



COMMERCIAL COMBINED

Policy wording



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Introduction

Welcome to RSA. Thank you for choosing us as your insurer.

Your Policy (including the Schedule, Endorsements, Clauses and Certificates) is evidence of a legal contract and the document should be kept in a safe place.

We are happy to provide duplicates if you mislay any part of your Policy documentation.

Please read the Policy and Schedule carefully and if they do not meet your needs return them to us or your insurance intermediary.

Customer Care

Claims Helpline

We recognise that losses mean disruption to your business and that the ultimate test of any insurance policy is providing a fast, effective claims service. We also realise that running a business means that it might not be convenient for you to report a claim to us during normal office hours. That's why you can now notify us of any claim when it suits you – any time of the day or night. All you have to do is call.

Further details are contained in the Policy Summary provided with your Policy

24 hour Claims Helpline

0345 300 4006

(Please quote your Policy Number which can be found on your Schedule).

Emergency Repairs

Should emergency repairs be needed to your property, we will put you in touch with a tradesman from our carefully selected panel. You will have to pay the cost of any work done, but where the damage is caused by an insured event, you can of course submit the cost as part of your claim. Whatever the nature of the emergency, you just need to make a single phone call

Catastrophe Claim

If you are faced with a major catastrophe, such as a serious fire or flood, we recognise that you will need expert assistance immediately. We will send a representative to help you in a major crisis, 24 hours a day, 365 days a year.

Advice Lines

Where do you turn for answers to questions that affect your business? Our advice lines will put you in touch with highly qualified experts who can offer information and assistance on a wide range of issues:

- Legal assistance
- Health and Safety issues
- Tax advice.

Please call the 24 hour Helpline **0345 078 7543** quoting code **70201**.

Please note that if Legal Expenses Insurance is insured under your Policy the same telephone number applies in respect of Insured Incident 1 – Employment which requires the Policyholder to have sought and followed advice from our Legal Consultants using this number before materially changing or attempting to change the particulars of an Employee's contract of employment or dismissing an Employee (whether or not by reason of redundancy). Please refer to page 54 of the Legal Expenses Insurance section of this Policy for more information.

Your Policy

This Policy is a contract between you (also referred to as the Policyholder or your) and us (also referred to as the Company, we, our or RSA).

This Policy and any Schedule, Endorsements, Clauses and Certificates should be read as if they are one document.

RSA's acceptance of this risk is based on the information presented to RSA being a fair presentation of the Policyholder's business including any unusual or special circumstances which increase the risk and any particular concerns which have led the Policyholder to seek insurance.

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

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

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

RSA will provide the insurance described in this policy (subject to the terms set out herein) for the Period of Insurance shown in the Schedule and any subsequent period for which the Policyholder shall pay and RSA shall agree to accept the premium.

This Policy may be cancelled:

- A) by us giving 30 days notice in writing to you at your last known address.
- B) by you giving 30 days notice in writing to us at the address shown in the Schedule.

You will be entitled to a proportionate return of premium unless a claim has been made in the current Period of Insurance.

For and on behalf of Royal & Sun Alliance Insurance plc.



Steve Lewis
Chief Executive, UK & Western Europe

Claim Notification

Conditions that apply to this Policy in the event of a claim are set out in the Policy Conditions pages of this Policy. It is important that you comply with all Policy Conditions and you should familiarise yourself with their requirements.

Directions for claim notification are included in the Policy Conditions. Please remember that events that may give rise to a claim under this insurance must be notified as soon as reasonably possible although there are some situations where immediate notification is required.

The Policy Conditions require you to provide us with any reasonable assistance and evidence that we may require concerning the cause and value of any claim. Ideally, as part of your initial claim notification, you should provide:

- Your name, address, and your email and contact numbers
- Personal details necessary to confirm your identity
- Policy number
- The date of the incident
- The cause of the loss or damage
- Details of the loss or damage together with claim value if known or in respect of injury the nature and extent
- The crime reference number where applicable
- Names and addresses of any other parties involved or responsible for the incident (including details of injuries) and addresses of any witnesses

This information will enable us to make an initial evaluation on policy liability and claim value. We may, however, request additional information depending upon circumstances and value which may include the following:

- Original purchase receipts, invoices, instruction booklets or photographs
- Purchase dates and location of lost or damaged property
- For damaged property, confirmation from a suitably qualified expert that the item you are claiming for is beyond repair

Sometimes we or someone acting on our behalf, may wish to meet with you to discuss the circumstances of the claim, to inspect the damage or to undertake further investigations.

We take pride in the claims service we offer to our customers. Our philosophy is to repair or replace lost or damaged property, where we consider it appropriate, and we have developed a network of contractors, repairers and product suppliers dedicated to providing claim solutions.

Where we can offer repair or replacement through a preferred supplier but we agree to pay a cash settlement, then payment will normally not exceed the amount we would have paid our preferred supplier.

Policy Conditions

It is a requirement of the Company that the following Policy Conditions apply as stated except so far as is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to Employees.

Applicable to the whole Policy unless otherwise stated:

1 Insurance Act 2015

In respect of any

- A) duty of disclosure
- B) effect of warranties
- C) effect of acts of fraud

the rights and obligations applying to the Policyholder and the Company shall be interpreted in accordance with the provisions of the Insurance Act 2015

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 as soon as reasonably possible,
- B) give notice within 24 hours to the Police Authority in respect of Damage (other than by fire or explosion) caused by Riot and malicious persons or thieves if insured by this Policy,
- C) carry out and permit to be taken any action which may be reasonably possible to prevent further Damage and to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss,
- D) within 30 days after the circumstances or event or of the expiry of the Indemnity Period or such further time as the Company may allow, and at your own expense, deliver to the Company:
 - i) full information in writing of the claim,
 - ii) details of any other insurance relating to the claim,
 - iii) 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,
 - iv) if demanded a statutory declaration of the truth of the claim and of any matter connected with it.
- E) in respect of Liability Insurance:
 - i) Every letter, claim, writ or summons and process in connection with such circumstances shall be forwarded to the Company without undue delay on receipt,
 - ii) Written notice shall also be given without undue delay by the Policyholder to the Company immediately the Policyholder shall have knowledge of any prosecution, inquest or inquiry in connection with any circumstance which may give rise to liability under this Policy,

- iii) No admission offer promise payment or indemnity shall be made or given by, or on behalf of, the Policyholder, without the written consent of the Company which shall be entitled to take over the absolute control and conduct in the name of the Policyholder; the negotiation, proceeding defence or settlement of any claim or to prosecute any claim in the name of the Policyholder for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.

Failure to comply will result in a claim being rejected or settlement reduced unless the Company considers such non-compliance to be immaterial to the loss.

- F) in respect of Money Insurance - Section 2 Personal Injury (Robbery) and Personal Accident Insurance:
 - i) provide all medical certificates, reports, information and evidence required by the Company to substantiate that claim. Refer to the Evidence Required Condition under each section for full details.

If the terms of this Condition have not been complied with, and as a direct consequence, the amount for which the Company is liable under this Policy has increased, then no payment shall be made by the Company in respect of the amount of such increase.

3 Alterations

This Policy shall be terminated if:

- A) the Business is wound up or carried on by a liquidator or receiver or permanently discontinued or
- B) the Policyholder's Interest ceases otherwise than by death or
- C) any alteration is made either in the Business or in the Premises or Property therein or any other circumstances whereby the risk is increased unless otherwise stated.

at any time after the commencement of this Policy unless its continuance be admitted by the Company and in respect of 4C) the Company agree not to avoid the Policy provided that:

- i) such alteration is not of such a nature that if the alteration had occurred prior to the commencement of this Policy the Company would not have entered into this Policy on any terms,
- ii) the Policyholder shall pay an appropriate additional Premium if required by the Company with effect from the date of the alteration,
- iii) the Company shall be entitled to impose appropriate additional terms, other than Premium, with effect from the date of the alteration.

4 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 after the expiry of each Period of Insurance provide such information as the Company may require.

The Premium or Renewal Premium shall be adjusted and the difference paid by or allowed to the Policyholder.

5 Arbitration

A) Not applicable to Liability Insurances

If any difference arises 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.

Where any difference is, by this condition, to be referred to arbitration, the making of an award shall be a requirement to any right of action against the Company.

B) Applicable to Liability Insurance – Section 3 Legal Defence Costs only

Any dispute between the Policyholder and the Company in respect of Liability Insurance Section 3 (Legal Defence Costs) may be referred to a single arbitrator who shall be a solicitor or barrister agreed upon by both parties.

Failing agreement the arbitrator will be nominated by the President of the appropriate Law Society Bar Council or professional body within Great Britain Northern Ireland the Channel Islands or the Isle of Man.

