

[Property Insurance]

CONTENTS

[P2] General Conditions

[P3] Claims Conditions

Property Damage Insurance

[P5] Covers

[P7] Policyholder's Contribution

[P8] Exclusions

[P10] Definitions of Property

[P11] The Insurance Provided

[P13] Special Provisions

[P14] General Memoranda

Business Interruption Insurance

[P17] Covers

[P19] Exclusions

[P21] The Insurance Provided

[P22] Definitions

[P23] Extensions

[P23] Memoranda

Money Insurance

[P25] Section 1 Money

[P25] Interpretations

[P26] Exclusions

[P27] Special Conditions

[P29] Section 2 Personal Injury (Robbery)

[P29] Interpretations

[P29] Exclusions

[P30] Special Condition

Terrorism Insurance

[P31] Exclusions

[P32] Definitions

[P33] Special Conditions

General Conditions Applicable to Property Damage Insurance Business Interruption Insurance Money Insurance and Terrorism Insurance

1 Policy Voidable

This Policy shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular

2 Observance of Terms

Observance of the terms of this Policy relating to anything to be done or complied with by the Policyholder is a condition precedent to any liability of the Company

3 Reasonable Precautions

The Policyholder at his own expense shall

- (A) take all reasonable precautions to prevent or diminish loss destruction or damage or any occurrence or cease any activity which may give rise to liability under this Policy and to maintain all buildings furnishings ways works machinery plant caravans and vehicles in sound condition
- (B) exercise care in the selection and supervision of employees
- (C) as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

4 Alterations

This Policy shall be avoided if

- (A) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or
- (B) the Policyholder's interest cease otherwise than by death or
- (C) any alteration be made either in the Business or in the Premises or property therein or any other circumstances whereby the risk is increased

at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the Company

5 Premium Adjustment

If any part of the Premium or Renewal Premium is based on estimates provided by the Policyholder the Policyholder shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record The Policyholder shall within one month (six months in respect of Business Interruption insurance) after the expiry of each Period of Insurance provide such information as the Company may require The Premium shall then be adjusted and the difference paid by or allowed to the Policyholder

6 Cancellation

This Policy may be cancelled

- (A) by the Company giving 30 days notice in writing to the Policyholder at his last known address Thereupon the Policyholder shall become entitled to a proportionate return of premium
- (B) by the Policyholder giving 30 days notice in writing to the Company at the address shown in the Schedule provided a Long Term Agreement is not applicable to the Policy The Policyholder shall be entitled only to a return premium in accordance with the Company's usual short period scale

The Policyholder shall not be entitled to any return premium if a claim has been made in the then current Period of Insurance

7 Consumer Credit Termination

The Company reserve the right to terminate the Policy in the event that there is a default in instalment payments due under any linked loan agreement

8 The Company's Liability

For all purposes including but not limited to the application of the Sums Insured or Limits of Indemnity and consideration of when and how the Policy will respond all parties included in the definition of the Policyholder in the Schedule shall constitute one Policyholder or one party or legal entity so that there will be only two parties to the contract of insurance between the Policyholder and the Company

9 Law Applicable

Unless the parties have agreed otherwise in writing any dispute concerning the interpretation of the Policy shall be governed and construed in accordance with English law and shall be resolved within the non-exclusive jurisdiction of the courts of England and Wales

Claims Conditions Applicable to Property Damage Insurance Business Interruption Insurance Money Insurance and Terrorism Insurance

1 Fraud

If the claim be in any respect fraudulent or if any fraudulent means or devices be used by the Policyholder or anyone acting on his behalf to obtain any benefit under this Policy or if any loss destruction or damage be occasioned by the wilful act or with the connivance of the Policyholder all benefit under this Policy shall be forfeited

2 Action by the Policyholder

On the discovery of any circumstance or event which may give rise to a claim under this Policy the Policyholder shall

- (A) notify the Company in writing forthwith
- (B) give immediate notice to the Police Authority in respect of loss destruction or damage (other than by fire or explosion) caused by malicious persons or thieves if insured by this Policy
- (C) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss destruction or damage and to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss
- (D) as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require
- (E) within 30 days (7 days in the case of loss destruction or damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons if insured by this Policy) after the circumstances or event or of the expiry of the Indemnity Period or such further time as the Company may allow at his own expense deliver to the Company
 - (1) full information in writing of the claim
 - (2) details of any other insurance relating to the claim
 - (3) all such business books documents proofs information explanation and other evidence as may be reasonably required all of which information and details may be produced by the Policyholder's professional accountants or auditors who are regularly acting as such their report being prima facie evidence of such information and details
 - (4) if demanded a statutory declaration of the truth of the claim and of any matter connected with it

If the terms of this condition have not been complied with

- (1) no claim under this Policy shall be payable
- (2) any payment on account of the claim already made shall be repaid to the Company immediately

3 Rights of The Company - applicable only to Property Damage Insurance

- (A) On the happening of any loss destruction or damage in respect of which a claim is made or may be made under this Policy the Company and any person authorised by them may
 - (1) enter take or keep possession of the Premises where such loss destruction or damage has occurred
 - (2) take possession of or require to be delivered to them the property insured
 - (3) deal with such property for all reasonable purposes and in any reasonable manner without thereby incurring liability or diminishing any of the Company's rights under this Policy
- (B) No property may be abandoned to the Company whether taken possession of by the Company or not

4 Subrogation

The Policyholder shall at the Company's request and expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon the Company paying for or making good any loss under this Policy whether such acts and things shall be or become necessary or required before or after the Company indemnifies the Policyholder

The Company shall not enforce any rights against any company being parent of or subsidiary to the Policyholder or any company which is a subsidiary of a parent company of which the Policyholder are themselves a subsidiary in each case within the meaning of Sections 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986

5 Contribution – applicable to Property Damage and Business Interruption Insurance

If at the time of any claim there is any other insurance covering the Policyholder's interest in the property lost destroyed or damaged the Company's liability under this Policy shall be limited to its rateable proportion of such claim

In respect of Property Damage Insurance only

If any such other insurance is subject to any condition of average this Policy if not already subject to any condition of average shall be subject to average in like manner

If any other insurance effected by or on behalf of the Policyholder is expressed to cover any of the property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the loss destruction or damage the Company's liability hereunder shall be limited to such proportion of the loss destruction or damage as the sum hereby insured bears to the value of the property

6 Arbitration - applicable to Property Damage Business Interruption and Money Insurance

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

7 Applicable to Glass Breakage Damage to Neon and Illuminated Signs Electric Light Fittings and Sanitary Earthenware Insurance

Notwithstanding Claims Condition 2 (A) of this Policy in the event of any breakage loss or damage the Policyholder shall give immediate telephone notice to the Company If such breakage relates to stained glass the Company shall only be liable for the cost of repairing the broken glass by stained glass artists of recognised repute and standing and shall not pay any loss arising from alleged inferior artistic merit

8 Medical Evidence - Applicable only to Personal Injury (Robbery) Insurance

All certificates information and evidence required by the Company shall be furnished free of expense to and in the form prescribed by the Company The Insured Person shall as often as required submit to medical examination on behalf of and at the Company's expense in connection with any claim

The Policyholder's or the Policyholder's personal representative's receipt shall discharge the Company

The Insured Person or the Insured Person's personal representative shall have no right to claim from or sue the Company If the Policyholder comprises more than one party having an interest in the Insured Person the Benefit shall represent the total amount payable in respect of that Insured Person for all interests covered by this insurance

