at inception, renewal or variation of the Policy

which materially increases the risk of legal liability to pay costs and expenses as insured by this Section.

Upon being notified of any such alteration, the Insurer may, at its absolute discretion

- **a** continue to provide cover under this Section on the same terms
- **b** restrict the cover provided under this Section
- **c** impose additional terms
- **d** alter the premium
- **e** cancel this Section and the Policy.

If the Insured fails to notify the Insurer of any such alteration, the Insurer may

- **a** treat this Section and the Policy as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired Period of Insurance, if the Insurer would have cancelled this Section and the Policy had it known of the increase in risk

Property Owners Liability Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

b treat this Section and the Policy as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as the Insurer would have applied had it known of the increase in risk

c reduce proportionately the amount paid or payable on any claim, the proportion for which the Insurer is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurer would have charged had it known of the increase in risk.

3 Notice of Adjudication

The Insured shall upon receipt of a Notice of Adjudication relating to any circumstance which has given or may give rise to a claim under this Section provide immediate notice (on the first working day thereafter) of such Notice to the Insurer.

4 Declaration Condition

If the premium or part of any premium is calculated on estimates supplied to the Insurer by or on behalf of the Insured the Insured shall keep a record of all such relevant particulars and shall allow the Insurer to inspect such records at any reasonable time.

The Insured shall furnish the Insurer with such information as the Insurer may require at the expiry of each Period of Insurance. The premium shall be adjusted annually and any difference shall be paid by or returned to the Insured subject to any agreed minimum or deposit premium.

Allianz

Legal Expenses Section

(This section only applies if stated in the Policy Schedule)

Section Definitions

In addition to the Policy definitions, the following also apply to this Section:

Acts of Parliament
All Acts of Parliament referred to in this Section will include a reference to all Orders and Regulations made under them and to any subsequent amendments, re-enactments, equivalent legislation, Regulations of Codes of Practice, enforceable within the Geographical Limits.

Agent
The letting or managing agent appointed by, and acting on behalf of, the Insured in respect of the Property.

Any One Claim
All claims or series of claims including any appeal against a judgment or decision arising out of the same original cause, event or circumstance.

Awards of Compensation
Basic Awards and Compensatory Awards in respect of a unfair dismissal claim made against the Insured by an employment tribunal, employment appeal tribunal or superior court, or settlements agreed as a result of negotiation, conciliation or arbitration proceedings and to which the Insurer's previous consent has been given, other than:

- **a** any awards of compensation against the Insured for a redundancy payment or monies due under a contract of employment, or
- **b** any award arising from a failure by the Insured to provide written reasons for dismissal, or
- **c** any award or pay specified in a reinstatement or reengagement order, or
- **d** any financial benefit or compensation payable under any share option scheme or pension scheme

Basic Awards
Basic Awards are determined in accordance with Section 119 of the Employment Rights Act 1996.

Basic Awards do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

Compensatory Awards
The amounts awarded in accordance with Section 123 of the Employment Rights Act 1996 at the discretion of an Employment Tribunal, Employment Appeal Tribunal or Superior Court to compensate for loss of earnings and benefits. Compensatory Awards do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

Business
The Business Description stated in the Schedule.

Civil Proceedings
Civil court or civil tribunal proceedings, which are subject to the jurisdiction of the courts of the United Kingdom, the Isle of Man and the Channel Islands.

Commercial Tenancy Agreement
An agreement under which the Insured:

- **a** lets the Premises to a Commercial Tenant; or
- **b** occupies the Premises as a Commercial Tenant

In connection with the Business and in return for the payment of rent.

Commercial Tenant
The lawful tenant who occupies the Premises for non-residential purposes.

Contract
An actual or alleged contract, whether verbal or in writing to which the Insured is a party, for the sale, purchase, hire, service, supply or repair of goods or for the supply or purchase of a service. A contract does not include:

- Any actual or alleged contract with an Employee, sub-contractor or self-employed person for the purposes of employment activities; or
- Any franchise or distribution agreement.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Date of Occurrence

Any one claim is deemed to arise when the following occurs:

- For civil cases, excluding employment or taxation disputes, the date the Insured Person is first aware, or should have been aware of a dispute with a third party.
- For employment disputes, the date when the Insured first receives a Claim Form (ET1) from an employment tribunal.
- For Employment Service Occupancy, the date the Insured Person is first aware, or should reasonably have been aware, that a previous Employee has failed, or will fail, to vacate the Premises at the termination date of that Employee's contract of employment, resulting in provable financial loss to the Insured.
- For Employee's Civil Defence, the date the Insured Person is first aware, or should reasonably have been aware, of an event arising from their work as an Employee that could lead to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by Acts of Parliament.
- For Pension Trustee Defence, the date the Insured Person is first aware, or should reasonably have been aware, of the intention of an Employee to hold the Insured Person responsible for any actual or alleged failure to fulfil their obligations as a trustee of a pension fund set up for the benefit of the Insured's Employees.
- For Breach of Restrictive Covenant, the date the Insured Person is first aware, or should reasonably have been aware, of the breach or prospective breach of covenant.
- For taxation disputes or Investigations affecting the Insured's Business, the date when HMRC, or another relevant authority, first notifies the Insured or their accountant, of the intention to carry out an HMRC Investigation.
- For criminal cases, the date the alleged offence arose, providing this is during the Period of Insurance.
- For all cases involving possible changes to a statutory licence, the date when the Insured Person receives the decision of the relevant authority informing them of their intention to suspend, revoke or alter the terms of the business licence.
- For jury service claims, the date when the Insured Person first attends jury service.
- For residential lettings, the date the Insured or Agent either:
  - **a** first sends written notice to the Residential Tenant that it is the intention of the Insured to hold the Residential Tenant responsible for actual physical damage to the Property which resulted in provable financial loss to the Insured; or
  - **b** does not receive Rent from the Residential Tenant in accordance with the Residential Letting Tenancy Agreement; or
  - **c** first sends written notice to the Residential Tenant that it is the intention of the Insured to hold the Residential Tenant responsible for any other actual or alleged breach of the Residential Letting Tenancy Agreement.

If there is more than one event arising at different times for the same originating cause, the date of the claim will be the first date of these events.

Debt Recovery Service

The debt collection service nominated by the Insurer which is provided as an Additional Service to the Insured for the recovery of Undisputed Debts.

Disputed Debt

A dispute relating to the payment or receipt of money and interest due under the terms of a Contract.