The party against whom the decision is made shall meet all the costs of the arbitration in full.

If the decision is not clearly made against either party the arbitrator shall have the power to apportion costs.

If the decision is made in the Company's favour the Policyholder's costs shall not be recoverable under this Policy.

such proportion of the Damage as the Sum Insured bears to the value of the Property.

B) Applicable to Liability Insurance

Other than in respect of Extension 5 (Contingent Motor Liability) to Section 2 (Public/Products Liability), if at the time of any claim there is or, but for the existence of this Policy there would be any other insurances covering the same legal liability, the indemnity will not apply except in respect of any amount beyond that which would have been payable under such insurances had this Policy not been effected.

Where a claim includes the defence of criminal proceedings brought or in appeal against conviction the Company will not pay any costs or expenses where cover is provided by any other insurance or where but for the existence of this Policy it would have been provided by such insurance.

C) Applicable to Fidelity Insurance

If a loss is covered partly under this Policy and partly under a prior policy issued by another insurer, provided payment has been made or agreed to be made under such prior policy, the contribution applicable under this Policy shall be reduced by the contribution actually applied under such prior policy.

6 Cancellation

This Policy may be cancelled:

- A) by the Company giving 30 days notice in writing to the Policyholder at the last known address, or
- B) by the Policyholder giving 30 days notice in writing to the Company at the address shown in the Schedule provided that a Long Term Agreement (as detailed in the Schedule) is not applicable to the Policy.

The Policyholder will be entitled to a proportionate return of premium unless a claim has been made in the current Period of Insurance.

7 Contribution

A) Applicable to Property Damage, Business Interruption, Transit, Deterioration of Stock, Computer Equipment and Machinery Breakdown Insurances only:

If at the time of any claim, there is any other insurance covering the Policyholder's interest in the Property Damaged, the Company's liability under this Policy shall be limited to its rateable proportion of such claim, and will be subject to any Underinsurance Provision.

In respect of Property Damage and Transit only:

- i) If any such other insurance is subject to any Underinsurance Provision, this Policy, if not already subject to any Underinsurance Provision shall be subject to the Provision in like manner.
- ii) If any other insurance effected by or on behalf of the Policyholder is expressed to cover any of the Property 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 Damage, the Company's liability shall be limited to

8 Financial or Trade Sanctions

The Company shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any Prohibition.

If any such Prohibition takes effect during the Policy period the Policyholder or the Company may cancel that part of this Policy which is prohibited or restricted with immediate effect by giving written notice to the other at their last known address.

If the whole or any part of the Policy is cancelled the Company shall, if and to the extent that it does not breach any Prohibition, return a proportionate amount of the premium for the unexpired period subject to minimum premium requirements and provided no claims have been paid or are outstanding.

For the purposes of this Clause Prohibition shall mean any prohibition or restriction imposed by law or regulation.

9 Law Applicable

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract to the extent permitted by those laws.

Unless the parties agree otherwise in writing, the Company has agreed with the Policyholder that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the Policyholder is based, or if based in the Channel Islands or the Isle of Man the law of whichever of those two places in which the Policyholder is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the Policyholder is based, or if the Policyholder is based in either the Channel Islands or the Isle of Man the courts of whichever of those two places in which the Policyholder is based.

10 Legal Representation

A) Applicable to Liability Insurance

Where the Company provides its consent to indemnify the Policyholder in respect of the costs of legal representation in relation to any matter which may form the subject of a claim for indemnity:

- i) the Policyholder is free to choose a suitably qualified legal representative in respect of a claim for indemnity under Section 3 (Legal Defence Costs),
- ii) the Company will choose an appropriate representative (be it solicitor or otherwise) to act on the Policyholder's behalf in respect of a claim for indemnity under all other Sections.

The Company will provide the Policyholder with details of the nominated appropriate representative prior to the representative's instruction.

In the event that the Policyholder wishes to appoint its own representative the Policyholder shall provide prior notification of its intention to do so and seek the Company's written consent.

The Policyholder agrees that in respect of its proposed representative:

- a) the hourly rate (or such other fee basis as the case may be) to apply, and
- b) the terms and conditions of such appointment

shall be subject to the Company's prior approval.

In the event of a dispute regarding the amount of legal costs incurred by the Policyholder's representative the Policyholder agrees that the Company will have the option to audit any files for the purpose of assessing the costs claimed.

B) Applicable to Legal Expenses Insurance

In respect of

- i) Insured Incident 1 – Employment
- and
- ii) Insured Incident 6 – Data Protection

refer to Claim Settlement Condition 7 A) Conduct of legal proceedings.

11 Non Payment – Consumer Credit Termination

The Company reserves the right to terminate the Policy in the event that there is a default in instalment payments due under any linked loan agreement or payment schedule.

12 Reasonable Precautions

A) Applicable to the whole Policy other than Liability Insurance, Money Insurance – Section 2 Personal Injury (Robbery) and Personal Accident Insurance

The Policyholder at his own expense shall:

take all reasonable precautions to prevent or diminish Damage or any occurrence or cease any activity which may give rise to liability under this Policy and to maintain all Property insured in sound condition,

B) Applicable to Liability Insurance

The Policyholder at his own expense shall

- i) take reasonable precautions to prevent any circumstances or to cease any activity which may give rise to liability under this Policy and to maintain all buildings furnishings ways works machinery plant and vehicles in a sound condition,
- ii) as soon as reasonably possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such reasonable additional precautions to be taken as the circumstances may require.

Failure to comply with this Condition will result in a claim being rejected or settlement reduced unless the Company considers such non-compliance to be immaterial to the loss.

C) Applicable to Money Insurance – Section 2 Personal Injury (Robbery) and Personal Accident Insurance

The Policyholder and each Insured Person must take all reasonable steps to prevent injury.

13 Rights of the Company

Applicable only to Liability Insurance

No admission, offer, promise, payment or indemnity shall be made, or given, by or on behalf of the Policyholder without the written consent of the Company; which shall be entitled to take over the absolute control of and conduct in the name of the Policyholder the negotiation, proceeding, defence or settlement of any claim or to prosecute any claim in the name of the Policyholder for its own benefit, and shall have full discretion in the conduct of any proceeding and in the settlement of any claim.

14 Rights of Recovery

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

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 is itself a subsidiary in each case as defined by the Companies Act 1985 or the Companies (Northern Ireland) Order 1986.

15 The Company's Liability

For all purposes, including but not limited to the application of the Sums Insured, Limits, Limits of Liability 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.

16 Third Party Contract Rights

No person other than the Policyholder or the Company may enforce the terms of this Policy and the provisions of the Contract (Right of Third Parties) Act 1999 do not apply.

Policy Exclusions

(Exclusions not applicable to the whole Policy are shown in the individual Insurance section.)

The Company shall not be liable for:

1 Radioactive Contamination

Damage and any loss or expense or liability resulting or arising of whatsoever nature 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.

2 War and Allied Risks

(except Liability Insurance Section 1 – Employers' Liability)

Damage and any loss, expense or liability caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

Policy Definitions

The following words or expressions shall have the meanings set out below, unless a more specific Definition applies in the individual Insurance section.

Business

The Business Description of the Policyholder as stated in the Schedule.

Business Premises

That part of the Premises occupied by the Policyholder for the purpose of the Business described in the Schedule.

Company

Royal & Sun Alliance Insurance plc.

Covers

The active efficient causes of Damage including excluded causes.

Damage

Accidental loss destruction or damage.

Damaged

Accidentally lost destroyed or damaged.

Data

Information represented or stored electronically including but not limited to code or series of instructions, operating systems, software, programs and firmware.

Event

One occurrence or all occurrences of a series consequent on or attributable to one source or original cause.

Failure of a System

The complete failure or partial failure or inability whether in terms of availability functionality including 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.

Interest

Where loss, damage or injury would cause financial loss to the Policyholder.

Intruder Alarm

Intruder alarm including all lines and equipment used to transmit the signals to and from the Premises.

Limit of Indemnity

The amount stated in the Policy and/or Schedule as being the total amount payable by the Company in respect of any one Event.

Microchip

A unit of packaged computer circuitry manufactured in small scale and made for program logic including computer memory purposes and expressly includes integrated circuits and microcontrollers.

Period of Insurance

The period of time that the Policy is in force as shown in the Schedule.

Policy

The terms and conditions of the contract including the Policy wording, Schedule, Endorsements, Clauses and Certificates.

Policyholder

The legal entity insured by the Policy.

Policyholder's Contribution

The first monetary amount of any claim borne by the Policyholder after the application of all other terms and conditions as described in the relevant Insurance section.

Premises

The premises owned, occupied, leased or rented by the Policyholder as stated in the Schedule.

Premium

The monetary amount paid or payable by the Policyholder for coverage under the Policy.