Property Damage Insurance

THIS INSURANCE ONLY APPLIES WHERE SHOWN AS OPERATIVE IN THE SCHEDULE

If any of the Property Insured described in the Schedule suffers Damage at the Premises by any of the Covers insured the Company will in accordance with the provisions of the insurance pay to the Policyholder the amount of loss or at its option reinstate or replace such property

provided that the Company's liability in any one Period of Insurance shall not exceed in the whole the total sum insured or in respect of any item its sum insured or any other stated limit of liability

For the purpose of this insurance Damage shall mean loss destruction or damage

Covers

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A **Fire** excluding Damage
 - 1) by explosion resulting from fire
 - 2) to property caused by its undergoing any process involving the application of heat

- B **Explosion** excluding Damage
 - 1) caused by the bursting of any boiler economiser or other vessel machine or apparatus belonging to or under the control of the Policyholder in which internal pressure is due to steam only
 - 2) to any vessel machine or apparatus or its contents resulting from the explosion thereof but this shall not exclude Damage caused by explosion of
 - any boiler
 - gasused for domestic purposes only

- C **Lightning**

- D **Aircraft** or other aerial devices or articles dropped therefrom

- 2 **Earthquake** excluding Damage caused by fire

- 3 **Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage
 - 1) arising from nationalisation confiscation requisition or destruction by order of the government or any public authority
 - 2) arising from cessation of work
 - 3) A) in the course of theft or attempted theft
B) in respect of any building which is empty or not in use
directly caused by malicious persons not acting on behalf of or in connection with any political organisation

- 4 **Storm or flood** excluding Damage
 - 1) attributable solely to change in the water table level
 - 2) caused by frost subsidence ground heave or landslide
 - 3) to fences gates and moveable property in the open

- 5 **Escape of water from any tank apparatus or pipe** excluding Damage
 - 1) by water discharged or leaking from an automatic sprinkler installation
 - 2) in respect of any building which is empty or not in use

- 6 **Impact by any road vehicle** (including any fork lift truck or other industrial vehicle) or animal

- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage
 - 1) by freezing in any building which is empty or not in use
 - 2) by heat caused by fire

- 8 **Theft** (which shall be deemed to include attempted theft) excluding Damage
 - 1) which does not involve
 - entry to or exit from that part of the building occupied by the Policyholder for the purpose of the Business by forcible and violent meansor
 - actual or threatened assault or violence
 - 2) from any part of the building not occupied by the Policyholder for the purpose of the Business
 - 3) from the open or from any outbuilding
 - 4) to property in transit
 - 5) to Money and securities of any description

9 Subsidence ground heave or landslip excluding Damage

- 1) arising from the settlement or movement of made-up ground or by coastal or river erosion
- 2) occurring as a result of the construction demolition structural alteration or structural repair of any property at the Premises
- 3) arising from normal settlement or bedding down of new structures
- 4) commencing prior to the granting of cover under this insurance

10 Any other accident excluding Damage

- 1) by any of
 - A) the Covers
 - B) the causes expressly excluded from the Coversspecified in the paragraphs 1-9 or 11-12 (whether or not insured)
- 2) to any property caused by
 - A) its own faulty or defective design or materials
 - B) inherent vice latent defect gradual deterioration wear and tear
 - C) faulty or defective workmanship operational error or omission on the part of the Policyholder or any of their employeesbut this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
- 3) caused by
 - 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) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - D) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originatesbut this shall not exclude
 - 1) such Damage which itself results from other Damage and is not otherwise excluded
 - 2) subsequent Damage which itself results from a cause not otherwise excluded
- 4) caused by
 - A) pollution or contamination
 - B) acts of fraud or dishonesty
 - C) disappearance unexplained or inventory shortage misfiling or misplacing of information
- 5) to
 - A) a building or structure caused by its own collapse or cracking
 - B) moveable property in the open fences and gates by wind rain hail sleet snow flood or dust
 - C) property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- 6) to
 - A) property in transit
 - B) Money and securities of any description
 - C) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - D) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection

11 A Accidental breakage of fixed Glass by fracture extending through its entire thickness

B Damage to neon and illuminated signs and electric light fitments

C Accidental breakage of sanitary earthenware

D Damage by impact or falling glass to

- 1) the framework and fittings of the ground floor frontage
- 2) goods on display in windows

excluding

- 1) breakage or Damage
 - A) consequent upon alterations to the framework or position of any of the Glass or to neon and illuminated signs and electric light fitments or to sanitary earthenware
 - B) consequent upon settlement or expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion of the buildings
 - C) whilst the Premises are empty or disused unless specifically agreed
 - D) existing prior to the commencement of this insurance and not subsequently replaced
 - E) in respect of neon and illuminated signs and electric light fitments
 - 1) occasioned by or traceable to wear and tear or gradual deterioration mechanical or electrical breakdown or removal from the fixed position other than by theft or attempt thereat
 - 2) of bulbs or tubes unless consequent upon Damage to signs or fitments
 - F) of
 - 1) Glass which is bent tinted stained and fired or incorporated in multiple glazed units
 - 2) lettering or decoration or protective film or alarm foil on Glassunless to comply with the quality recommended in the British Standard Code of Practice BS 6262:1982
- 2) any consequence of fire or explosion unless more specifically insured under Cover 1

Provided that

the liability of the Company during any one Period of Insurance in respect of Cover 11 shall not exceed the sum Insured shown in the Schedule

12 Specified Items: "All Risks" insurance if shown as insured in the Schedule

- 1) Damage by any cause excluding Damage caused by
 - A) wear and tear moth vermin atmospheric or climatic conditions or any gradually operating cause
 - B) alterations maintenance repairs or any process of cleaning or restoring
 - C) delay confiscation or detention by order of any Government or Public Authority
 - D) counterfeit substitute or foreign coins
 - E) mechanical or electrical breakdown or derangement
- 2) Damage excluding
 - A) breakage of electrical valves bulbs or tubes unless forming part of the property and fixed therein and happening as the result of Damage to such property
 - B) the contents of machines unless such contents are shown in the Schedule
 - C) depreciation contamination consequential loss or consequential damage of any kind or description
 - D) Damage consequent upon any person obtaining any property by deception

Policyholder's Contribution

This insurance does not cover the Policyholder's Contribution (as shown below or as otherwise specified in the Schedule) being the first part of each and every loss to be borne by the Policyholder at each separate premises as ascertained after the application of all other terms and conditions of the insurance including the Underinsurance Provision

A	Cover 9 (Subsidence) if insured	£1,000
B	All other Covers	£250

Exclusions

This insurance does not cover

1 Marine Policies

Damage to property which at the time of the happening of the Damage is insured by or would but for the existence of this insurance be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected

2 Sonic Bangs

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

3 War and Allied Risks

Damage occasioned by

- A) riot or civil commotion except to the extent that it is specifically insured
- B) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

4 Pollution and Contamination

Damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the Property Insured caused by

- A) pollution or contamination which itself results from any Cover insured (other than Cover 10)
- B) any Cover insured (other than Cover 10) which itself results from pollution or contamination

5 Radioactive Contamination

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

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

6 Terrorism

Damage occasioned by or happening through or in consequence directly or indirectly of

- A) Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss and
- B) in Northern Ireland civil commotion

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

In Great Britain and Northern Ireland Terrorism means

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

In so far that the insurance by this Policy is extended to include any situation elsewhere than in Great Britain and Northern Ireland Terrorism means

any act including but not limited to the use of force or violence or the threat of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political religious ideological or similar purposes including the intention to