Employee

Any person under a permanent full or permanent part time contract of service or apprenticeship with the Insured.

Employment Service Occupancy

A civil proceeding brought by the Insured for the pursuit of vacant possession of Premises belonging to the Insured and occupied by a previous Employee of the Insured.

Geographical Limits

For claims relating to Personal Injury – Great Britain, Northern Ireland, the Channel Islands, The Isle of Man, any member country of the European Union and Iceland, Liechtenstein, Norway and Switzerland.

For claims relating to Residential Lettings– Great Britain.

For all other claims – Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Guarantor

The person, people or organization which enter into a written agreement to pay the Rent or perform the duties of the Residential Tenant under the terms of the Residential Letting Tenancy Agreement if the Residential Tenant fails to do so.

Guideline Hourly Rates

The guideline hourly rates for solicitors set by the Senior Court Costs Office.

HMRC

HM Revenue & Customs.

HMRC Investigation

a Tax Enquiry
A written notice of enquiry, issued by HMRC, to carry out an Income Tax or Corporation Tax compliance check which either:
- **i** includes a request to examine any aspects of the Insured Person's books and records; or
- **ii** advises of a check of the Insured Person's whole tax return.

b VAT Disputes
A dispute with HMRC following the issue of an assessment, written decision or notice of a civil penalty relating to the Insured Person's VAT affairs.

c Employer Compliance Dispute
A dispute with HMRC concerning the Insured Person's compliance with Pay As You Earn, national insurance contributions or Construction Industry Scheme.

Insured Person

The Insured and, at the request of the Insured with the agreement of the Insurer, the Insured's proprietors, partners and directors and also all Employees acting in the normal course of their employment.

Insurer

Allianz Insurance plc trading as Allianz Legal Protection

Jury Service Allowance

Payment to the Insured in respect of an Insured Person who is absent from work as a result of their attendance for jury service within the Geographical Limits, but only in so far as payment of such sum has been made by the Insured to the Insured Person under any contract of employment. For every day the Insured Person is off work, including the time it takes to travel to and from the court, the payment will be calculated as follows

- **a** if the Insured Person works full time, 1/250th of the Insured Person's annual salary or wages; or
- **b** if the Insured Person works part time, a proportion of the Insured Person's weekly salary or wages equivalent to one day's salary or wages.

Payments will be calculated to the nearest half day (assuming a whole day is eight hours).

Lawphone Legal Helpline

A telephone advisory service provided by the Insurer:

- **a** to advise the Insured on Business-related legal matters; and
- **b** for the Insured to report all claims under this Section to the Insurer.

Legal Expenses

Fees and Expenses

- **a** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative on the Standard Basis up to the Guideline Hourly Rates incurred with the prior written consent of the Insurer in respect of any claim, including costs and expenses of expert witnesses and those incurred by the Insurer in connection with such claim.
- **b** any legal or professional fees, expenses or other disbursements incurred by other parties in pursuing or defending any claim, insofar as the Insured Person is held liable in a civil court or tribunal to pay such costs or under a settlement made with another party with the Insurer's prior written consent, but excluding any costs which the Insured Person may be ordered to pay by a court of criminal jurisdiction.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

c any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative on the Standard Basis up to the Guideline Hourly Rates incurred with the prior written consent of the Insurer in an appeal, or in resisting an appeal against the judgment of a relevant court or tribunal in respect of any claim.

d any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative, at such rates or in such amounts as may be agreed or confirmed by the written consent of the Insurer where it is necessary for an accountant to represent the Insured in connection with any claim relating to an HMRC Investigation or subsequent appeal, but excluding any tax, interest and penalties demanded, assessed or requested by HMRC.

Legal Expenses do not include the payment of Value Added Tax (VAT) which is recoverable by the Insured Person from elsewhere.

All Legal Expenses will be considered at the conclusion of the claim. Payments will not be made on an interim basis.

Legal Representative

A solicitor, barrister or any other appropriately qualified person appointed in the name of and on behalf of the Insured Person with the prior written agreement of the Insurer to act for the Insured Person in accordance with the terms of this Section.

Property

The property owned by the Insured, declared to the Insurer and let to the Residential Tenant on a residential basis under a Residential Letting Tenancy Agreement.

Reasonable Prospects of a Satisfactory Outcome

a In civil proceedings and in all appeals, including employment tribunal disputes, Reasonable Prospects of a Satisfactory Outcome only exist if the Legal Representative advises that the Insured Person is more likely than not to succeed, assuming the case was determined at trial or other final hearing at first instance and the likely damages claimed and recovered by or against the Insured Person will exceed the Insured Person's own likely Legal Expenses

b In criminal proceedings and in all appeals, Reasonable Prospects of a Satisfactory Outcome only exist if the Legal Representative advises that

- **i** the Insured Person is more likely than not to succeed in defending the prosecution assuming the case was determined at trial or other final hearing at first instance; or
- **ii** the Insured Person is more likely than not to succeed in a significant mitigation of their sentence or fine where the Insured Person intends to plead guilty to the offence, or is advised to do so by the Legal Representative.

c In an HMRC Investigation and in all appeals following an HMRC Investigation, Reasonable Prospects of a Satisfactory Outcome only exists if the Insured is more likely than not to succeed in reversing the decision made or significantly reducing the liabilities alleged by HMRC.

Rent

The amount the Residential Tenant must pay to the Insured or the Agent as set out in the Residential Letting Tenancy Agreement.

Residential Letting Tenancy Agreement

The agreement under which the Insured lets the Property to the Residential Tenant. The agreement must be signed by the Insured and the Residential Tenant and must be:

a an assured tenancy (under grounds 1 or 2 of schedule 2 of the Housing Act 1988 as updated and amended by the Housing Act 1996); or

b an assured shorthold tenancy as defined within the Housing Act 1988 (as updated and amended by the Housing Act 1996) and the equivalent legislation in Scotland; or

c an agreement in which the Residential Tenant is a limited company or the annual Rent is more than £25,000.

Residential Tenant

The person, people or organisations named in the Residential Letting Tenancy Agreement who rents the Property from the Insured (including any person who occupies the Property with the knowledge and consent of the Residential Tenant and the Insured.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Standard Basis
The normal method used by the court to assess Legal Expenses which the court decides are proportionate to the Insured Person's legal action and have been reasonably incurred by the Legal Representative and the Insured Person's opponent.