Property

The material assets owned by the Policyholder or those material assets for which they are legally responsible.

Schedule

The statement of details specific to the Policyholder forming part of the Policy.

System

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

Programming code or series of instructions designed to achieve an unexpected, unauthorised, undesirable effect or operation when loaded onto a System, transmitted from one System to another by transfer between computer systems via networks, extranets, internets or electronic mail or attachments thereto or via floppy diskettes or CDROMs or otherwise and whether involving self-replication or not.

Working Hours

The period during which the Premises are actually occupied for the purposes of the Business.

Property Damage Insurance and Business Interruption Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED 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 Policy pay to the Policyholder:

- 1 in respect of Property Damage Insurance, the amount of loss or at its option reinstate, repair or replace such Property,
- 2 in respect of Business Interruption Insurance, the amount of loss resulting from the interruption or interference with the Policyholder's Business at the Premises caused by the Damage, provided that:
 - A) 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.
 - B) in respect of Business Interruption Insurance, payment has been made or liability admitted for the Damage under a Policy 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 excluding liability for losses below a specified amount.

Property Damage and Business Interruption Covers

The following are the Covers insured unless stated as Covers not insured in the Schedule.

Covers

- 1 **A) Fire** (including smoke) excluding Damage:
 - i) by explosion resulting from fire,
 - ii) to Property caused by its undergoing any process involving the application of heat.
- B) **Explosion** excluding Damage 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, but this shall not exclude:
 - i) in respect of Property Damage Insurance, Damage caused by explosion of any boiler or gas used for domestic purposes only,
 - ii) in respect of Business Interruption Insurance, explosion of any boiler used for domestic purposes only or of any other boiler or economiser on the Premises or of 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 and malicious persons**, riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding Damage:
 - A) arising from nationalisation, confiscation, requisition or destruction by order of the government or any public authority,
 - B) arising from cessation of work,
 - C) i) in the course of theft or attempted theft,
ii) 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:
 - A) attributable solely to change in the water table level,
 - B) caused by frost, subsidence, ground heave or landslip,
 - C) to fences, gates and moveable property in the open.
- 5 **Escape of water** or oil from any tank, apparatus or pipe excluding Damage:
 - A) by water discharged or leaking from an automatic sprinkler installation,
 - B) 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 **Sprinkler Leakage**
The accidental escape of water from any automatic sprinkler installation excluding Damage:
 - A) by freezing in any Building which is empty or not in use,
 - B) by heat caused by fire.
- 8 **Theft** (which shall be deemed to include attempted theft) excluding Damage:
 - A) which does not involve
 - i) entry to or exit from that part of the Building occupied by the Policyholder for the purpose of the Business by forcible and violent means
or
ii) actual or threatened assault or violence.
 - B) to any part of the Building not occupied by the Policyholder for the purpose of the Business,
 - C) to property in the open or from any outbuilding,
 - D) to property in transit,
 - E) to Money and securities of any description.
- 9 **Subsidence**, ground heave or landslip excluding Damage:
 - A) arising from the settlement or movement of made-up ground or by coastal or river erosion,
 - B) occurring as a result of the construction, demolition, structural alteration or structural repair of any Property at the Premises,

- C) arising from normal settlement or bedding down of new structures,
- D) to yards, car parks, roads, pavements, forecourts, paved areas, walls, gates or fences unless a Building insured under this Policy is also affected,
- E) commencing prior to the granting of cover under this Policy.

10 Any other accident excluding Damage:

- A) by any of:
 - i) the Covers,
 - ii) the causes expressly excluded from the Covers specified in Covers 1-9 (whether or not insured).
- B) to any Property caused by:
 - i) its own faulty or defective design or materials,
 - ii) inherent vice, latent defect, gradual deterioration, wear and tear,
 - iii) faulty or defective workmanship, operational error or omission on the part of the Policyholder or any of their Employees,

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.

- C) caused by:
 - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects,
 - ii) change in temperature, colour, flavour, texture or finish,
 - iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any connected range of steam and feed piping,
 - iv) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which the breakdown or derangement originates,
 - v) caused by or consisting of the freezing, solidification or inadvertent escape of molten metal,

but this shall not exclude:

- i) such Damage which itself results from other Damage and is not otherwise excluded,
 - ii) subsequent Damage which itself results from a cause not otherwise excluded.
- D) caused by:
- i) acts of fraud or dishonesty,
 - ii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information,
 - iii) in respect of Business Interruption Insurance, erasure or distortion of information on computer systems or other records:
 - whilst mounted in or on any machine or data, processing apparatus or

- due to the presence of magnetic flux unless caused by Damage to the machine or apparatus in which the records are mounted.

- E) to:
 - i) a Building caused by its own collapse or cracking,
 - ii) moveable Property in the open, fences and gates by wind, rain, hail, sleet, snow, flood or dust,
 - iii) Property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
- F) to:
 - i) Property in transit,
 - ii) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft and aircraft,
 - iii) land, piers, jetties, bridges, culverts and excavations,
 - iv) livestock, growing crops and trees,
 - v) 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,
 - vi) overhead transmission lines.

11 Glass

Damage resulting from Accidental Breakage of Glass if Buildings not insured by the Policyholder.

12 Specified Items: 'All Risks'

- A) Damage by any cause excluding Damage caused by:
 - i) wear and tear, moth, vermin, atmospheric or climatic conditions or any gradually operating cause,
 - ii) alterations, maintenance, repairs or any process of cleaning or restoring,
 - iii) delay, confiscation or detention by order of any Government or Public Authority,
 - iv) counterfeit, substitute or foreign coins,
 - v) mechanical or electrical breakdown or derangement.
- B) Damage excluding:
 - i) 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,
 - ii) the contents of machines unless such contents are shown in the Schedule,
 - iii) depreciation, contamination or any other loss that arises directly or indirectly other than Damage to the Property insured itself,
 - iv) Damage consequent upon any person obtaining any Property by deception.

Property Damage – The Insurance Provided

In respect of Buildings and General Contents

(other than motor vehicles or directors' partners' and employees' personal effects).

The Company will pay:

- A 1)** the cost of reinstatement being where the Property is:
- i) destroyed the cost of rebuilding or in the case of General Contents the cost of its replacement by similar property (including the cost of re-erection, fitting and fixing),
 - ii) 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.

or

- A 2)** the Alternative Basis of Settlement being the value of the Property at the time of its destruction.

The Alternative Basis of Settlement will apply:

- i) until the cost of reinstatement has actually been incurred,
- ii) if the work of reinstatement is not carried out as quickly as is reasonably practicable,
- iii) 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 A1,
- iv) if in the Schedule it is stated that the Alternative Basis of Settlement applies.

plus in respect of A1 or A2 the cost of:

- B 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 and may be carried out upon another site (should the stipulations require).

The Company shall not be liable for requirements relating to: 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.

Cover is extended to include the additional cost of reinstatement in respect of undamaged portions, other than foundations, subject to a Limit of Liability of 15% of the total amount the Company would have been liable for had the building been totally destroyed. Provided that the Company will not be liable for such additional cost in respect of other Buildings Contents which have not sustained Damage,

- C 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:

- i) incurred in removing debris except from the site of such property damaged and the area immediately adjacent to such site,
- ii) arising from pollution or contamination of property not insured by this Policy.

- D professional fees** being those necessarily incurred in the reinstatement of the Property but not for preparing any claims.

Underinsurance in respect of Buildings and Contents

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.

In respect of A1

Declared Value shall mean the base value shown in brackets below the Sum Insured excluding any provision for inflation.

Insurable Amount shall be Day One Reinstatement Value.

Day One reinstatement shall mean the total of the insured costs A1, 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.

In respect of A2

Declared Value shall be 115% of the base value or if no base value is shown it shall be deemed to be the Sum Insured.

Insurable Amount shall mean 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:

- 1 the value of the materials as stationery,
- 2 the clerical labour expended in reproducing or writing up such documents,
- 3 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 Underinsurance in respect of Stock

If at the time of Damage the Sum Insured is less than the Insurable Amount the amount otherwise payable shall be proportionately reduced.

Insurable Amount shall mean the Contract Price of or the value at the time of Damage to all other Property.

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

1 if the loss relates to rent receivable by the Policyholder:

- A) the amount by which the **rent receivable** by the Policyholder during the period stated 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,
- B) 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 avoidedplus
 - 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, if 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 of 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.

2 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.

Underinsurance in respect of Rent

If at the time of Damage the Sum Insured is less than the Insurable Amount the amount otherwise payable shall be proportionately reduced.

Insurable Amount shall mean the annual rent receivable (or in the case of B 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.