- 1) influence any government or any international governmental organisation or
- 2) put the public or any section of the public in fear

In any action suit or other proceedings where the Company alleges that by reason of this exclusion any Damage or loss resulting from Damage is not covered by this Policy the burden of proving that such Damage or loss is covered shall be upon the Policyholder

7 Electronic Risk

- A) Damage to Data which shall include but shall not be limited to
 - 1) Damage to or corruption of Data whether in whole or in part
 - 2) unauthorised appropriation of use of access to or modification of Data
 - 3) unauthorised transmission of Data to any third parties
 - 4) Damage arising out of any misinterpretation use or misuse of Data
 - 5) Damage arising out of any operator error in respect of Data
 - B) Damage to the Property Insured arising directly or indirectly from
 - 1) the transmission or impact of any Virus
 - 2) unauthorised access to a System
 - 3) interruption of or interference with electronic means of communication used in the conduct of the Policyholder's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - 4) Failure of a System
 - 5) anything described in A) above
- but in respect of B) 1) B) 2) B) 3) and B) 4) this shall not exclude subsequent Damage which itself results from any of the Covers insured provided that such Damage does not arise by reason of any malicious act or omission

Definitions

Data shall mean information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Failure of a System shall mean the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by the Policyholder to operate at any time as desired as specified or as required in the circumstances of the Policyholder's business activities

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

System shall include computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

Virus shall mean programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not

Definitions of Property

Property Insured

- Buildings
 - General Contents
 - Stock
 - Other property or interests
- } at the Premises including within the open yards forming part of the Premises (subject to any specific exclusions)

all as defined below or more fully described in the Schedule and all being the property of the Policyholder or for which they are responsible but excluding

- property which is more specifically insured
- unless specifically notified to and accepted by the Company as insured
 - A) land roads pavements piers jetties bridges culverts or excavations
 - B) livestock growing crops or trees

Buildings

- buildings (being built mainly of brick stone concrete or other non-combustible materials unless otherwise stated in the Schedule)
- landlord's fixtures and fittings in and on the buildings
- small outside buildings extensions annexes gangways
- walls gates and fences
- services which shall mean
 - telephone gas and water mains electrical instruments meters piping cabling and the like and the accessories thereon extending from the buildings to the perimeter of the premises or to the public mains (including those underground)

General Contents

- machinery plant fixtures fittings and other trade equipment
- all office equipment and other contents
- patterns models moulds plans and designs
- documents manuscripts and business books (excluding computer systems records) for an amount not exceeding £25,000 in respect of any one loss
- tenants' improvements alterations and decorations
- in so far as they are not otherwise insured
 - directors' partners' and employees' personal effects including clothing pedal cycles tools instruments and the like for an amount not exceeding £250 per person
 - but any cover granted under this insurance for Damage by Theft shall not apply to personal effects partly or wholly of precious metal jewellery watches furs contact lenses portable electronic entertainment equipment cameras Money and securities of any description
- Money and securities of any description for an amount not exceeding £1,000 in total and subject to any specific exclusions in this insurance
- wines spirits cigarettes and tobacco held for entertainment purposes for an amount not exceeding £500 in total in respect of Damage by Theft (if insured)
- to the extent that they are not otherwise insured motor vehicles motor chassis and their contents

Money

- cash bank notes currency notes cheques bankers drafts postal orders money orders current postage stamps and revenue stamps National Insurance stamps National Savings stamps and certificates holiday savings stamps luncheon vouchers credit company sales vouchers VAT purchase invoices Premium Bonds bills of exchange giro cheques and drafts gift tokens trading stamps unused units in franking machines consumer redemption vouchers and credit cards

Stock

- stock and materials in trade work in progress and finished goods

Designation of Property

Where necessary the item heading under which any property is insured shall be determined by the designation under which such property appears in the Policyholder's books

Glass

Normal flat annealed glass including toughened and laminated glass unless otherwise shown in the Schedule

Office Machines

Typewriters duplicators photocopying machines calculators accounting machines telephone installations public address systems dictating equipment postal and franking machines and similar office machinery belonging to the Policyholder or for which the Policyholder is responsible and the limit any one machine not exceeding £2,500 or as otherwise specified in the Schedule

The Insurance Provided

In respect of Buildings and General Contents (other than motor vehicles directors' partners' and employees' personal effects)

the Company will pay

- A the cost of reinstatement** being
- where the property is destroyed the cost of rebuilding or in the case of General Contents the cost of its replacement by similar property
 - where the property is damaged the cost of repairing or restoring the damaged portions to a condition substantially the same as but not better or more extensive than its condition when new
- B the cost of complying with Public Authorities' requirements** being such additional cost of reinstatement of the property as may be incurred with the Company's consent in complying with European Union legislation or Building Regulations or local authority or other statutory requirements first imposed upon the Policyholder following the Damage provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as the Company may in writing allow
- C the cost of removing debris** being the cost incurred with the Company's consent in removing debris dismantling demolishing shoring up and propping portions of the property but excluding any costs or expenses
- 1) incurred in removing debris except from the site of such property damaged and the area immediately adjacent to such site
 - 2) arising from pollution or contamination of property not insured by this policy
- D the cost of professional fees** being those necessarily incurred in the reinstatement of the property but not for preparing any claims

The undernoted provisions apply

1 Public Authorities' Requirements

The Company shall not be liable in respect of cost B for

- requirements relating to undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance)
- 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 legislation regulations or requirements referred to

2 Partial Damage

Where Damage occurs to only part of the property the Company's liability shall not exceed the amount which the Company would have been liable to pay had the property been wholly destroyed

3 Reinstatement on Another Site

The work of reinstatement may be carried out wholly or partially upon another site and in any manner suitable to the requirements of the Policyholder provided that it does not increase the Company's liability

4 Insurable Amount

For the purpose of the Underinsurance Provision the Insurable Amount shall be the Day One Reinstatement Value
Day One Reinstatement Value shall mean

the total of the insured costs A B C and D in reinstating the Property Insured to a condition substantially the same as when new at the level of costs applying at the commencement of the Period of Insurance

5 Alternative Basis of Settlement

The Company's liability shall be limited to the Alternative Basis of Settlement (as defined below)

- A) until the cost of reinstatement has actually been incurred
- B) if the work of reinstatement is not carried out as quickly as is reasonably practicable
- C) if at the time of its Damage the property is covered by any other insurance effected by or on behalf of the Policyholder and such other insurance is not on the identical basis of reinstatement defined in cost A
- D) if in the Schedule it is stated that the Alternative Basis of Settlement applies

Under the Alternative Basis of Settlement the Company will pay the value of the property at the time of its destruction or the amount of the damage including the cost of

- complying with Public Authorities' requirements
- removing debris
- professional fees

as defined in costs B C and D above and subject to the provisions and exceptions applying to those costs

For the purpose of the Underinsurance Provision the Insurable Amount shall be the total of the value at the time of the Damage of the property insured by the item and the additional costs B C and D

In respect of documents manuscripts and business books the Company will pay

- A) the value of the materials as stationery
- B) the clerical labour expended in reproducing or writing up such documents
- C) the costs necessarily and reasonably incurred in connection with the reproduction of any information to be recorded but excluding the value to the Policyholder of the information and subject to the Company's liability not exceeding the limit stated in the definition of General Contents

In respect of Stock and other insured property not specifically provided for the Company will pay the value of the property at the time of its destruction or the amount of the damage including the cost of removing debris as defined in cost C