Tenancy Deposit
The amount paid by or on behalf of the Residential Tenant to the Insured or the Agent under the Residential Letting Tenancy Agreement as security against the performance of the duties of the Residential Tenant under that Residential Letting Tenancy Agreement, and any damage to the Property or the non-payment of Rent during the period of the tenancy.

Tenancy Deposit Scheme
A scheme operated by or on behalf of the Government to safeguard Tenancy Deposits paid in connection with Assured Shorthold tenancies in England and Wales and to facilitate the resolution the disputes arising in connection with the return of the Tenancy Deposit to the Residential Tenant.

Undisputed Debt
Money and interest that has not been paid to the Insured under the terms of a Contract. An Undisputed Debt will exist if, in the opinion of the Debt Recovery Service or the Insurer, the other party to the Contract would not have a realistic chance of succeeding in defending any legal action taken in respect of the amount due.

Vacant Possession
The time at which the Residential Tenant(s) permanently vacate or are otherwise permanently evicted from the Property.

Witness Attendance Allowance
Payment to the Insured in respect of the Insured Person who is absent from work as a result of his or her attending as a witness for the Insured at a hearing, court, tribunal or arbitration arising from an Insured Event within the Geographical Limits at the request of the Legal Representative with the Insurer's written consent, but only in so far as this is not otherwise recoverable from the relevant hearing, court or tribunal.

For every day the Insured Person is off work, including the time it takes to travel to and from the court, the payment is calculated as follows

a If the Insured Person works full time, 1/250th of the Insured Person's annual salary or wages; or
b If the Insured Person works part time, a proportion of the Insured Person's weekly salary or wages equivalent to one day's salary or wages.

Payments will be calculated to the nearest half day (assuming a whole day is eight hours).

Limit of Indemnity

The maximum amount the Insurer is liable to pay under this Section is the Limit of Indemnity shown on the Schedule.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Cover

The Insurer agrees to pay up to the Limit of Indemnity and on behalf of the Insured Person:

a Legal Expenses;
b Awards of Compensation;
c Jury Service Allowance; and
d Witness Attendance Allowance

incurred by the Insured Person in the pursuit or defence of any claim:

a brought within the Geographical Limits; and
b where the date of occurrence first arose during the period of insurance; and
c arising from the Insured's Business.

Provided that

a a claim is reported to us within 6 months of the date of occurrence or as soon as reasonably practicable providing there has been no prejudice to the Insurer; and
b Reasonable Prospects of a Satisfactory Outcome exist at all times; and
c for employment disputes only, the Insured has consulted with and followed the advice of Lawphone Legal Helpline or another solicitor or suitably qualified person.

Insured Events

Event 1–Employment
The Insured has cover for:

a the defence of the legal rights of the Insured in a dispute in an Employment Tribunal with a previous, present or prospective Employee and which arises out of or relates to a contract of employment or a breach of employment or discrimination legislation.
b Awards of Compensation.
c Employment Service Occupancy
the pursuit of a previous Employee to recover possession of Premises belonging to the Insured and occupied for residential purposes by that previous Employee provided that:
  i the occupation of the Property by the previous Employee was conditional on their employment by the Insured and was specifically included as part of the remuneration within that previous Employee's contract of employment; and
  ii the previous Employee's contract of employment has terminated and any notice period has been completed (whether notice of resignation or notice of dismissal and including where the Employee was placed on leave by the Insured for the whole, or part, of that notice period) and
  iii the date of termination of the previous Employee's contract of employment was not before the date this Section started

d Pension Trustee Defence
the defence of the Insured Person's legal rights in civil proceedings arising from the Insured Person's capacity as a trustee of a pension fund set up for the benefit of Employees.
e Employee's Civil Defence
the defence of their legal rights in civil proceedings arising from the Insured Person's work as an Employee under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by Acts of Parliament.
f Breach of Restrictive Covenant
the pursuit of an injunction against a previous Employee following a breach of an express restrictive covenant in that Employee's contract of employment with the Insured, where the previous Employee has:
  i solicited other Employees of the Insured; or
  ii solicited customers of the Insured;

resulting in proven financial loss to the Insured.

Provided that the Insured has issued all necessary documentation to an Employee as required by legislation.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

What is not covered under Event 1

a any employment issue where the Insured has not consulted with, and followed the advice of, Lawphone Legal Helpline or any other solicitor or suitably qualified person before taking any action or making any decision which might give rise to a claim against the Insured, such as making any significant changes to an Employee's contract or taking any action which leads to the giving of a formal warning to, or the dismissal (including redundancy) of an Employee. The Insured should be able to evidence that advice received has been followed.

b any dispute with an Employee who was subject to either a written or verbal warning (formal or informal) in the 180 days immediately preceding the first Period of Insurance.

c any breach or alleged breach of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive.

d any dispute based upon, arising from or in consequence of any industrial dispute, industrial or labour arbitration or collective bargaining agreements.

e any dispute to do with sub-contracting or contracts for services with anyone who is self-employed.

f Employment Service Occupancy there is no cover for the defence of the Insured's legal rights, other than to defend a counter-claim.

Event 2 – Tax and VAT

The Insured has cover for an HMRC Investigation.

What is not covered under Event 2

a Any matter relating to a tax avoidance scheme. A tax avoidance scheme is any matter which is, or may be, notifiable to HMRC under the regulations for Disclosure of Tax Avoidance Schemes (DOTAS) or the disclosure regime for VAT.

b Any matter or Investigation conducted by or on behalf of HMRC Fraud Investigation Service or Specialist Investigations, or conducted under the HMRC Civil Investigation of Fraud, Code of Practice 9, or Criminal Investigations procedures or conducted under the General Anti-Abuse Rule.

c Any enquiry or Investigation by HMRC or any other agency into alleged dishonesty or alleged criminal activities.

d Any HMRC compliance check or dispute with HMRC concerning the Insured's compliance with regulations relating to the National Minimum wage or the National Living Wage.

e Any claim arising from the failure to register for VAT or PAYE.

f Any enquiry or Investigation that concerns wealth, assets or money held outside of the United Kingdom.

g Any IR35 enquiry by HMRC.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

Event 3 – Criminal Prosecution Defence

The Insured Person has cover for the defence of a criminal prosecution.

What is not covered under Event 3

a criminal proceedings being brought against the Insured Person for:

- **i** fraud, theft, money laundering or other dishonesty related offences.
- **ii** offences against another person, including offences of a sexual nature.
- **iii** the manufacture, distribution or use of weapons, alcohol, drugs, indecent or obscene materials.
- **iv** owning, possessing, hiring or using aircraft, watercraft, motor vehicles, trailers or caravans.
- **v** matters arising from an HMRC Investigation.
- **vi** pollution.

b any costs or fines awarded against the Insured Person by a court of criminal jurisdiction.