Conditions

1 Statutory Regulation

Any pressure vessel or other machinery or apparatus belonging to or under the control of the Policyholder which requires inspection or test under any statute or order or regulation shall be so inspected or tested and the Policyholder shall implement any actions thereby required.

Business Interruption Insurance – The Insurance Provided

Item on Gross Profit

(unless shown as Not Insured in the Schedule)

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

1 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.

2 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

(unless shown as Not Insured in the Schedule)

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

1 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.

2 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 other 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 Accumulated Stocks

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover resulting from the Damage is postponed due to the Turnover being temporarily maintained from accumulated stocks of finished goods.

5 Payments on Account

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

6 Renewal Clause

It is a requirement 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.

Extensions

This Insurance section extends to include Damage and the amount of loss resulting from interruption or interference to the Policyholder's Business caused by the Damage in respect of the following additional Property, Premises and costs.

The Company's liability in respect of each and every extension shall not exceed the corresponding limit shown in the Schedule or as stated below.

1 Additional Metered Utility Charges

Any additional metered utility charges that are incurred by the Policyholder, solely as a result of Damage insured by this Policy, except for those in respect of any loss which has not been discovered and remedial action has been taken within 30 days of the Damage occurring.

The amount payable by the Company shall be determined by comparing charges made by the suppliers on the Policyholder's account during the period in which the loss occurred, with the normal charge (as may be adjusted to take into account any relevant factors affecting the Policyholder's liability for metered charges during such period). The Limit of Liability being £25,000.

2 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.

3 Branded Goods

In the event of Damage to branded or labelled goods or merchandise, any salvage will not be disposed of by sale, without the consent of the Policyholder. If such salvage is not disposed of by sale then the Damage shall be assessed at the value agreed between the Policyholder and the Company and be taken into consideration in the settlement of the claim.

4 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 Policy, from the time the Policyholder became responsible for it until the next renewal of the Policy, when 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 no more than 10% and subject to the Company's liability not exceeding £1,000,000 in respect of additional Property at any one Premises.

5 Claims Preparation Costs

The exceptional costs, not otherwise covered, necessarily and reasonably incurred by the Policyholder with the prior consent of the Company, in producing and certifying any particulars or details required by the Company in respect of a claim, in accordance with the Claims Conditions admitted under this Policy.

These costs shall not include the costs of negotiation with the Company or its representatives.

The Company shall not be liable for more than the percentage amount in respect of any one settlement stated below or the Limit of Liability, whichever is the lower amount.

Total Loss Settlement	Percentage of Loss Settlement
Amounts up to £100,000	2%
Amounts between £100,000 and £2,000,000	1.5%
Amounts above £2,000,000	1.0%

The Limit of Liability being £25,000.

6 Clearance of Drains

The costs necessarily incurred in cleaning and repairing drains, gutters and sewers for which the Policyholder is responsible in consequence of Damage to the Property. The Limit of Liability being £25,000.

7 Fire Extinguishment, Accidental Gas Discharge and Alarm Resetting Expenses

Any reasonable costs incurred by the Policyholder:

- A) in refilling fire extinguishing appliances and replacing used sprinkler heads,
- B) in recharging gas flooding systems installed for the protection of the Property insured,
- C) in resetting fire and intruder alarms,
- D) of fire brigade charges,

all solely in consequence of insured Damage to the Property insured or in respect of B) arising out of the accidental discharge thereof. The Limit of Liability being £25,000.

8 Inadvertent Errors and Omissions

The Policyholder, having notified the Company of their intention to insure all Property within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man, in which they are interested and it being their belief that all such Property is insured, if subsequently any such Property shall be found to have been inadvertently omitted or there has been an accidental or inadvertent error by the Policyholder within the Sums Insured declared, the Company will deem such Property to be insured appropriately within the terms of this Policy, provided that the Policyholder shall notify the Company as soon as any inadvertent error or omission comes to their knowledge in order to effect the appropriate additional insurance retrospective to the date during the Period of Insurance when insurance for the property became necessary or the incorrect sum insured was declared and to pay the appropriate additional premium. The Limit of Liability being £500,000.

9 Involuntary Betterment

The costs described below in the event that Property insured suffers Damage to the extent that it cannot be economically repaired and replacement property of like kind and quality is not obtainable:

- A) New Property that is as similar as possible to that suffering Damage and that is capable of performing the same function shall be deemed to be new Property of like kind and quality and in no event shall this be considered as a betterment to the Policyholder.
- B) The Company will also pay the cost of purchasing and installing technologically current equipment, which is necessitated by incompatibility between new equipment installed to replace equipment suffering Damage and undamaged existing equipment at the same or an interdependent location.

Provided that the Company shall:

- 1) be liable only for the amount sufficient to enable the Policyholder to resume operations in substantially the same manner as before the Damage,
- 2) be liable only for the difference between the highest sales value of the undamaged existing equipment at the same or interdependent location and the installed cost of the technologically current equipment. The Limit of Liability being £50,000.

10 Landscaped Grounds

The reasonable costs incurred by the Policyholder in consequence of Damage to Property insured at the Premises in restoring landscaped grounds (including trees, plants and turf forming part thereof) to their original appearance when first laid out and planted, but excluding any cost arising from the failure of trees, plants and turf to germinate or become established. The Limit of Liability being £25,000.

11 Loss Reduction Expenses and Temporary Repairs

The costs and expenses reasonably incurred by the Policyholder in:

- A) preventing or reducing losses in the event of imminent Damage which would have been insured under this Policy,
- B) reducing losses as a result of Damage insured under this Policy,
- C) undertaking temporary repairs upon or expediting the permanent repair or replacement of Property Insured that has suffered Damage.

Provided that in respect of A) and B):

- i) the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred,
- ii) the costs and expenses incurred did avoid or mitigate the Damage,
- iii) the Company's liability shall not exceed the amount of Damage thereby avoided.

The Limit of Liability being £25,000.

12 Mitigation of Environmental Impact

Any reasonable costs incurred by the Policyholder, if in consequence of Damage, the Policyholder elects (with the prior agreement of the Company) to reinstate Buildings and/or General Contents in a manner that aims to reduce the impact on the environment but which increases the cost of reinstatement, then this Policy extends to include the reasonable additional costs incurred by the Policyholder for such purposes and this shall not be considered as betterment to the Policyholder.

Provided that:

- A) such reasonable additional costs shall include but not be limited to costs incurred in:
 - i) using sustainable construction materials,
 - ii) modifying design or materials in order to reduce carbon emissions or atmospheric pollution or to improve energy efficiencies.
- B) this Extension includes the reasonable additional cost of reinstatement in respect of undamaged portions of Property provided that the Company shall not be liable for such additional cost in respect of any Building or item of contents that has not sustained Damage,
- C) such costs shall exclude those associated with removing debris,

- D) the Company shall not be liable for:
- i) such additional costs for work already planned by the Policyholder prior to the Damage,
 - ii) more than the Limit of Liability. The Limit of Liability being £50,000 or 5% of the total loss, whichever is the lesser amount.

13 Mortgagees and Lessors

Any increase in the risk of Damage resulting from any act or neglect of any mortgagor, lessee or occupier of any Buildings insured by this Policy will not prejudice the interest of any mortgagee, lessor or freeholder provided such increase in risk is without knowledge or authority and the Company is notified immediately they become aware of such increase in risk and pay an additional premium if required.

14 Motor Vehicles

Stationary motor vehicles licensed for road use owned or leased by the Policyholder whilst situated at the Premises, but only to the extent that they are not otherwise insured. The Limit of Liability being £50,000.

15 Non-Invalidation

The insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased, unknown to or beyond the control of the Policyholder, provided that immediately they become aware thereof they shall give notice to the Company and pay an additional premium if required

16 Other Interests

It is agreed that the various parties may have a legal interest in part of the Property insured by this Policy and the Policyholder undertakes to declare the names, nature and extent of any interest of any such parties at the time of Damage.

17 Property at Other Locations

Property insured whilst removed from the Premises as indicated below except that:

- A) this extension applies only in so far as the Property is not otherwise insured,
- B) this extension applies only to Damage occurring within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,
- C) the Company's liability for any one loss shall not exceed the Limit of Liability stated below;

Limit of Liability for any one loss:

- i) Documents, manuscripts and business books at any location and whilst in transit – the limit stated in the General Contents definition
- ii) Stock (excluding goods held in trust) at any location used by the Policyholder for storage – 10% of the relative Sum Insured but in no case exceeding £250,000.
- iii) 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 – 10% of the relative Sum Insured but in no case exceeding £250,000.

18 Property Temporarily Removed

Any Premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man not occupied by the Policyholder but used by the Policyholder:

- A) to store records,
- or
- B) for the cleaning, renovation, repair or other similar purposes of machinery and plant (but not motor vehicles) whilst temporarily removed from the Premises and in transit by road, rail, air or inland waterway to and from the Premises all in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man. The Limit of Liability being £250,000.