The undernoted provisions apply

1 Contract Price

In respect only of goods sold but not delivered for which the Policyholder is responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of any Damage insured under this policy either wholly or to the extent of the Damage the Company's liability shall be based on the contract price

2 Insurable Amount

For the purpose of the Underinsurance Provision the Insurable Amount shall be the contract price of those goods to which provision 1 applies and the value at the time of Damage of all other property

In respect of Rent of Buildings which suffer Damage the Company will pay

A) if the loss relates to rent receivable by the Policyholder

- 1) the amount by which the rent receivable by the Policyholder during the period stated in the item description in the Schedule shall in consequence of the Damage fall short of the rent which would have been received during the period had the Damage not occurred
- 2) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the shortfall in rent which but for that expenditure would have taken place during the period stated in the Schedule in consequence of the Damage but not exceeding the total of
 - the amount of the loss of rent thereby avoided
 - plus
 - 5% of the sum insured by the Item (but not more than £250,000)

less any savings in respect of expenditure payable out of rent receivable which reduces or ceases in consequence of the Damage

In arriving at the amount of rent receivable such adjustments shall be made as may be necessary to provide for any trends variations or other relevant circumstances occurring either before or after the Damage so that the figures thus adjusted shall represent as nearly as reasonably practicable the rent which but for the Damage would have been obtained during the relative period after the Damage

If following Damage the amount or rent receivable is maintained by the provision of alternative accommodation by the Policyholder such rent shall be taken into account in calculating the amount payable

B) if the loss relates to rent payable by the Policyholder

the amount of rent which continues to be payable by the Policyholder in respect of the Building or portions of the Building whilst unfit for occupation in consequence of the Damage for a period not exceeding the number of months stated in the item description in the Schedule

The undernoted provision applies

Insurable Amount

For the purpose of the Underinsurance Provision the Insurable Amount shall be the annual rent receivable (or in the case of B) above the annual rent payable) at the commencement of the Period of Insurance such amount to be proportionately increased to correspond with the period of rent insured where that period exceeds twelve months

Special Provisions

Underinsurance

If at the time of the Damage

- the Declared Value by the relative item on Buildings or General Contents or
- the sum insured by the relative item on other property or interests

is less than the Insurable Amount the amount otherwise payable shall be proportionately reduced

Declared Value shall mean

the base value shown in brackets below the sum insured such value excluding any provision for inflation but if the loss is settled under the Alternative 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

Reinstatement by the Company

The Company may at its own option reinstate or replace any property destroyed or damaged without being bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner The Policyholder shall at their own expense produce and provide the Company with all such plans documents books and information as the Company may reasonably require

Extinguishment Expenses

The Company will pay the reasonable costs incurred by the Policyholder in refilling fire extinguishing appliances and replacing used sprinkler heads solely in consequence of insured Damage to the Property Insured

Glass Cover Extension

Any cover granted under this insurance in respect of Damage to fixed glass includes the reasonable cost of

- A) any necessary boarding up or temporary glazing pending replacement of broken glass
- B) removing and refixing window fittings and other obstacles to replacement

Theft Cover Extension

Any cover granted under this insurance in respect of Theft includes

- A) the cost of repairing Damage to the Buildings (whether or not the Buildings are insured hereunder) if the Policyholder is responsible for the repairs and the Damage is not otherwise insured
- B) the reasonable expenses (not exceeding £2,500) incurred in necessarily replacing locks to the Buildings or safes or strongrooms therein consequent upon the Theft (as insured) of keys from such building or from the residence of any of the authorised keyholding directors partners or employees of the Policyholder

General Memoranda

Property at other locations

Subject to all the provisions and exclusions the cover granted by this insurance is extended to apply to the undernoted Property Insured whilst removed from the Premises as indicated below

except that

- 1) the insurance applies only in so far as the property is not otherwise insured
- 2) any cover granted in respect of Damage by Theft shall not apply under this extension
- 3) this extension applies only to Damage occurring within Great Britain Northern Ireland the Channel islands or the Isle of Man
- 4) the Company's liability for any one loss shall not exceed the limit stated

Property and Location

Limit of Liability for any one loss

A Documents manuscripts and business books at any location and whilst in transit	}	The limit stated in the General Contents definition
B Stock (excluding goods held in trust) at any location used by the Policyholder for storage		
C Other property (excluding vehicles licensed for road use) at any location to which the property has been temporarily removed for cleaning renovation repair or other similar purposes and whilst in transit		10% of the relative sum insured but in no case exceeding £250,000

Buildings and General Contents – Alterations and Additions

If during the Period of Insurance

- alterations or additions are made to any Buildings insured or
- Buildings or General Contents are acquired or constructed

at any Premises covered by this insurance or elsewhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man and such additional property is not otherwise insured it will be held covered under the relative items of this insurance from the time from which the Policyholder became responsible for it until the next renewal of the insurance at which date specific insurance shall be effected

The sum insured (and declared value) by each item shall be deemed to be increased for that period only by the value of the additional property insured under the item but by not more than 10% and subject to the Company's liability not exceeding £500,000 in respect of additional property at any one Premises

All the provisions and conditions of this insurance (including the Alterations Condition) apply to this extension except as expressly varied

Automatic Reinstatement after a Loss

In the absence of written notice by the Policyholder or the Company to the contrary within 30 days of the occurrence of any Damage the Company's liability shall not be reduced by the amount of any loss and the Policyholder shall pay the appropriate additional premium for such automatic reinstatement of cover

provided that in respect of Damage by Theft (if insured) the automatic reinstatement shall apply on the first occasion only in each Period of Insurance

Transfer of Interest

If at the time of any insured Damage to any building insured the Policyholder shall have contracted to sell their interest in the building and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of this insurance in respect of such Damage if and so far as the property is not otherwise insured by the purchaser or on the purchaser's behalf against such Damage without prejudice to the rights and liabilities of the Policyholder or the Company under this insurance up to the date of completion

Risk Protections

A Automatic Sprinkler and Fire Alarm Installations – Condition Precedent

It is a condition precedent to any liability of the Company that if

- a reduced premium rate is allowed on account of such an installation or
- such an installation is required by the Company as a condition of cover or
- the insurance covers Damage by the accidental escape of water from a sprinkler installation

the Policyholder shall

- 1) take all reasonable steps to
 - A) prevent frost and other damage to the installations and in so far as it is their responsibility
 - B) maintain the installations (including the automatic external alarm signal) in efficient condition
 - C) maintain ready access to the water supply control facilities
- 2) in the event that changes repairs or alterations to the installations are proposed notify the Company in writing and obtain its prior agreement in writing
- 3) allow the Company access to the Premises at all reasonable times for the purpose of inspecting the installations
- 4) carry out the routine tests laid down by the Company and remedy promptly any defect revealed by a test

In the event that alterations or repairs become necessary to the automatic sprinkler installation the Company may at its option suspend any cover which is granted against Damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by the Company Notice of any such action will be given by the Company in writing

B Fire Extinguishing Appliances

(Applicable if a reduced premium rate is allowed on account of the appliances)

The Policyholder shall maintain all fire extinguishing appliances in efficient working order

C Security Precautions – Condition Precedent

It is a condition precedent to any liability of the Company in respect of Damage by Theft (if insured) that