Event 4 – Property Protection

Property Disputes:

A dispute arising from a breach of legal rights relating to the Insured Premises following:

a An event that causes physical damage to the insured Premises; or

b A legal nuisance (meaning any unlawful interference with the Insured's use or enjoyment of their land, or some right over it, or in connection with it); or

c A trespass.

What is not covered under Event 4

a any dispute relating to any land or building that is not in or on the insured Premises;

b any dispute arising from the actual or alleged performance of, or failure to perform, in whole or in part, an actual or alleged Contract between the Insured and a third party or any dispute, breach or negligence arising from or relating to an implied or express Contract.

c any dispute relating to mining, subsidence or heave.

d any dispute relating to or arising from any tenancy or lease agreement or license to occupy.

e any dispute relating to or arising from service charges, tax, planning or building regulations or decisions.

f any dispute over the freehold or leasehold or common hold or title of the Premises.

g any dispute with any Government or local or public authority departments or any agency acting on their behalf.

h any dispute arising from an application for planning permission;

i any dispute relating to the ownership, possession, hiring or use of aircraft, watercraft, motor vehicles, trailers or caravans.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

Event 5 – Data Protection

The Insured has cover for:

- **a** the defence of the legal rights of the Insured in a dispute arising out of Data Protection legislation.
- **b** an appeal by the Insured against a refusal of an application for registration or alteration of registered particulars.
- **c** an appeal by the Insured against any Enforcement, De-registration or Transfer Prohibition Notice.

What is not covered under Event 5

- **a** any dispute or legal proceeding which relates to the prosecution of the **Insured** in respect of any actual or alleged fraud or theft.
- **b** any dispute or legal proceeding which arises from a failure to register as a Data Controller with the Information Commissioner's Office (ICO).
- **c** any dispute or legal proceeding which arises from a failure to comply with any legislative requirement concerning the processing of Sensitive Personal Data.
- **d** any fines, penalties or Awards of Compensation made against the Insured.
- **e** any dispute or legal proceeding where the Insured Person is not able to evidence the following:
  - **i** a suitable procedure to investigate complaints regarding a breach of privacy rights which has been fully engaged; and
  - **ii** a suitable redress has been offered where a breach has occurred.

Event 6 – Commercial Tenancy Agreement

The Insured has cover for the pursuit and defence of the Insured's legal rights in a dispute relating to the Insured's Commercial Tenancy Agreement.

What is not covered under Event 6

- **a** any dispute relating to tax, planning or building regulations or decisions.
- **b** any dispute relating to the renewal of a lease or Tenancy Agreement.
- **c** any dispute over the freehold, leasehold, common hold or title of the Premises.
- **d** any dispute with Government or local authority departments concerning the imposition of rates or other local taxes.

Event 7 – Statutory Licence Appeal

The Insured Person has cover to appeal to the relevant authority, court or tribunal following a decision made by such licensing or regulatory authority to suspend, revoke, alter or refuse to renew a Statutory Licence.

What is not covered under Event 7

- **a** any appeal arising out of a hearing that took place because of a commercial decision made by the Insured Person in relation to the Business
- **b** any appeal following a hearing that the Insured Person knew about, or should reasonably have known about, before this Section commences
- **c** any appeal involving a Statutory Licence for which the Insured Person has made an appeal in the 12 months before this Section commences

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

What is not covered under Event 7 – continued

d any disciplinary or internal procedures conducted by authorities charged with the regulation of the Insured Person in the performance of their normal Business activities, or for any appeal following such procedures

e the first application for, or application for the renewal of, the Insured Person's Statutory Licence

f any suspension, revocation, alteration or refusal to renew a Statutory Licence which is imposed by Acts of Parliament or national or local government regulation or order.

Event 8 – Personal Injury

The Insured Person has cover for the pursuit of his or her legal rights following a sudden or specific incident which causes the Insured Person's death or bodily injury.

Provided that the death or bodily injury arises out of working for the Business.

What is not covered under Event 8

a Disputes between the Insured and the Insured Person.

b Any illness or injury arising from a gradually operating cause.

Event 9 – Jury Service Allowance

The Insured has cover for Jury Service Allowance.

Event 10 – Contract Disputes and Disputed Debt

The Insured has cover for the pursuit or defence of a dispute with a manufacturer or supplier or customer in respect of a Contract which includes payment or receipt of a Disputed Debt.

What is not covered under Event 10

a the pursuit by the Insured of an Undisputed Debt.

b the pursuit or defence of any claim brought by or against the Insured caused by or arising from or in relation to professional services, advice or specification given by the Insured or on the Insured's behalf.

c any dispute arising from or as a consequence of any breach or alleged breach of professional duty or any error or omission in any advice given by the Insured or on the Insured's behalf.

d any dispute where a claim is brought against the Insured caused by or arising from the provision of goods or services relating to the construction, alteration or repair of any building, or part of that building, or structure.

e any dispute concerning computer hardware, software, systems or services designed or adapted specifically for the Business.

f any dispute in respect of tenancy, assignment, bailment, bills of exchange, credit and securities or guarantee.

g any dispute relating to a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or Tenancy Agreement.

h any dispute relating to the legal right of the Insured to own, occupy or use any land or building or any benefit or alleged benefit attaching to the land.

i any dispute relating to the ownership, possession, hiring, leasing or use of motor vehicles.

j any dispute arising out of the amount payable under an insurance policy.

k any dispute where the Insured's Legal Representative is not satisfied that there are, or will be, sufficient assets to satisfy a judgement.

l for Disputed Debt only, any claim which is not made within 90 days of the money becoming due and payable.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

Event 11 – Residential Lettings

The Insured has cover for the pursuit of the legal rights of the Insured in a dispute with a Residential Tenant following an actual or alleged breach of the Residential Letting Tenancy Agreement by the Residential Tenant in respect of:

a the non-payment of Rent by the Residential Tenant, including Legal Expenses incurred in up to two actions necessary to enforce a judgment against the Residential Tenant to pay the unpaid Rent to the Insured.

b physical damage to the Property caused by the Residential Tenant, resulting in proven financial loss to the Insured.

c the Insured reasonably withholding part, or all, of the Tenancy Deposit at the end of the Residential Letting Tenancy Agreement where the Tenancy Deposit has no legal requirement to be held in accordance with the requirements of the Tenancy Deposit Scheme

Provided that the amount in dispute is more than £250.