19 Reinstatement

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

The Company may reinstate or replace any Property Damaged without being bound to reinstate exactly or completely but only as circumstances permit and without detriment to the Policyholder. The Policyholder shall, at their expense, provide the Company with all such plans, documents, books and information as the Company may reasonably require.

20 Salvage Sales

If, following Damage giving rise to a claim under this Policy, the Policyholder holds a salvage sale during the Indemnity Period, clause A of the insurance provided in respect of any Business Interruption item shall read as follows:

- 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 (less the Turnover for the period of the salvage sale) falls short of the Standard Turnover in consequence of the Damage from which the amount shall be deducted the Gross Profit actually earned during the period of the salvage sale.

21 Sprinkler Upgrading Costs

The additional costs incurred by the Policyholder in upgrading any existing automatic sprinkler installation to conform to the current Loss Prevention Council (LPC) rules solely as imposed upon the Policyholder by the Company following insured Damage.

Provided that at the time of Damage the sprinkler installation conformed to the LPC rules current at the time of installation but did not conform to subsequent amendments to those rules. The Limit of Liability being £100,000.

22 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 by this Policy) if the Policyholder is responsible for the repairs and the Damage is not otherwise insured,
- B) the reasonable expenses (not exceeding £5,000) 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.

23 Trace and Access

The costs necessarily and reasonably incurred by the Policyholder, in the event of Damage, resulting from escape of water or oil as covered by the Policy in locating the cause of such Damage and subsequently making good. The Limit of Liability being £25,000.

24 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.

25 Unauthorised Use of Water, Gas, Electricity and Oil

The costs of metered water, gas, electricity and oil for which the Policyholder is legally responsible arising from its unauthorised use by persons taking possession of or occupying the Premises without the consent of the Policyholder. The Limit of Liability being £25,000.

26 Undamaged Stock

The insurance in respect of Stock extends to include undamaged Stock that deteriorates, is condemned or otherwise becomes unusable resulting solely from Damage as insured to other Property insured. The Limit of Liability being £25,000.

27 Workmen

Workmen are allowed in and about the Premises for the purpose of carrying out minor alterations, repairs, decoration and general maintenance and the like without prejudice to the terms of the Policy.

Exclusions

Exclusions applicable to Property Damage and Business Interruption Insurances

This Policy does not cover:

1 Intruder Alarm

Damage by Cover 8 Theft at any Premises where:

- A) the Policyholder has knowingly and wilfully failed to maintain the Intruder Alarm protection,
- or
- B) all of the following apply
 - i) An Intruder Alarm is a requirement of cover and is shown in the Schedule
 - ii) The Premises are unattended
 - iii) The maintenance and efficacy of the Intruder Alarm are the Policyholder's responsibility
 - iv) The failure of the Intruder Alarm is a major contributor to Damage
 - v) The Company has not been informed of the absence of alarm protection.

2 Electronic Risk

- A) Damage to Data which shall include but shall not be limited to:
 - i) Damage to or corruption of Data whether in whole or in part,

- ii) unauthorised appropriation of, use of, access to or modification of Data,
- iii) unauthorised transmission of Data to any third parties,
- iv) Damage arising out of any misinterpretation, use or misuse of Data,
- v) Damage arising out of any operator error in respect of Data.

B) Damage to the Property Insured arising directly or indirectly from:

- i) the transmission or impact of any Virus,
- ii) unauthorised access to a System,
- iii) 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,
- iv) Failure of a System,
- v) anything described in A) above

but in respect of B)i), B)ii), B)iii) and B)iv) 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.

3 Marine

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.

4 Policyholder's Contribution

The Policyholder's Contribution, as 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 this Policy including the Underinsurance provision.

Damage caused by Covers 2 (Earthquake) and 4 (Storm or Flood) occurring continuously or intermittently within any period of 72 consecutive hours shall be deemed to constitute one loss, provided that, in the event of expiry or cancellation of this Policy any such period may not end later than the termination of the Period of Insurance, such period shall be deemed to have commenced on the first happening of such Damage.

5 Pollution and Contamination

Damage to any property and any loss or expense or liability resulting or arising there from 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.

6 Property Excluded

Damage to Property which is more specifically insured, Property in transit, vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft and aircraft, land, piers, jetties, bridges, culverts and excavations, livestock, growing crops and trees, 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 or overhead transmission lines.

7 Sprinkler Protections

Damage by Cover 1A) Fire at any Premises where sprinkler protection is a requirement of cover and is shown in the Schedule if:

- A) The Policyholder has knowingly and wilfully failed to maintain the system,
- or
- B) All of the following apply:
 - i) The maintenance and efficacy of the system are the Policyholder's responsibility.
 - ii) The failure of the sprinkler protection is a major contributor to Damage.
 - iii) The Company has not been informed of the absence of sprinkler protection.

8 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.

Definitions

Property Damage Definitions

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.

Property Insured

Buildings, General Contents, Stock, other property or interests all as defined below at the Premises as described in the Schedule and all being the property of the Policyholder or for which they are responsible.

Buildings

Landlord's fixtures and fittings in and on the buildings, small outside buildings, extensions, annexes, gangways, walls, gates, fences, yards, car parks, roads, pavements, forecourts, paved areas, solar panels, wind turbines attached to the buildings, fixed signage, canopies, street furniture, building management security systems, landscaping, recreational features, foundations, glass, telephone, gas and water mains, electrical instruments, meters, piping, cabling 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 and instruments for an amount not exceeding £2,500 per person,

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, credit company sales vouchers, VAT purchase invoices, Premium Bonds, bills of exchange, 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.

Glass

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

Policyholders Contribution

The first monetary amount of any claim borne by the Policyholder at each separate Premises as ascertained after the application of all other terms and conditions as described in the relevant insurance section.

Business Interruption Definitions

Indemnity Period

The period beginning when the Damage occurs, 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 work done and 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

Those costs that vary directly with the output or the sales revenue of a company and shall mean:

- A) Purchases and related discounts,
- B) 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 Insurable Amount B) below).

Rate of Gross Profit

The rate which Gross Profit would have borne to Turnover, during the Indemnity Period, if the Damage had not occurred and allowing for trends of the Business or circumstances which would have affected the Business irrespective of the Damage occurring.

Standard Turnover or Standard Gross Revenue

The Turnover or Gross Revenue which would have been obtained during the Indemnity Period, if the Damage had not occurred and allowing for trends of the Business or circumstances which would have affected the Business irrespective of the Damage occurring.

Insurable Amount

The Gross Profit or Gross Revenue which would have been earned in the twelve months immediately following the date of Damage, if the Damage had not occurred and allowing for trends of the Business or circumstances which would have affected the Business irrespective of the Damage occurring.

The following notes refer to the Business Interruption Definitions stated above:

- A) 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.
- B) In the definitions of:
 - i) Estimated Gross Profit and Insurable Amount,
 - or
 - ii) Estimated Gross Revenue and Insurable Amount,

the amount of Gross Profit or Gross Revenue shall be proportionately increased to correspond with the Maximum Indemnity Period where it exceeds twelve months.

Money Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

Section 1 – Money

The Company will indemnify the Policyholder up to the Limit of Liability shown in the Schedule or as stated below for any Damage to Money and property described in items 1A), 1B), 1C) and 2 below occurring during the Period of Insurance.

The Insurance Provided

Item	Limit of Liability any one loss
1 A) Money in the Policyholder's Premises during Working Hours or in transit or in a bank night safe until at the bank's risk or at any of the Policyholder's contract sites during Working Hours. B) Money in the Policyholder's Premises out of Working Hours: 1) in specified locked safes or strong-rooms 2) in all other locked safes or strong-rooms 3) not in a locked safe or strong-room C) Money in the Policyholder's residence or that of any of the Policyholder's directors, partners or employees, the Limits of Liability being: 1) while in a locked safe or while an adult is in the residence 2) otherwise	as shown in the Schedule as shown in the Schedule as shown in the Schedule £250 £500 £250
2 Non-negotiable Money	£250,000

Exclusions

The Company shall not be liable for:

- 1 Discovery Period**
Loss by theft by any director, partner or employee of the Policyholder not discovered within seven working days of the occurrence.
- 2 Error or Omission**
Shortage due to error or omission.
- 3 Unattended Vehicle**
Loss from an Unattended Vehicle.
- 4 Counterfeit Money**
Loss due to the use of counterfeit Money.
- 5 Northern Ireland**
Loss or damage arising from riot or civil commotion in Northern Ireland.

6 Outside the United Kingdom

Loss or damage not within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

7 Physical Security

Loss whenever the Business Premises are left unattended if all locks, bolts and other protective devices are not in full and effective operation.