- A) in respect of any Intruder Alarm System required by the Company as a condition of cover
 - 1) the Intruder Alarm System is maintained in full and effective working order under a contract to provide both corrective and preventative maintenance with the installer or such other contractor agreed by the Company in writing
 - 2) the Business Premises are not left unattended
 - i) unless the Intruder Alarm System is tested and set in its entirety and is together with the means of communication used to transmit signals in full and effective operation and where the equipment permits any Alarm Receiving Centre to which the Intruder Alarm System is connected has acknowledged the setting signal
 - ii) if police response to alarm calls has been withdrawn without the written agreement of the Company
 - 3) the Intruder Alarm System is installed in accordance with a specification agreed in writing by the Company
 - 4) no alteration to or substitution of
 - i) any part of the Intruder Alarm System
 - ii) the procedures agreed by the Policyholder for police or any other response to any activation of or other warning signal pertaining to the Intruder Alarm System
 - iii) the maintenance contract shall be made without the written agreement of the Company
 - 5) no structural alteration of or changes in layout to the Premises that could affect operation of the Intruder Alarm System shall be made without the written agreement of the Company
 - 6) the Policyholder shall maintain secrecy of codes for operation of the Intruder Alarm System and shall not leave details of such codes at the Business Premises when the Business Premises are unattended
 - 7) the Policyholder shall appoint at least two Keyholders and shall record details of the Keyholders with the police and any Alarm Receiving Centre to which the Intruder Alarm System signals
 - 8) any change of Keyholder details shall be notified immediately to the police and any Alarm Receiving Centre to which the Intruder Alarm System signals
 - 9) in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the system is set a Keyholder shall attend and allow access to the Business Premises without delay
 - 10) in the event that the Policyholder receives any notification
 - i) from the police or alarm installer/maintenance contractor or Alarm Receiving Centre that response to alarm signals or line interruptions from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - ii) from a local authority or magistrate imposing any requirement for abatement of nuisance
 - iii) that the Intruder Alarm System cannot be returned to or maintained in full working order the Policyholder shall advise the Company as soon as possible and in any event not later than 10am on the Company's next working day and comply with any subsequent requirements stipulated by the Company

B) whenever the Business Premises are left unattended

- 1) all locks bolts and other protective devices are in full and effective operation
- 2) all keys (including those relating to any part of the Intruder Alarm System) are removed from the Business Premises

Interpretations

Intruder Alarm System includes all lines and equipment used to transmit the signals to and from the Premises

Keyholder shall mean any person or keyholding company authorised by the Policyholder who is available at all times when the Intruder Alarm System is set to accept notification of faults or alarm signals or messages relating to the Intruder Alarm System

Business Premises shall mean that part of the Premises occupied by the Policyholder for the purposes of the Business described in the Schedule

Business Interruption Insurance

THIS INSURANCE ONLY APPLIES WHERE SHOWN AS OPERATIVE IN THE SCHEDULE

If Damage by any of the Covers insured occurs at the Premises to property used by the Policyholder for the purpose of the Business and causes interruption of or interference with the Policyholder's Business at the Premises

the Company will pay to the Policyholder the amount of loss resulting from the interruption or interference caused by the Damage in accordance with the provisions of the insurance

provided that

- A) payment has been made or liability admitted for the Damage under an insurance covering the interest of the Policyholder in the property
or
payment would have been made or liability admitted for the Damage but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
- B) the Company's liability in any one Period of Insurance shall not exceed in the whole the total sum insured or in respect of any item its sum insured or any other stated limit of liability

For the purpose of this insurance Damage shall mean loss destruction or damage

Covers

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A) **Fire** excluding Damage
 - 1) by explosion resulting from fire
 - 2) to property caused by its undergoing any process involving the application of heat
- B) **Explosion** excluding
 - 1) Damage caused by the bursting of any vessel machine or apparatus belonging to or under the control of the Policyholder in which internal pressure is due to steam only
 - 2) loss resulting from the Policyholder being deprived of the use of any vessel machine or apparatus or its contents as a result of the explosion thereof
but this shall not exclude explosion of
 - any boiler used for domestic purposes only or of any other boiler or economiser on the Premises
 - gas used for domestic purposes only
- C) **Lightning**
- D) **Aircraft** or other aerial devices or articles dropped therefrom
- 2 **Earthquake** excluding Damage caused by fire
- 3 **Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage
 - 1) arising from nationalisation confiscation requisition or destruction by order of the government or any public authority
 - 2) arising from cessation of work
- 4 **Storm or flood** excluding Damage
 - 1) attributable solely to change in the water table level
 - 2) caused by frost subsidence ground heave or landslip
 - 3) to fences gates and moveable property in the open
- 5 **Escape of water from any tank apparatus or pipe** excluding Damage
 - 1) by water discharged or leaking from an automatic sprinkler installation
 - 2) in respect of any building which is empty or not in use
- 6 **Impact** by any road vehicle (including any fork lift truck or other industrial vehicle) or animal
- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage
 - 1) by freezing in any building which is empty or not in use
 - 2) by heat caused by fire

8 Theft or attempted theft excluding Damage

- 1) which does not involve
 - entry to or exit from a building by forcible and violent means
 - or
 - actual or threatened assault or violence
- 2) to property in transit

9 Subsidence ground heave or landslip excluding Damage

- 1) arising from the settlement or movement of made-up ground or by coastal or river erosion
- 2) occurring as a result of the construction demolition structural alteration or structural repair of any property at the Premises
- 3) arising from normal settlement or bedding down of new structures
- 4) commencing prior to the granting of cover under this insurance

10 Any other accident excluding Damage

- 1) by any of
 - A) the Covers
 - B) the causes expressly excluded from the Covers specified in paragraphs 1-9 (whether or not insured)
- 2) to property caused by
 - A) its own faulty or defective design or materials
 - B) inherent vice latent defect gradual deterioration wear and tear
 - C) faulty or defective workmanship operational error or omission on the part of the Policyholder or any of their employeesbut this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
- 3) caused by
 - 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) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - D) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates
 - E) the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunications servicesbut this shall not exclude
 - 1) such Damage which itself results from other Damage and is not otherwise excluded
 - 2) subsequent Damage which itself results from a cause not otherwise excluded
- 4) caused by
 - A) pollution or contamination
 - B) acts of fraud or dishonesty
 - C) disappearance unexplained or inventory shortage misfiling or misplacing of information
 - D) erasure or distortion of information on computer systems or other records
 - 1) whilst mounted in or on any machine or data processing apparatus or
 - 2) due to the presence of a magnetic fluxunless caused by Damage to the machine or apparatus in which the records are mounted
- 5) to
 - A) a building or structure caused by its own collapse or cracking
 - B) moveable property in the open fences and gates by wind rain hail sleet snow flood or dust
 - C) property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- 6) to
 - A) property in transit
 - B) property or structures in course of construction or erection and materials or supplies in connection with all such property or structures
 - C) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - D) land roads pavements piers jetties bridges culverts or excavations
 - E) livestock growing crops or trees

Exclusions

The Company shall not be liable for loss resulting from

1 War and Allied Risks

Damage occasioned by

- A) riot or civil commotion unless such Cover is specifically insured and then only to the extent stated
- B) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

2 Sonic Bangs

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

3 Pollution and Contamination

Damage caused by pollution or contamination but this shall not exclude loss resulting from Damage (not otherwise excluded) caused by

- A) pollution or contamination which itself results from any Cover insured (other than Cover 10)
- B) any Cover insured (other than Cover 10) which itself results from pollution or contamination

4 Radioactive Contamination

Damage occasioned by or happening through or occasioning loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

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

5 Terrorism

Damage occasioned by or happening through or in consequence directly or indirectly of