Special Conditions that apply to Event 11 – Residential Lettings

The Insured must:

a keep to all the conditions of any mortgage, or other loan, the Insured has on the Property and the Residential Letting Tenancy Agreement.

b make any claim within 2 months of the first occurrence of any cause, event or circumstance that gives rise to the claim.

c make sure that the Insured or the Agent has the following from each Residential Tenant or Guarantor before the Residential Letting Tenancy Agreement begins:

- **i** one satisfactory financial or credit reference and one other satisfactory written reference.
- **ii** a Tenancy Deposit equal to at least one month's Rent which must be held in accordance with the requirements set out in the Housing Act 2004 and any subsequent or superseding legislation.

d ensure that a detailed inventory of the contents and condition of the Property is prepared and signed by the Insured (or the Agent) and the Residential Tenant.

e check the inventory against the contents and condition of the Property while the Residential Tenant is there at the time the Residential Tenant leaves the Property. If the Residential Tenant leaves without warning, the Insured (or the Agent) must check the inventory as soon as the Insured (or the Agent) finds out the Residential Tenant has left.

f contact, or make arrangements for the Agent to contact, the Residential Tenant(s) if the Rent has not been paid:

- **i** within 7 days to find out why the Rent has not been paid and to request immediate payment; and
- **ii** after 14 days to demand payment of the Rent and to advise the Residential Tenant that he or she risks losing the tenancy of the Property if the Rent continues to be unpaid; and
- **iii** after 21 days to tell the Residential Tenant that legal action will be taken against him or her unless the Rent arrears are paid within the next 7 days.

g ensure that the Insured, Agent or Legal Representative tells the Insurer immediately the Residential Tenant makes a payment, or part payment of Rent, into court or any offer to settle the dispute.

h prepare, or arrange for the Agent to prepare, a detailed inventory of the contents and condition of the Property, including a schedule of any damage, immediately Vacant Possession is obtained.

What is not covered under Event 11

a any claim where the amount in dispute is less than £250 at any time.

b any dispute which happens within 3 months of the start of this policy unless the Residential Letting Tenancy Agreement began after this Policy Section started.

c any claims arising out of a Contract the Insured has with any person or organisation other than the Residential Tenant.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Insured Events (continued)

What is not covered under Event 11 – continued

- **d** any claim that the Insured fails to notify to the Insurer within 2 months of the first occurrence of any cause, event or circumstance that gives rise to the claim.
- **e** any claim if there is more than one Residential Tenant in the Property and the Residential Tenants are not held equally and jointly responsible for keeping to the terms of the Residential Letting Tenancy Agreement.
- **f** any claim for disputes that arise because the Insured has not complied with statutory legislation and other legal requirements relating to the letting of the Property.
- **g** any claim where the Insured has failed to follow the Special Conditions that apply to Event 11 – Residential Lettings.
- **h** any claim for disputes arising out of any application to, or decision of, any rent tribunal, land tribunal or rent assessment committee.

Section Exclusions

In respect of all Events there is no cover for:

- **a** Legal Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance incurred without the Insurer's prior written Consent.
- **b** Any cause, event or circumstance occurring prior to or existing at the inception of this Section of the Policy and which the Insured Person knew, or ought to have known, may give rise to a claim by or against the Insured Person.
- **c** Any claim which does not arise from or relate to the Business, other than a claim in respect of Jury Service Allowance.
- **d** Any claim in respect of which the Insured Person is, or but for the existence of this Section would be, entitled to an indemnity or contribution under any other policy or certificate of insurance except for any excess beyond the amount which would have been covered under such other policy or certificate of insurance.
- **e** Any claim in respect of which the Insured Person is entitled to an indemnity or contribution under any other Section of this Policy.
- **f** Any claim in respect of which the Insured Person is entitled to Legal Aid.
- **g** Any claim arising out of a deliberate, conscious, intentional or reckless act by the Insured Person or where the Insured Person has shown wilful disregard for the need to take all reasonable steps to avoid, prevent and limit any such claim.
- **h** Any claim made, brought, commenced or defended outside of the Geographical Limits.
- **i** Any claim where in the Insurer's opinion there are no Reasonable Prospects of a Satisfactory Outcome.
- **j** Fines or other penalties imposed by a court, tribunal or regulator.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Exclusions (continued)

k Any dispute between the Insured Person and Allianz Insurance plc and any of its subsidiary companies.

l Any dispute between the Insured Person and the Legal Representative in respect of a claim under this Section or between the Insured and the provider of any Additional Service or telephone helpline available under this Section.

m Any claim relating to damage to goods in transit, or goods lent or hired to third parties, or goods at premises, other than the Premises.

n Any claim arising from or relating to the operation of a franchise or distribution agreement.

o Any claim arising from or relating to a shareholding agreement or a partnership agreement or a trust.

p Any claim arising as a result of an allegation of libel, slander or malicious falsehood including defamation or injury to reputation.

q Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs or other intellectual property, breach of secrecy or confidentiality, passing off action or restrictive covenants, other than as specified in Event 1f Breach of Restrictive Covenant.

r Any claim arising from or relating to an application for judicial review or other challenge to any legislation or proposed legislation.

s Any Arbitration or Adjudication whether formal or informal.

t Any claim relating to any non-contracting parties' right to enforce all or any part of this Section.
The Contracts (Rights of Third Parties) Act 1999 does not apply to this Section.

u Defending the Insured Person in any legal proceedings arising from:
- **i** bodily injury, psychological injury or illness (including stress), disease or death, or
- **ii** loss, destruction or damage to property, or
- **iii** alleged or actual breach of any duty owed as a director or officer of the Insured, other than as specified in Event 1d Pension Trustee Defence.

v Any VAT attaching to Legal Expenses incurred with the Insurer's consent which is recoverable by the Insured Person from elsewhere.

w Any dispute between individuals comprising the Insured or with any subsidiary, parent or associated company of the Insured.

x Any claim relating to or arising from the following alleged activities:
- **i** Fraud, money laundering, bribery offences, breaches of international sanctions, theft or other dishonest activities; or
- **ii** Offences against another person including but not limited to violence or sexual offences; or
- **iii** Criminal proceedings relating to the manufacture, distribution or use of weapons, alcohol, drugs, indecent or obscene materials.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions

In addition to the General Conditions of this Policy the following also apply to this Section:

A General Conditions

1 Change of Risk

It is a condition precedent to the liability of the Insurer to provide Cover under this Policy that the Insured must notify the Insurer in writing of any alteration during the Period of Insurance which would materially affect the Insurer's assessment of the risk and that part of this insurance affected shall cease to be in force unless such alteration is agreed in writing by the Insurer. Upon notification of any alteration the Insurer may alter the premium and the Insured will pay an additional premium to, or receive a refund of premium from, the Insurer as the case may be.