8 Removal of Keys

Loss whenever the Business Premises are left unattended if all keys (including those relating to any part of the Intruder Alarm system) are not removed from the Business Premises.

9 Safe Keys and Combinations

Loss in respect of Items 1B1) and 1B2) out of Working Hours if all keys and notes of combination lock letters and numbers of safes and strong-rooms containing Money are not removed from the Business Premises.

10 Intruder Alarm

Loss at any Premises where:

- A) the Policyholder has knowingly and wilfully failed to maintain the Intruder Alarm protection,
- or
- B) all of the following apply
 - i) An Intruder Alarm is a requirement of cover and is shown in the Schedule
 - ii) The Premises are unattended
 - iii) The maintenance and efficacy of the Intruder Alarm are the Policyholder's responsibility
 - iv) The failure of the Intruder Alarm is a major contributor to Damage
 - v) The Company has not been informed of the absence of alarm protection.

11 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.

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 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.

Section 2 – Personal Injury (Robbery)

The Insurance Provided

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Death, Disablement or the incurring of Medical Expenses for which the Benefit is claimed, the Company will pay the appropriate Benefit to the Policyholder in respect of the number of Units of Cover as shown in the Schedule.

Number of Units 5 shall mean:

Benefit

1	Death	£25,000
2	Loss of one or more Limbs	£25,000
3	Loss of one or both Eyes	£25,000
4	Permanent Total Disablement from any gainful employment for which the Insured Person is fitted by way of training education or experience	£25,000
5	Temporary Total Disablement from the Insured Person's usual occupation in the Business	
		£250 per week, or 1/52nd of the Insured Person's Annual Salary, whichever is the lesser.
6	Medical Expenses shall be reimbursement up to 15% of any amount payable under Benefits 1 to 5 in respect of Medical Expenses necessarily incurred in the treatment of the Insured Person.	

Conditions

1 Application of Benefits

- A) The Company will not pay in respect of any one Insured Person in connection with the same Accident more than one of Benefits 1 to 4.
- B) Any disablement under Benefits 2 to 4 must be proved to the reasonable satisfaction of the Company to be permanent and without expectation of recovery before the Company will pay the Benefit.
- C) The Company will pay any amount claimed for Benefit 5 in addition to any amount claimed under Benefits 1 to 4 in connection with the same Accident, but, any payment under Benefit 5 will cease as soon as any Benefit is paid under Benefits 1 to 4.
- D) The amount payable per week under Benefit 5 will not exceed 1/52nd of the Insured Person's Annual Salary.

2 Assignment

The Company will not be bound to accept or be affected by any trust charge lien assignment or other dealing with or relating to this Policy.

3 Disappearance

In the event of the disappearance of an Insured Person if after a suitable period of time it is reasonable to believe that Death has occurred as a result of bodily injury following an Accident, Benefit 1 shall become payable, subject to a signed undertaking by the Policyholder that if the belief is subsequently found to be wrong such amount shall be refunded to the Company.

4 Evidence Required

In connection with any claim:

- A) all medical certificates, reports, information and evidence required by the Company to substantiate that claim must be supplied at the Insured Person's own expense and in such form as the Company may reasonably require;
- B) the Insured Person must undergo a medical examination and provide medical evidence to the Company (at the Company's expense) as often as the Company may reasonably require following receipt of that claim; and
- C) no benefit shall be payable in respect of that claim where the Insured Person fails to undergo such medical examination or provide such medical evidence as referred to in (b) above.

5 Exposure

If an Insured Person suffers Death or Disablement as a result of exposure to the elements the Company will consider that as having been caused by bodily injury following an Accident.

6 Interest

No sum payable shall carry interest.

Exclusions

The Company will not pay any Benefit where bodily injury following an Accident is the result of or is contributed to by:

- 1 illness or disease (not resulting from bodily injury following an Accident),
- 2 any naturally occurring condition or degenerative process,
- 3 any gradually operating process,
- 4 post traumatic stress disorder or any psychological or psychiatric condition (not resulting from bodily injury following an Accident).

The Company will not pay the Benefit if:

- 5 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 eighty years.

Definitions

Applicable to Section 1 – Money and Section 2 – Personal Injury (Robbery)

1 Accident

Accident shall mean;

- A) a sudden and
- B) unexpected or unforeseen and
- C) identifiable incident.

2 Annual Salary

Annual Salary shall mean the Insured Person's total annual remuneration excluding payments for overtime commission or bonus (unless otherwise agreed in writing) payable by the Policyholder to the Insured Person at the date bodily injury following an Accident is sustained.

3 Benefit and Units of Cover

Benefit and Units of Cover shall mean;

- 1 Death, or
- 2 Loss of one or more Limbs, or
- 3 Loss of one or both Eyes, or
- 4 Permanent Total Disablement from any gainful employment for which the Insured Person is fitted by way of training education or experience

In respect of Benefits 1 to 4, the 5 Units of Cover shown in the Schedule equate to £25,000.

- 5 Temporary Total Disablement from the Insured Person's usual occupation in the Business for the amount shown in the Schedule.

In respect of Benefit 5, the 5 Units of Cover shown in the Schedule equate to £250 per week, which will be payable per week for a maximum of 104 weeks in all, not necessarily consecutive. See also Special Condition 4.

4 Disablement

Disablement shall mean Benefits 2 to 5

5 Money

Cash, bank notes, currency notes, uncrossed cheques, travellers cheques (but excluding pre-signed blank cheques), uncrossed bankers' drafts, uncrossed postal orders, uncrossed money orders, current postage and revenue stamps, bills of exchange, consumer redemption vouchers, gift tokens and trading stamps.

6 Non-negotiable Money

Crossed cheques (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 and VAT purchase invoices belonging to the Policyholder or for which the Policyholder is responsible and pertaining to the Business.

7 Operative Time

Operative Time shall mean while the Insured Person is engaged upon duties incidental to the Business and as a direct result of attempted robbery or actual robbery.

8 Working Hours

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.

9 Insured Person

Insured Person shall mean the Policyholder or any director, partner or Employee of the Policyholder.

10 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, or
- B) in the case of an arm loss by physical severance of the entire four fingers through or above the metacarpo-phalangeal joints (where the fingers join the palm of the hand) or permanent total loss of use of a complete arm or hand.

11 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, or
- 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).

12 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.

Terrorism Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED 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 in so far 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
A) Great Britain	As otherwise specified in this Policy
B) Elsewhere in the world	Not insured

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 in so far as they are hereby expressly varied.

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 directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:

- A) the alteration modification distortion corruption of or Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software),
- or
- B) any alteration modification distortion erasure corruption of data processed by any such computer or other equipment or component or system or item,

whether the property of the Policyholder or not where such loss is directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.

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, Wales and Scotland but not the territorial seas adjacent to (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 of other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

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.

Phishing

means any access or attempted access to data or information made by means of misrepresentation or deception.

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.

This definition only applies to Property held in trust or as part of a sole trader's business and not their private residence(s).

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.

Liability Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

Section 1 – Employers' Liability

THIS SECTION DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The insurance provided by Section 1 is on a costs inclusive basis whereby the costs and expenses of the claimant and the costs and expenses (incurred by the Company or with the Company's written approval) of any Person Entitled to Indemnity are included within the Limit of Indemnity stated in the Schedule

The Insurance Provided

The Company will provide indemnity to any Person Entitled to Indemnity:

- 1 against legal liability for damages in respect of Injury of any Person Employed caused during the Period of Insurance:
 - A) in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,or
 - B) while temporarily outside these territories,arising out of and in the course of employment by the Policyholder in the Business.
- 2 in respect of:
 - A) claimants' costs and expenses which the Policyholder is legally liable to pay in connection with any claim,
 - B) the costs of legal representation at any coroner's inquest or inquiry in respect of any death.
 - C)
 - i) costs of legal representation at proceedings in any court arising out of any alleged breach of statutory duty, resulting in Injury which may be subject of indemnity under this Section including the defence of any criminal proceedings brought against the Policyholder, director or partner or Employee of the Policyholder for a breach of the Corporate Manslaughter and Corporate Homicide Act 2007, or an offence of corporate manslaughter or corporate homicide or a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.
 - ii) costs and expenses of legal representation at any appeal against conviction if in the opinion of Counsel (appointed by mutual consent) such appeal could be contested with the probability of success.

where the Company has an interest in the outcome of the proceedings,

- D) all other legal costs and legal expenses in relation to any matter which may form the subject of a claim for indemnity under this Section of the Policy,

incurred with the Company's prior written approval.