- A) Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss and
- B) in Northern Ireland civil commotion

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

In Great Britain and Northern Ireland Terrorism means

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

In so far that the insurance by this Policy is extended to include any situation elsewhere than in Great Britain and Northern Ireland Terrorism means

any act including but not limited to the use of force or violence or the threat of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political religious ideological or similar purposes including the intention to

- 1) influence any government or any international governmental organisation or
- 2) put the public or any section of the public in fear

In any action suit or other proceedings where the Company alleges that by reason of this exclusion any Damage or loss resulting from Damage is not covered by this Policy the burden of proving that such Damage or loss is covered shall be upon the Policyholder

6 Electronic Risk

A) Damage to Data which shall include but shall not be limited to

- 1) Damage to or corruption of Data whether in whole or in part
- 2) unauthorised appropriation of use of access to or modification of Data
- 3) unauthorised transmission of Data to any third parties
- 4) Damage arising out of any misinterpretation use or misuse of Data
- 5) Damage arising out of any operator error in respect of Data

- B) Damage to the Property Insured arising directly or indirectly from
- 1) the transmission or impact of any Virus
 - 2) unauthorised access to a System
 - 3) interruption of or interference with electronic means of communication used in the conduct of the Policyholder's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - 4) Failure of a System
 - 5) anything described in A) above
- but in respect of B) 1) B) 2) B) 3) and B) 4) this shall not exclude subsequent Damage which itself results from any of the Covers insured provided that such Damage does not arise by reason of any malicious act or omission

Definitions

Data shall mean information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Failure of a System shall mean the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by the Policyholder to operate at any time as desired as specified or as required in the circumstances of the Policyholder's business activities

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

System shall include computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

Virus shall mean programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not

The Insurance Provided

Item on Gross Profit (if shown as operative in the Schedule)

Subject to the special provisions below the Company will pay as indemnity –

- A) **In respect of Reduction in Turnover**
the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Damage
- B) **In respect of Increase in Cost of Working**
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage
but not exceeding the total of
- the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided
- plus
- 5% of the sum insured by the item (but not more than £250,000)

Item on Gross Revenue (if shown as operative in the Schedule)

Subject to the special provisions below the Company will pay as indemnity –

- A) **In respect of Loss of Gross Revenue**
the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Damage
- B) **In respect of Increase in Cost of Working**
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage
but not exceeding the total of
- the amount of the reduction in Gross Revenue thereby avoided
- plus
- 5% of the sum insured by the item (but not more than £250,000)

Special Provisions

- 1 Alternative Trading**
If during the Indemnity Period goods are sold or services rendered elsewhere than at the Premises for the benefit of the Business either by the Policyholder or by others on the Policyholder's behalf the money paid or payable in respect of such sales or services shall be taken into account in arriving at the
- A) Turnover (for Item on Gross Profit)
 - or
 - B) Gross Revenue
- during the Indemnity Period
- 2 Savings**
If any of the charges or expenses of the Business payable out of Gross Profit or Gross Revenue cease or reduce in consequence of the Damage the amount of such savings during the Indemnity Period shall be deducted from the amount payable
- 3 Professional Accountants' Charges**
The Company will pay the reasonable charges payable by the Policyholder to their professional accountants for producing information required by the Company under the terms of the Claims Conditions and for reporting that such information is in accordance with the Policyholder's accounts
- 4 Underinsurance**
(Not applicable if the insurance is on the Declaration-Linked basis)
If the sum insured is less than the Insurable Amount the amount payable shall be proportionately reduced

Definitions

The following notes refer to the Definitions stated below

- 1 To the extent that the Policyholder is accountable to the tax authorities for Value Added Tax all terms in this insurance shall be exclusive of such tax
- 2 For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded
- 3 In the definitions of
 - A) Estimated Gross Profit Actual Gross Profit and Insurable Amount
 - or
 - B) Estimated Gross Revenue Actual Gross Revenue and Insurable Amountthe amount of Gross Profit or Gross Revenue shall be proportionately increased to correspond with the Maximum Indemnity Period where it exceeds twelve months

Indemnity Period

the period beginning when the Damage occurs and ending when the results of the Business cease to be affected by the Damage but not exceeding the Maximum Indemnity Period (as shown in the Schedule)

Turnover

the money paid or payable to the Policyholder for goods sold and delivered and for services rendered in course of the Business at the Premises

Gross Profit

the amount by which the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Variable Costs

Notes

- 1) The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Policyholder's normal accountancy methods due provision being made for depreciation
- 2) The Uninsured Variable Costs shall have the meaning usually attached to them in the Policyholder's accounts

Uninsured Variable Costs

Purchases and related discounts
Bad debts
unless otherwise stated in the Schedule

Gross Revenue

The money paid or payable to the Policyholder for work done and services rendered in course of the Business at the Premises

Estimated Gross Profit or Estimated Gross Revenue

the amount declared by the Policyholder to the Company as representing not less than the Gross Profit or Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 above)

Actual Gross Profit or Actual Gross Revenue

the Gross Profit or Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 above)

Rate of Gross Profit

the rate which Gross Profit would have borne to Turnover during the Indemnity Period

Standard Turnover or Standard Gross Revenue

the Turnover or Gross Revenue which would have been obtained during the Indemnity Period

Insurable Amount

the Gross Profit or Gross Revenue which would have been earned in the twelve months immediately following the date of the Damage

had the Damage not occurred after account has been taken of the trends of the Business and of the variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred (subject to the provision of Note 3 above)

Extensions

The insurance is extended to include loss as insured in consequence of Damage as insured

- A) 1) at any premises not occupied by the Policyholder but used by them solely for storage purposes
2) A) to records
or
B) to machinery and plant (but not motor vehicles) removed for cleaning renovation repair or other similar purposes whilst temporarily removed from the Premises and in transit by road rail air or inland waterway to and from the Premises
in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- B) at any situations (or to property) as specifically mentioned in the Schedule

provided that the Company's liability after the application of all other terms and conditions of the Policy shall not exceed –

- under A) 10% of the total of the sums insured or £250,000 whichever is the less (unless otherwise stated in the Schedule)
under B) the percentage (of the total of the sums insured by the policy) or monetary limit shown in the Schedule against such situations or property

Memoranda

Payments on Account

Payments on account may be made during the Indemnity Period if desired

Renewal Clause

(Applicable if the insurance is on the Declaration-Linked basis)

It is a condition of the insurance that prior to each renewal the Policyholder shall provide the Company with the Estimated Gross Profit or Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing Period of Insurance

Premium Adjustment

(The Schedule shows which clause applies to this insurance)

The following provisions apply separately to each item on Gross Profit or Gross Revenue

A Where the premium paid is not provisional

At the end of the Period of Insurance the Company will allow a pro rata return of premium (not exceeding 50% of the premium paid) if the premium calculated at the appropriate rate on the Actual Gross Profit or Actual Gross Revenue (as reported by the Policyholder's auditors) is less than the premium paid

provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by Damage as insured the Company will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration

B Where a provisional premium is paid

The premium paid at the commencement of each Period of Insurance is provisional and the Policyholder shall declare to the Company within six months of the expiry of each period the Actual Gross Profit or Actual Gross Revenue as reported by the Policyholder's auditors

The premium will be calculated at the appropriate rate on the declaration and the premium paid will be adjusted as stated below provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by Damage as insured the Company will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration

1 If the insurance is not on the Declaration-Linked basis

If the premium calculated is

- a) less than the premium paid
the Company will repay the difference to the Policyholder but not exceeding the difference between the premium paid and the premium payable on 50% of the sum insured
- b) greater than the premium paid
the Policyholder shall pay the difference but not exceeding the difference between the premium paid and the premium payable on the full sum insured

In the event that no declaration is received within six months of the expiry of the Period of Insurance the sum insured will be deemed to be the declaration and the additional premium due will become payable

Premium Adjustment (continued)

2 If the insurance is on the Declaration-Linked basis

If the premium calculated is

- a) less than the premium paid
the Company will repay the difference to the Policyholder
- b) greater than the premium paid
the Policyholder shall pay the difference

Automatic Reinstatement after a Loss

In the absence of written notice by the Policyholder or the Company to the contrary the Company's liability shall not be reduced by the amount of any loss the Policyholder undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Money Insurance

THIS INSURANCE ONLY APPLIES WHERE SHOWN AS OPERATIVE IN THE SCHEDULE

Section 1 Money

The Company will indemnify the Policyholder up to the Limit of Liability for any loss of or damage to Money and property described in Items 1 to 5 below occurring during the Period of Insurance provided that

- A) as regards Item 3 the loss or damage is due to robbery or attempt thereof
- B) as regards Item 5 the loss or damage is due to theft or attempt thereof and
- C) the Company's liability in respect of any one occurrence or number of occurrences arising directly or indirectly from any one source or original cause shall not exceed the relevant Limit of Liability

Item No		Limit of Liability any one loss
1	Money as described in Interpretation 1 A	
	A) in the Policyholder's Premises during Working Hours or in transit or in a bank night safe and thereafter within bank premises until at the bank's risk or at any of the Policyholder's contract sites during Working Hours	As shown in the Schedule
	B) in the Policyholder's Premises out of Working Hours	
	1) in locked safes or strongrooms as shown in the Schedule	As shown in the Schedule
	2) in all other locked safes or strongrooms	As shown in the Schedule
	3) not in a locked safe or strongroom	£250
	C) in the Policyholder's residence or that of any of the Policyholder's directors partners or employees	
	1) while in a locked safe or while an adult is in the residence	£500
	2) otherwise	£250
2	Money as described in Interpretation 1 B	£250,000
3	Clothing and personal effects (not exceeding £25 per person in personal money) belonging to the Policyholder or any of the Policyholder's directors partners or employees while engaged in the Business	£250 per person
4	Stamped or impressed National Insurance Cards	Unlimited
5	Any postal franking machine safe strongroom or any container or waistcoat used for the carriage of Money belonging to the Policyholder or for which the Policyholder is responsible	Unlimited

Interpretations

1 Money shall mean

- A cash bank notes currency notes uncrossed cheques (including uncrossed giro cheques giro cash cheques and travellers cheques but excluding pre-signed blank cheques) uncrossed bankers' drafts uncrossed postal orders uncrossed money orders current postage and revenue stamps National Insurance stamps (not fixed to cards) National Savings stamps bills of exchange luncheon vouchers consumer redemption vouchers Holiday with Pay stamps gift tokens trading stamps
- B crossed cheques (including crossed giro cheques and drafts but excluding pre-signed blank cheques) crossed bankers' drafts crossed postal orders crossed money orders unused units in franking machines National Savings Certificates Premium Bonds credit company sales vouchers VAT purchase invoices

belonging to the Policyholder or for which the Policyholder is responsible and pertaining to the Business

2 Working Hours shall mean

the period during which the Premises are actually occupied for Business purposes and during which the Policyholder or those of the Policyholder's employees who are entrusted with Money are in the Premises or on the Policyholder's contract sites

Exclusions

The Company shall not be liable for

- 1) loss by theft by any director partner or employee of the Policyholder not discovered within seven working days of the occurrence
- 2) shortage due to error or omission
- 3) loss from an unattended vehicle
- 4) loss due to the use of counterfeit Money
- 5) loss or damage arising from riot or civil commotion in Northern Ireland
- 6) loss or damage not within Great Britain Northern Ireland the Channel Islands or the Isle of Man
- 7) loss destruction or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- 8) loss or damage arising from war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- 9) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - A) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - B) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 10) A) Damage to Data which shall include but shall not be limited to
 - 1) Damage to or corruption of Data whether in whole or in part
 - 2) unauthorised appropriation of use of access to or modification of Data
 - 3) unauthorised transmission of Data to any third parties
 - 4) Damage arising out of any misinterpretation use or misuse of Data
 - 5) Damage arising out of any operator error in respect of Data
- B) Damage to Money arising directly or indirectly from
 - 1) the transmission or impact of any Virus
 - 2) unauthorised access to a System
 - 3) interruption of or interference with electronic means of communication used in the conduct of the Policyholder's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - 4) Failure of a System
 - 5) anything described in A) abovebut in respect of B) 1) B) 2) B) 3) and B) 4) this shall not exclude subsequent Damage not otherwise excluded provided that such Damage does not arise by reason of any malicious act or omission

Definitions

Damage shall mean loss or destruction of damage

Data shall mean information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Failure of a System shall mean the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by the Policyholder to operate at any time as desired as specified or as required in the circumstances of the Policyholder's business activities

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

System shall include computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

Virus shall mean programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not

Special Conditions

1 Security Precautions – Condition Precedent

It is a condition precedent to any liability of the Company for loss or damage that

- A) in respect of any Intruder Alarm System required by the Company as a condition of cover
 - 1) the Intruder Alarm System is maintained in full and effective working order under a contract to provide both corrective and preventative maintenance with the installer or such other contractor agreed by the Company in writing
 - 2) the Business Premises are not left unattended
 - i) unless the Intruder Alarm System is tested and set in its entirety and is together with the means of communication used to transmit signals in full and effective operation and where the equipment permits any Alarm Receiving Centre to which the Intruder Alarm System is connected has acknowledged the setting signal
 - ii) if police response to alarm calls has been withdrawn without the written agreement of the Company
 - 3) the Intruder Alarm System is installed in accordance with a specification agreed in writing by the Company
 - 4) no alteration to or substitution of
 - i) any part of the Intruder Alarm System
 - ii) the procedures agreed by the Policyholder for police or any other response to any activation of or other warning signal pertaining to the Intruder Alarm System
 - iii) the maintenance contractshall be made without the written agreement of the Company
 - 5) no structural alteration of or changes in layout to the Premises that could affect operation of the Intruder Alarm System shall be made without the written agreement of the Company
 - 6) the Policyholder shall maintain secrecy of codes for operation of the Intruder Alarm System and shall not leave details of such codes at the Business Premises when the Business Premises are unattended
 - 7) the Policyholder shall appoint at least two Keyholders and shall record details of the Keyholders with the police and any Alarm Receiving Centre to which the Intruder Alarm System signals
 - 8) any change of Keyholder details shall be notified immediately to the police and any Alarm Receiving Centre to which the Intruder Alarm System signals
 - 9) in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the system is set a Keyholder shall attend and allow access to the Business Premises without delay
 - 10) in the event that the Policyholder receives any notification
 - i) from the police or alarm installer/maintenance contractor or Alarm Receiving Centre that response to alarm signals or line interruptions from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - ii) from a local authority or magistrate imposing any requirement for abatement of nuisance
 - iii) that the Intruder Alarm System cannot be returned to or maintained in full working orderthe Policyholder shall advise the Company as soon as possible and in any event not later than 10am on the Company's next working day and comply with any subsequent requirements stipulated by the Company
- B) whenever the Business Premises are left unattended
 - 1) all locks bolts and other protective devices are in full and effective operation
 - 2) all keys (including those relating to any part of the Intruder Alarm System) are removed from the Business Premises
- C) out of Working Hours all keys and notes of combination lock letters and numbers of safes and strong rooms containing Money are removed from the Business Premises