2 Arbitration

Any dispute between the Insured Person and the Insurer concerning this Section shall be referred to a single arbitrator who will be either a solicitor or barrister agreed upon by the parties or failing agreement one who is nominated by the President of the appropriate Law Society or by the Chairman of the Bar Council or equivalent professional body within the Geographical Limits. All the costs of the arbitration shall be met in full by the party against whom the arbitration award is made unless that person made the other an earlier without prejudice offer which was more favourable than the arbitration award. If the arbitration award is not clearly made against one party the arbitrator will have the power to apportion costs. If the arbitration award is made in the Insurer's favour, the Insured Person's costs will not be recoverable under this Section. The arbitration award will be final and binding upon both the Insured Person and the Insurer and cannot be the subject of an appeal.

3 Maintenance of Records

It is a condition precedent to the Insurer's liability to provide Cover under this Section that the Insured has kept and maintained reasonable books and records. Where the Insured is a corporate organisation such books and records must have been kept in accordance with the Companies Acts.

4 Disclosure of the Existence of this Section

The Insured Person or the Legal Representative must not reveal the existence of this Section to any other person or entity unless the Insurer has given prior written consent or is ordered to do so by a court.

5 Assignment

This Section may not be assigned by the Insured Person or by the Insured Person's executors or administrators.

B Claims Process Conditions

1 Notification of Claim

It is a condition precedent to the Insurer's liability to provide Cover under this Section that the Insured Person notifies the Insurer in writing, by the completion of a claim form, or in another way confirmed by the Insurer in writing to the Insured Person

- **i** immediately after the Insured Person becomes, or should have become, aware of any event or circumstance which gives rise to a claim involving the Insured Person; and
- **ii** immediately following receipt of any letter or other notification or a claim, claim form, summons or other legal process.

If the Insured Person fails to notify the Insurer within 6 months of the first occurrence of such cause, event or circumstance, any Claim arising from that cause, event or circumstance will not be accepted if the Insurer has suffered prejudice as a result of the delay.

Legal Expenses Section continued
(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

When such a notification has been given, the Insurer agrees to treat any subsequent Claim in respect of the cause, event or circumstance notified as though the Claim had been made, brought or commenced during the Period of Insurance.

Important procedure for employment disputes
If a Claim Form (ET1) is received from an employment tribunal it is a condition precedent to the Insurer's liability that the Insured must immediately complete a claim form and forward it to the Insurer, to arrive no later than seven (7) days after receipt of the Claim Form (ET1). Response Form (ET3), which should be left blank, must also be sent to the Insurer.

Important procedure for criminal proceedings
If a summons is received by the Insured notifying of criminal proceedings involving the Insured it is a condition precedent to the Insurer's liability that the Insured must immediately contact the Insurer and forward a copy of the summons to the Insurer, to arrive no later than seven (7) days after receipt of the summons by the Insured.

2 Consent
It is a condition precedent to the liability of the Insurer to provide cover under this Section that the Insured Person first obtain the Insurer's prior written agreement ("Consent") to

- **i** provide cover under this Section in respect of the claim; and
- **ii** incur Legal Expenses; and
- **iii** pay Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance.

Consent will only be given if the Insured Person can satisfy the Insurer that:

- **a** there are Reasonable Prospects of a Satisfactory Outcome and
- **b** in a particular case, it is reasonable for Legal Expenses to be incurred and/or for the Insurer to agree to meet any Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance to be accepted under this Section

If the Insurer and the Legal Representative do not agree on whether Reasonable Prospects of a Satisfactory Outcome exist, then the Insurer will seek the opinion of another legally qualified advisor or other expert appropriate to the claim whom it considers it necessary to consult. If that advisor or expert's opinion differs from that of the Legal Representative, their opinion shall be substituted for that of the Legal Representative for the purposes of determining whether or not Reasonable Prospects of a Satisfactory Outcome exist.

In all cases the Insured Person will be advised in writing of the granting or refusal of Consent.

3 Dealing with the Claim
If the Insurer grants Consent a Legal Representative will be instructed and will then act in accordance with Claims Process Condition 8.

The Insurer may withdraw Consent previously given at any time if facts become known which would mean that a particular claim should not have been accepted under the terms of this Section or if there are no longer Reasonable Prospects of a Satisfactory Outcome. Provided there has been full compliance with the Section terms the Insurer agrees to indemnify the Insured Person in respect of Legal Expenses, Jury Service Allowance or Witness Attendance Allowance incurred up to the date when the Insurer notified the Insured Person that Consent had been withdrawn.

If the Insured Person decides to proceed with the pursuit or defence of a claim to which the Insurer has refused to give Consent and is subsequently successful the Insurer will pay Legal Expenses as if the Insurer had given Consent at the outset.

4 Duty of the Insured Person to Minimise Claims
In respect of any Claim for which Consent has been granted under the Section the Insured Person must take all reasonable measures to minimise the Legal Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance incurred and any other matters which may affect the Insurer's liability in respect of any Claim under this Section.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

If the Insured Person fails to comply with this term then the Insurer will have the right to adjust the Insurer's liability under this Section to the extent that the Claim would have cost the Insurer had the Insured Person complied with this term.

5 The Insurer's Right to Settle Claims

The Insurer shall have the right to take over and conduct in the name of the Insured Person the pursuit or defence of any Claim at any time and can settle any Claim on behalf of the Insured Person on such terms as the Insurer deems appropriate. At its absolute discretion, the Insurer may decide to settle the Claim by paying the Insured Person the amount of damages claimed by, or against, the Insured Person instead of indemnifying the Insured Person for Legal Expenses, Awards of Compensation, or Witness Attendance Allowance. Where the Insurer exercises this discretion the Insurer will cease to be liable for any further Legal Expenses, Awards of Compensation or Witness Attendance Allowance in respect of that Claim.