General Provisions

Provided that in respect of any one Event:

- 1 the total amount payable under this section of the Policy (including all Extensions, additional Clauses and Memoranda) shall not exceed the Limit of Indemnity,
- 2 the Company may at any time pay the Limit of Indemnity (less any sums already paid or incurred) or any less amount for which, at the absolute discretion of the Company, the claims arising out of such Event can be settled.

The Company will then relinquish control of such claims and be under no further liability in respect thereof,

- 3 the total amount payable by the Company in respect of all damages costs and expenses, arising out of all claims during the Period of Insurance consequent on or attributable to one source or original cause, irrespective of the number of Persons Entitled to Indemnity, having a claim under the Policy on or attributable to that one source or original cause, shall not exceed the Limit of indemnity stated in the Schedule.

For the purposes of the Limit of Indemnity, all of the Persons Entitled to Indemnity under this Policy shall be treated as one party or legal entity, so that there will be only two parties to the contract of insurance namely the Company and the Policyholder.

Extensions to Section 1

(each of which is subject otherwise to the terms of this Policy)

1 Unsatisfied Court Judgments

In the event of a judgment for damages being obtained:

- A) by any Employee or the personal representatives of any Employee in respect of Injury of the Employee caused during any Period of Insurance and arising out of and in the course of employment by the Policyholder in the Business,
- B) against any company or individual operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,

in any court situate in the territories specified in B) above and

- C) remaining unsatisfied in whole or in part six months after the date of such judgment,

at the request of the Policyholder the Company will pay to the Employee or the personal representatives of the Employee the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided that:

- A) there is no appeal outstanding,
- B) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgment to the Company.

2 Compensation for Court Attendance

In the event of any of the under mentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Policyholder is entitled to indemnity under this Section the Company will provide compensation to the Policyholder at the following rates per day for each day on which attendance is required:

- A) any director or partner of the Policyholder £750
- B) any Employee £500

3 Automatic Acquisitions

The indemnity provided by this Section of the Policy shall apply in respect of any new or acquired company within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands from the date of creation or acquisition.

Provided that:

- A) the activity of such company falls within the Business description stated in the Schedule,
- B) the new creation or acquisition does not have an annual turnover in excess of 10% of the Policyholder's annual turnover as declared to the Company at the beginning of the Period of Insurance or £10,000,000 whichever is the lesser,
- C) the Policyholder shall submit full claims and underwriting information to the Company within 60 days after such creation or acquisition,

the Company shall have the right to make any additional charges or changes in terms in respect of such new creation or acquisition.

Exclusions to Section 1

The indemnity will not apply to legal liability:

1 Radioactive Contamination

of whatsoever nature 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,

where such legal liability is:

- 1) that of any principal
- 2) accepted under agreement and would not have attached in the absence of such agreement.

2 Road Traffic Legislation

in respect of Injury for which the Policyholder is required to arrange motor insurance or security in accordance with any road traffic legislation within the European Union.

3 Fines or Penalties

for:

- A) fines or penalties:
- B) the costs of appeal against any improvement or prohibition notices,
- C) fees for intervention payable under the Health and Safety Fees (Regulations) 2012.
- D) compensation ordered or awarded by a Court of Criminal Jurisdiction.

Section 2 – Public/Products Liability

THIS SECTION DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The Insurance Provided

The Company will provide indemnity to any Person Entitled to Indemnity:

1 up to the Limit of Indemnity against legal liability for damages in respect of:

- A) accidental Injury of any person,
- B) accidental loss of or damage to Property,
- C) nuisance, trespass to land or trespass to goods or interference with any easement, right of air, light, water or way other than legal liability for damages which result from a deliberate act or omission of the Policyholder or which is a natural consequence of the ordinary conduct of the Business and which could reasonably have been expected by the Policyholder, having regard to the nature and circumstances of such act or omission,
- D) wrongful arrest or false imprisonment,

happening during the Period of Insurance in connection with the Business.

2 in respect of:

- A) claimant's costs and expenses which the Policyholder is legally liable to pay in connection with any claim,
- B) the costs of legal representation at any coroner's inquest or inquiry in respect of any death,
- C) i) costs of legal representation at proceedings in any court arising out of any alleged breach of statutory duty resulting in Injury which may be subject of indemnity under this Section including the defence of any criminal proceedings brought against the Policyholder, director, partner or Employee of the Policyholder for a breach of the Corporate Manslaughter and Corporate Homicide Act 2007, or an offence of corporate manslaughter or corporate homicide or a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978,
ii) costs and expenses of legal representation at any appeal against conviction if in the opinion of Counsel (appointed by mutual consent) such appeal could be contested with the probability of success,

where the Company has an interest in the outcome of the proceedings.

- D) all other legal costs and legal expenses in relation to any matter which may form the subject of a claim for indemnity under this Section of Policy,

incurred with the Company's prior written approval.

General Provisions

Provided that in respect of:

- A) any one Event,
- B) all Events happening during the Period of Insurance in respect of products supplied,
- C) all incidents considered by the Company to have occurred during the Period of Insurance in respect of pollution or contamination of buildings or other structures or of water, or of land, or of the atmosphere,

the following shall apply:

- 1) the total amount payable by the Company in respect of **1** above and all Extensions, Clauses and Memoranda shall not exceed the Limit of Indemnity.
- 2) the Policyholder's Contribution will be payable before the Company shall be liable to make any payment.
- 3) the Company may at any time pay the Limit of Indemnity (less any sums already paid as damages) or any less amount for which, at the absolute discretion of the Company, the claims arising out of such Event can be settled.

The Company will then relinquish control and be under no further liability in respect of such claims except for costs and expenses for which the Company may be responsible prior to the date of such payment.

- 4) where the Company is liable to indemnify more than one person the total amount of indemnity in respect of damages shall not exceed the Limit of Indemnity.
- 5) the total amount payable by the Company in respect of all damages arising out of all claims during the Period of Insurance consequent on or attributable to one source or original cause, irrespective of the number of Persons Entitled to Indemnity having a claim under this Policy consequent on or attributable to that one source or original cause, shall not exceed the appropriate Limit of Indemnity stated in the Schedule.

For the purposes of the Limit of Indemnity, all of the Persons Entitled to Indemnity under this Policy shall be treated as one party or legal entity so that there will be only two parties to the contract of insurance namely the Company and the Policyholder both as defined herein.

- 6) in respect of claims happening or where a claim is brought in North America, all costs and expenses of the claimant and the costs and expenses (incurred by the Company or with the Company's written approval) of any Person Entitled to Indemnity are included within the Limit of Indemnity stated in the Schedule.

Extensions to Section 2

(each of which is subject otherwise to the terms of this Policy)

1 Advertising Injury

The Company will indemnify the Policyholder in respect of legal liability for Advertising Injury committed during the Period of Insurance.

This Extension shall not apply in respect of:

- A) liability arising from or caused by a deliberate or intentional act or omission of any person eligible for indemnity by this Extension if the result thereof could reasonably have been expected by the Policyholder or any other person having regard to the nature and circumstances of such act or omission,
- B) claims which arise out of circumstances notified to previous insurers or known to the Policyholder at inception of this Extension,
- C) Advertising Injury where indemnity is provided by any other insurance,
- D) Advertising Injury arising out of a breach of contract except an implied contract to use another's advertising idea,
- E) Advertising Injury arising out of the failure of goods products or services to conform with any statement of quality or performance,
- F) Advertising Injury arising out of the wrong description of the price of goods products or services,
- G) Advertising Injury committed by an Policyholder whose Business is any of the following:
 - i) advertising broadcasting publishing or telecasting,
 - ii) designing or determining the content of web-sites for others,
 - iii) providing an internet search access content or service provider,
- H) Advertising Injury arising out of electronic bulletin boards or chatrooms that the Policyholder hosts owns or exercises control over.

2 Automatic Acquisitions

The indemnity provided by this Section of the Policy shall apply in respect of any new or acquired company within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands from the date of creation or acquisition.

Provided that:

- A) the activity of such company falls within the Business description stated in the Schedule,
- B) the new creation or acquisition does not have an annual turnover in excess of 10% of the Policyholder's annual turnover as declared to the Company at the beginning of the Period of Insurance or £10,000,000, whichever is the lesser,
- C) the Policyholder shall submit full claims and underwriting information to the Company within 60 days after such new creation or acquisition,

the Company shall have the right to make any additional charges or changes in terms in respect of such new creation or acquisition.

3 Clean Up Costs

In the event of a Sudden Pollution or Contamination Incident the Company will provide indemnity to any Person Entitled to Indemnity in respect of:

- 1) Clean up costs arising solely under a statutory provision that operates in any part of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,
- 2) i) costs or expenses in relation to any matter which may form the subject of indemnity under this Extension incurred with the Company's prior written approval,
 - ii) costs and expenses incurred with the Company's prior written approval in any appeal against any statutory notice served or to be served upon the Policyholder by any enforcing authority for any enforcement action which would be the subject of indemnity under this Extension if in the opinion of Counsel (appointed by mutual consent) such appeal could be contested with the probability of success).