Interpretations

Intruder Alarm System includes all lines and equipment used to transmit the signals to and from the Premises

Keyholder shall mean any person or keyholding company authorised by the Policyholder who is available at all times when the Intruder Alarm System is set to accept notification of faults or alarm signals or messages relating to the Intruder Alarm System

Business Premises shall mean that part of the Premises occupied by the Policyholder for the purposes of the Business described in the Schedule

2 Contribution

If at the time of any claim under this insurance the Policyholder is or would but for the existence of this Policy be entitled to indemnity under any other policy or policies the Company shall not be liable except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected

Section 2 Personal Injury (Robbery)

In the event of the Policyholder or any director partner or employee of the Policyholder (hereinafter called the Insured Person) sustaining accidental Bodily Injury during the Period of Insurance which

- A) is sustained solely and directly as a result of robbery or attempt thereof while such Insured Person is engaged in the Business and
- B) within two years is the sole cause of Death Disablement or incurring of Medical Expenses for which the Benefit is claimed

the Company will pay the appropriate Benefit to the Policyholder in accordance with the number of Units of cover as shown the Schedule

Bodily Injury does not include sickness or disease or any naturally occurring condition or degenerative process or the result of a gradually operating cause

Interpretations

- 1 Benefits shall mean
 - 1 Death Disablement
 - 2 Loss of one or more Limbs or Eyes
 - 3 Permanent Total Disablement other than by Loss of Limb or Eye from gainful employment of any and every kind
 - 4 Temporary Total Disablement from usual occupation
 - 5 Medical Expenses necessarily incurred in the treatment of the Insured Person
- 2 The amount payable for each Unit of cover shall be:
Benefit
 - 1 £5000
 - 2 £5000
 - 3 £5000
 - 4 £50 per week for a maximum of 104 weeks in all and not necessarily consecutive
 - 5 Reimbursement up to 15% of the amount payable under Benefit 4
- 3 Loss of Limb shall mean
 - A) in the case of a leg loss by physical severance at or above the ankle or permanent total loss of use of a complete foot or leg
 - B) in the case of an arm loss by physical severance of the entire four fingers through or above the meta carpo phalangeal joints or permanent total loss of use of a complete arm or hand
- 4 Loss of Eye shall mean permanent and total loss of sight which will be considered as having occurred
 - A) in both eyes if the Insured Person's name is added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist
 - B) in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen scale (meaning seeing at 3 feet what the Insured Person should see at 60 feet)
- 5 Medical Expenses shall mean the cost of medical surgical or other remedial attention treatment or appliances given or prescribed by a qualified member of the medical profession and all hospital nursing home and ambulance charges

Exclusions

The Company will not pay the Benefit if

- 1 Bodily Injury is sustained by any person before such person attains the age of sixteen years or after the expiry of the Period of Insurance during which such person attains the age of seventy years
- 2 Bodily Injury Death Disablement or Medical Expenses is the result of or is contributed to by the Insured Person having a physical or mental defect of any sort which was known either to the Policyholder or the Insured Person when the Policy was issued or at renewal
However the exclusion shall not apply if the defect has been notified to the Company and accepted in writing

Special Condition

Benefits

- A) Benefit shall not be payable for any one Insured Person under more than one of Benefits 1 to 3 in connection with same occurrence of Bodily Injury
- B) On the happening of any occurrence giving rise to a claim under any of Benefits 1 to 3 this Section shall thereafter cease to apply to that Insured Person
- C) Total Disablement shall have lasted for 104 weeks and have been proved to the Company's satisfaction to be permanent and without expectation of recovery before Benefit 3 becomes payable
- D) The amount payable per week under Benefit 4 shall not exceed the Insured Person's pre-injury weekly earnings from the Business
- E) No sum payable shall carry interest
- F) No Benefit shall be payable due solely to inability to take part in sports or pastimes

Terrorism Insurance

THIS INSURANCE ONLY APPLIES WHERE SHOWN AS OPERATIVE IN THE SCHEDULE

Notwithstanding any provisions to the contrary within this Policy the insurance in respect of all items insured by the Insurances shown as operative in the Terrorism Insurance section of the Schedule is extended to include Terrorism Insurance as specified below

This Policy includes Damage or loss resulting from Damage to the Property Insured and consequential loss resulting therefrom insofar and to the extent that it is insured by this Policy in the Territories stated below caused by or resulting from an Act of Terrorism

provided always that Terrorism Insurance is

- A subject to Exclusions 1 – 4 below
- B not subject to any other exclusions stated in this Policy

provided also that the Company's liability in any one Period of Insurance shall not exceed

- A in the whole the total sum insured
- B in respect of any item its sum insured or any other stated limit of liability specified in the Schedule or elsewhere in the Policy

whichever is the lower subject always to the limit(s) applying to Terrorism Insurance shown against the Territories stated below after the application of all the provisions of the insurance including any Policyholder's Contribution

Territory	Limit of Liability
1 Great Britain	As otherwise specified in this Policy
2 Elsewhere in the world	Not insured

Exclusions

Terrorism Insurance does not cover

- 1 Riot Civil Commotion War and Allied Risks**
any loss whatsoever or any consequential loss directly or indirectly occasioned by or happening through or in consequence of riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- 2 Electronic Risks**
any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from Damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Policyholder or not where such Damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack
- 3 Nuclear Installation or Nuclear Reactor**
any loss whatsoever or any consequential loss resulting or arising from Damage to any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor
- 4 Nuclear Risks and Chemical Biological and Radiological Contamination**
in respect of Residential Property insured in the name of a Private Individual
any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - a) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - b) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
 - c) chemical and/or biological and/or radiological irritants contaminants or pollutants

Definitions

Act of Terrorism means

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

Damage means

accidental loss destruction or damage

Denial of Service Attack means

any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks or network services or network connectivity or information systems

The definition of Denial of Service Attack includes but is not limited to the generation of excess traffic into network addresses and the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Great Britain means

England and Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987)

Hacking means

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

Nuclear Installation means

any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for

- a) the production or use of atomic energy or
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations or
- c) the storage processing or disposal of nuclear fuel or of bulk quantities or other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel

Nuclear Reactor means

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

Private Individual means

any person other than

- a) a Trustee or body of Trustees where insurance is arranged under the terms of a trust
- b) a person who owns Residential Property for the purpose of their business as a sole trader

The definition of Private Individual shall include two or more persons where insurance is arranged in their several names and/or the title of the Policyholder includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the Property Insured

Residential Property means

houses and blocks of flats and other dwellings (including household contents and personal effects of every description)

Virus or Similar Mechanism means

any program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs

Special Conditions

- 1 In any action suit or other proceedings where the Company alleges that any Damage or loss resulting from Damage is not covered by this Policy the burden of proving that such Damage or loss is covered shall be upon the Policyholder
- 2 Any terms in this Policy which provide for adjustments of premium based upon declarations on expiry or during the period of insurance do not apply to Terrorism Insurance
- 3 If this Policy is subject to any Long Term Agreement / Undertaking it does not apply to Terrorism Insurance

All the terms definitions provisions conditions and extensions of the Policy apply except insofar as they are hereby expressly varied