6 Insolvency of the Insured Person

During the course of any Claim to which the Insurer has given Consent, the Insurer has the right to withdraw that Consent immediately if the Insured Person

- **a** becomes insolvent; or
- **b** enters into liquidation; or
- **c** makes an arrangement with creditors; or
- **d** enters into a deed of arrangement; or
- **e** has part or all of their affairs, assets or property placed in the care or control of a receiver or a liquidator; or
- **f** has an administration order over their affairs, assets or property.

Provided there has been full compliance with the Section terms the Insurer agrees to indemnify the Insured Person in respect of Legal Expenses, Jury Service Allowance and Witness Attendance Allowance incurred up to the date when the Insurer notified the Insured Person that Consent had been withdrawn.

7 Appeal Procedure

If, following legal proceedings to which the Insurer has given Consent, the Insured Person wishes to appeal against the judgment or decision of a court or tribunal, it is a condition precedent to the Insurer's liability to provide cover under this Section that the grounds of such appeal must be submitted to the Insurer in good time and by secure means so that the Insurer may consider whether there are Reasonable Prospects of a Satisfactory Outcome in respect of the appeal and if so whether to Consent to such an appeal. The terms of Claims Process Condition 2 shall apply to any appeal which the Insured Person wishes to make.

If the Insurer wishes to appeal against the judgement or decision of a court or tribunal, the Insured Person will co-operate fully in an appeal. If the Insured Person fails to do so, any Legal Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance paid for by the Insurer must be repaid.

8 Legal Proceedings

a Freedom to choose a Legal Representative

For any Claim where the Insurer may be liable to pay Awards of Compensation in respect of employment disputes the Insurer will choose the Legal Representative.

For any other Claim the Insurer will choose the Legal Representative at any time before the Insurer agrees that legal proceedings need to be issued or defended. The Insured Person can only choose a Legal Representative if the Insurer agrees that legal proceedings need to be issued or defended or if a conflict of interest arises which means that the Legal Representative originally chosen by the Insurer cannot act for the Insured Person. The Insured Person must send the name and address of the Insured Persons chosen Legal Representative to the Insurer. If the Insurer agrees to appoint a Legal Representative that the Insured Person chooses, that Legal Representative will be appointed on the same terms as the Insurer would have appointed its chosen Legal Representative, except where the Insurer and the Legal Representative reach a different agreement.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

In respect of any Claim for which the Insurer has granted Consent, the Legal Representative will be appointed in the name of and on behalf of the Insured Person to act for the Insured Person in accordance with the terms of this Section.

In agreeing to the selection of a Legal Representative the Insured Person will comply with Claims Process Condition 4.

The Insurer's liability to provide cover under this Section will cease immediately with no liability to indemnify the Insured Person in any respect unless in its absolute discretion the Insurer agrees to another Legal Representative being appointed to continue acting for the Insured Person under the terms of this Section, if:

- **i** due to any conduct or failure to act by the Insured Person, the Legal Representative reasonably refuses to continue acting for the Insured Person, or
- **ii** the Insured Person dismisses the Legal Representative against the advice of the Legal Representative and without the Insurer's prior written agreement.

b Disclosures to the Legal Representative

It is a condition precedent to the Insurer's liability to provide cover under this Section that the Insured Person must:

- **i** give the Legal Representative all possible help and information including a complete and truthful account of the facts of the case; and
- **ii** provide the Legal Representative with all relevant documentary or other evidence in the Insured Person's possession; and
- **iii** provide, obtain or execute all documents considered necessary by the Legal Representative and attend meetings or conferences as requested.

c Access to Information

The Insurer is entitled to receive from the Legal Representative any information, document or advice in connection with any Claim, even if privileged. On request the Insured Person will give to the Legal Representative any instructions necessary to secure the required access.

d Duties of the Insured Person and Legal Representative in relation to any Claim

It is a condition precedent to the Insurer's liability to provide cover under this Section that:

- **i** The Insured Person, or on their behalf, the Legal Representative immediately notify the Insurer in writing of any information as soon as it is received which may affect the Insurer's opinion on the Reasonable Prospects of a Satisfactory Outcome of the Claim
- **ii** The Insured Person, or on their behalf the Legal Representative must inform the Insurer in writing as soon as any offer to settle a Claim is received or made. The Insured Person or the Legal Representative must not under any circumstances enter into any agreement to settle without the Insurer's prior written consent. If the Insured Person, or on their behalf the Legal Representative, fails to inform the Insurer as soon as an offer to settle a Claim is received or made, cover under this Section will cease with effect from the date of the offer. If, in the Insurer's opinion, the Insured Person unreasonably withholds agreement to settle, cover under this Section will cease from the date on which the Insured Person ought reasonably have agreed to settle. The Insurer agrees to indemnify the Insured Person in respect of Legal Expenses incurred up to the date when cover ceased
- **iii** The Insured Person, or on their behalf the Legal Representative, must report in writing the result of the Claim to the Insurer when it is finished.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

e Payment of Legal Representative's Bills

The Insurer shall have the right to settle Legal Expenses at the conclusion of a Claim.
The Insured Person should forward all bills which are received from the Legal Representative relating to the Claim to the Insurer without delay following conclusion of the Claim. If the Insurer requires, the Insured Person must ask the Legal Representative to submit the bill of costs for audit or assessment by the appropriate court or, at the discretion of the Insurer, a law costs draughtsman or other competent party. The Insurer will only pay Legal Expenses that are determined as reasonable by the audit or assessment.

The Insurer may settle a payment of Legal Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance direct with the Legal Representative if it is appropriate for the Insurer to do so. The payment of some Legal Expenses does not imply that all Legal Expenses will be paid on the Insured Person's behalf.

The Insured Person must not, without the Insurer's prior written consent, enter into any agreement with the Legal Representative as to the basis of calculation of Legal Expenses. This agreement is normally known as either a conditional fee agreement or a damages based agreement.

f Instruction of a Barrister

If, during the course of any Claim (and subject always to compliance with Claims Process Condition 2), the Insured Person or the Legal Representative considers it necessary and wishes to instruct a barrister, the barrister's name must first be submitted to the Insurer for Consent to the proposed instruction.

g Conduct of the Claim

It is a condition precedent to the Insurer's continuing liability to provide cover under this Section that the Insured Person:

- i does not withdraw from a Claim or dismiss the Legal Representative without the written agreement of the Insurer and the Legal Representative; and
- ii co-operates fully with the Legal Representative and the Insurer in the conduct of the Claim; and
- iii follows the advice of the Legal Representative.

If the Insured Person fails to comply with i, ii or iii then the Insurer's liability to provide cover under this Section will cease immediately and the Insurer will not be responsible for the payment of Legal Expenses, Awards of Compensation or and will be entitled to reimbursement of all Legal Expenses already incurred and any Jury Service Allowance or Witness Attendance Allowance already paid in respect of the Claim unless the Insurer agrees to appoint another Legal Representative to continue the Claim.

h Award of Costs

Where the Insured Person is awarded costs, it is a condition precedent to the Insurer's liability to provide cover for Legal Expenses that the Insured Person and the Legal Representative must take every reasonable step to recover Legal Expenses which would be or have been subject to payment under this Section. All such recoveries will be taken into account when calculating the Insurer's liability under this Section.

i Alternative Dispute Resolution

When, in the Insurer's opinion, alternative dispute resolution would appear to provide a more effective method of resolving any Claim, the Insurer may request that the Insured Person agrees to submit such Claim to a professional dispute resolution service, to be selected by the Insurer.
In considering alternative dispute resolution the Insured Person will comply with Claims Process Condition 4 and will not therefore unreasonably withhold Consent.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

Communications

All notices and communications from the Insurer or the Insurer's representatives to the Insured Person will be deemed to have been duly sent if sent to the Insured Person's last known address or, in relation to any matters arising out of any Claim, if sent to the Legal Representative.

All notices and communication from the Insured Person to the Insurer should be sent to:

Allianz Legal Protection
Allianz-ALP
PO Box 10623
Wigston
LE18 9HJ
United Kingdom

Telephone: **0370 243 4340**

(open 9am to 5pm, Monday to Friday, excluding Bank Holidays)

Email: **alpenquiries@allianz.co.uk**

Additional Services

In addition to the indemnity provided by this Section, further services are available to the Insured. The Insured may access these services at any time during the Period of Insurance, although the Insurer will not be liable to the Insured or Insured Person for any Legal Expenses or other costs or expenses, loss or damage incurred as a result of using the services or any advice received from the provider of these services. This is because these services are not provided by the Insurer.

Further, no liability can be accepted for inability to provide any benefits or advice due to breakdown or failure of the telephone network.

There may be an additional charge payable by the Insured or Insured Person for the use of these additional services.

1 Undisputed Debt Recovery Service

The Insured has access to the Undisputed Debt Recovery Service if the Insured has an Undisputed Debt of at least £250 and the legal action to recover that Undisputed Debt can be brought within Great Britain. The Undisputed Debt should be referred to the Undisputed Debt Recovery Service as soon as possible after the amount becomes due and payable.

The Undisputed Debt Recovery Service is provided by an organisation that specialises in the recovery of debts. The organisation providing the Undisputed Debt Recovery Service is not part of the Insurer and does not act on the Insurer's behalf.

For Undisputed Debts that are pursued in England or Wales, that organisation will be DWF LLP, of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE. For Undisputed Debts that are pursued in Scotland, the service will be provided by Jackson Boyd Solicitors, of 247 West George Street, Glasgow, Lanarkshire G2 4QE.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

When the Insured needs to contact the Undisputed Debt Recovery Service the Insured should call the number below, which relates to the country in which the Undisputed Debt will be pursued. The Insured should quote 'Allianz Undisputed Debt Recovery Service' and the Master Policy reference contained within the Policy Schedule.

Debts pursued in England or Wales: **0151 907 3141**
Debts pursued in Scotland: **0141 249 6171**

The telephone lines are open between the hours of 9.00am and 5.00pm, Monday to Friday (excluding Public Holidays).

Use of the Undisputed Debt Recovery Service by the Insured will be subject to a fee being payable by the Insured to the Undisputed Debt Recovery Service. The fee will be a percentage of the Undisputed Debt. The level of the fee, and the time at which it will be payable by the Insured, will be confirmed to the Insured by the Undisputed Debt Recovery Service when the Undisputed Debt Recovery Service is initially contacted. There may be additional expenses that are necessarily incurred by the Undisputed Debt Recovery Service to recover the Undisputed Debt. These will also be payable by the Insured and will be confirmed by the Undisputed Debt Recovery Service to the Insured at the appropriate time.

This Section does not cover the fee charged by the Undisputed Debt Recovery Service or any expenses incurred in recovering the Undisputed Debt.

If, in the view of the Undisputed Debt Recovery Service and the Insurer, the other party to the Contract submits a viable defence in respect of the Undisputed Debt the Insured must report the matter as a civil Claim in respect of a Contract dispute pursuit. The pursuit of the disputed debt will then be handled in accordance with the terms and conditions of this Section.

2 Solicitor Employment Support Service

The Insured has access to the Solicitor Employment Support Service if the Insured requires the use of a solicitor to carry out a redundancy programme relating to an Employee, on behalf of the Insured.

In the first instance the Insured should contact Lawphone on **0370 241 4140** and provide a brief summary of the problem. The details will be passed to an advisor who will return the Insured's call. If the advisor decides the Insured would benefit from the use of a solicitor they will pass the details on to the solicitor to arrange a mutually convenient time for this to take place.

There is an additional charge to use this service and this additional charge will not be covered by this Policy.

The telephone helpline is provided by Allianz Legal Protection, a trading name of Allianz Insurance plc.

The Solicitor Employment Support Service is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

3 Specialist Legal Support Service

The Insured has access to a specialist solicitor if:

- Lawphone is unable assist with the legal problem because it is specialist in nature; or
- the Claim is not covered by this Section; or
- the Insured requires a full legal review of the Business.

This service aims to deal with issues which are specialist in nature. The solicitor will work with the Insured to prevent legal problems from happening by concentrating on specific areas of the Business or assessing the Business for areas where legal issues may arise and address those areas.

Legal Expenses Section continued

(This section only applies if stated in the Policy Schedule)

There is an additional charge for this service depending on the issues which need to be addressed and this additional charge will not be covered by this Policy.

In the first instance the Insured should contact Lawphone on **0370 241 4140** and provide a brief summary of the problem.

The details will be passed to an advisor who will return the Insured's call.

The solicitor support is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

4 Crisis Response

The Insured has access to a range of services to provide support to prepare for, and deal with, a Business crisis. In the first instance the Insured will need to register at **dwf.law/crisisresponse** for access to the free crisis response service including crisis response updates by email, cyber security updates and access to a free dedicated workshop programme.

In addition, the Insured will have access to crisis management training, reviews and a bespoke crisis management plan.

There is an additional charge for this service depending on the issues which need to be addressed and this additional charge will not be covered by this Policy.

The crisis response service is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

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