The indemnity provided by this Extension shall not exceed the Limit of Indemnity and will not apply to costs (including Clean up Costs):

- A) incurred in achieving any improvement, betterment or alteration in any original property,
- B) for remedial action carried out or in relation to property which at the time of the Sudden Pollution or Contamination Incident giving rise to such legal liability is owned by or held in trust by or in the custody or control of the Policyholder,
- C) incurred in relation to the reinstatement, reintroduction or provision of any living organism or natural habitat,
- D) arising out of a genetically modified organism,
- E) comprising the first 10% of any one Sudden Pollution or Contamination Incident subject to a minimum contribution by the Policyholder of £2,500 and a maximum contribution of £25,000,
- F) arising solely from the Policyholder's liability under legislation operating in any part of Great Britain or Northern Ireland which implements Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage including the Environmental Damage (Prevention and Remediation) Regulations 2009,
- G) for incidents happening in North America or where a claim is brought in North America.

Provided that:

- 1) all costs covered under **1)** and **2)** will form part of and not exceed the Limit of Indemnity shown in the Schedule for all incidents considered by the Company to have occurred during the Period of Insurance in respect of pollution or contamination of buildings or other structures or of water or land or the atmosphere,
- 2) the total amount payable under this Extension shall not exceed £250,000.

4 Compensation for Court Attendance

In the event of any of the following persons attending court as a witness, at the request of the Company, in connection with a claim, in respect of which the Policyholder is entitled to indemnity under this Section of the Policy the Company will provide compensation to the Policyholder at the following rates per day for each day on which attendance is required:

- A) any director or partner of the Policyholder £750
- B) any Employee £500

5 Contingent Motor Liability

Notwithstanding Exclusion 8A) the Company will provide indemnity to the Policyholder against legal liability for Injury, or loss or damage to Property arising out of the use in the course of the Business by any Employee of any Vehicle not the property of nor provided by the Policyholder.

The indemnity will not apply to legal liability:

- A) in respect of loss of or damage to such Vehicle or to property within the Vehicle,
- B) in respect of which the Policyholder is entitled to indemnity under any other insurance,
- C) arising out of the use of any Vehicle whilst Airside.

Exclusion 5 shall not apply to this Extension.

6 Cross Liabilities

If the Policyholder comprises more than one party the Company will provide indemnity to each in the same manner and to the same extent as if a separate Policy had been issued to each:

Provided that the total amount payable in respect of damages shall not exceed the Limit of Indemnity stated in the Schedule.

7 Data Protection Act 1998

The Business shall include the provision of any reciprocal arrangement for the storage or processing of computer data or for use of computer facilities;

Provided that the indemnity will not apply to legal liability in respect of any loss or damage sustained by any party to such an arrangement.

The Company will also provide an indemnity to the Policyholder and if the Policyholder so requests any Employee or director or partner of the Policyholder against legal liability to pay damages and claimant's costs and expenses for damage or distress as described in Section 13 of the Data Protection Act 1998.

Provided that the Policyholder is registered in accordance with the terms of the Act or has applied for such registration which has not been refused or withdrawn and has taken all reasonable care to comply with the requirements of the Data Protection Act 1998.

This Extension shall not apply in respect of:

- A) the payment of fines or penalties,
- B) the costs of replacing, reinstating, rectifying, erasing, blocking or destroying any personal data,
- C) liability arising from or caused by a deliberate or intentional act by or omission of any person eligible for indemnity by this Extension, if the result thereof could reasonably have been expected by the Policyholder or any other person having regard to the nature and circumstances of such act or omission,
- D) claims which arise out of circumstances notified to previous insurers or known to the Policyholder at inception of this Extension,
- E) legal liability where indemnity is provided by any other insurance.

8 Defective Premises Act

The Company will provide indemnity in respect of legal liability for Injury, or loss of or damage to Property, incurred by virtue of the provisions of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975.

The indemnity will not apply to legal liability:

- A) for the costs of remedying any defect or alleged defect in premises disposed of by the Policyholder,
- B) for the costs of remedying the presence of Asbestos Asbestos Dust or Asbestos Containing Materials,
- C) to the extent that indemnity is provided from any other source.

9 Excess Motor Liability

Notwithstanding Exclusion 8 A), the Company will provide indemnity to the Policyholder against legal liability for damage to Property, for any amount in excess of the amount payable under any motor insurance where liability arises out of the use by any Person Employed or Director of the Policyholder of any of the Policyholder's Vehicles.

Provided that:

- A) the indemnity provided shall only apply in excess of GBP 5,000,000 or the amount payable under any motor insurance whichever is the greater,
- B) the indemnity provided shall in addition be subject to the same terms conditions and warranties as the underlying motor insurance,
- C) the Limits of Indemnity contained in the Schedule shall be reduced by an amount equal to the indemnity recoverable by the Policyholder under the underlying motor insurance.

The indemnity will not apply to legal liability:

- A) in respect of loss of or damage to such Vehicle or to property within the Vehicle,
- B) in respect of which the Policyholder is entitled to indemnity under any other insurance,
- C) arising out of use of any Vehicle whilst Airside,
- D) arising directly or indirectly out of Terrorism.

10 Legionellosis

Notwithstanding Exclusion 13, the Company will provide indemnity to the Policyholder in respect of legal liability for accidental Injury caused by Legionellosis arising out of the Business.

Provided that:

- A) all claims arising out of the same isolated repeated or continuing incidence of Legionellosis shall be considered by the Company for the purposes of this Policy to have occurred at the time such incident takes place,
- B) all costs covered under this Extension will form part of and not exceed, the Limit of Indemnity shown in the Schedule for all incidents considered by the Company to have occurred during the Period of Insurance in respect of pollution or contamination of buildings, or other structures, or of water, or land, or the atmosphere.

11 Legionellosis run off cover

The Company will provide indemnity in respect of Injury caused by Legionellosis arising out of the Business happening prior to the inception date of this Policy.

Provided that the Company shall not be liable for claims:

- A) where indemnity is provided by any other insurance,
- B) known to the Policyholder or any other Person Entitled to Indemnity prior to inception of this insurance,
- C) notified under any other policy which was in force prior to the inception of this insurance which might be reasonably expected to give rise to a claim.

12 Member to Member Liability

The Company will provide indemnity to any member of the Policyholder's social sports or welfare organisations while engaged in such social sports or welfare activities.

Provided that:

- A) such member is not entitled to indemnity under any other policy, and
- B) such member shall observe and be subject to the terms of this Policy so far as they can reasonably apply.

13 Overseas Personal Liability

The Company will provide indemnity to the Policyholder and if the Policyholder so requests, any Employee, or director or partner of the Policyholder, against legal liability in respect of Injury, or loss of or damage to Property incurred in a personal capacity while temporarily outside Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man in connection with the Business.

The indemnity will not apply:

- A) to legal liability arising out of the ownership or occupation of land or buildings,
- B) where indemnity is provided by any other insurance.

14 Unauthorised Movement of Vehicles

The Company will indemnify the Policyholder in respect of legal liability for Injury, or loss of or damage to Property arising from or in connection with any Vehicle, not the property of nor provided by the Policyholder, that is causing an obstruction and interfering with the Business and is moved by any Person Employed or Director of the Policyholder.

The indemnity will not apply:

- A) where indemnity is provided by any motor insurance contract or where insurance or security is required by law,
- B) in respect of Injury or loss of or damage to Property caused by any Vehicle being moved whilst Airside.

15 Vendor's Liability

The Company will provide indemnity to the Vendor in respect of legal liability for accidental Injury, or accidental loss of or damage to Property, arising out of the sale or distribution by such Vendor of any of the Policyholder's products.

The indemnity will not apply to legal liability:

- A) arising out of the unauthorised sale or distribution of the Policyholder's products,
- B) arising out of the issuance of any express warranty by the Vendor which has not been authorised by the Policyholder,
- C) arising out of the Vendor intentionally changing the physical or chemical make-up of the Policyholder's products,
- D) arising out of repacking or repackaging by the Vendor unless unpacked or unpackaged solely for the purpose of inspection demonstration testing or the substitution of parts under instruction from the Policyholder and then repacked or repackaged in the original container or packaging,
- E) arising out of failing to carry out such inspections adjustments tests or service as the Vendor has agreed to or normally would carry out in the usual course of the business in connection with the distribution or sale of the Policyholder's products,
- F) arising out of demonstration, installation, service, or repair by the Vendor of the Policyholder's products except such operations carried out at the Vendor's premises in connection with the sale of the Policyholder's products,
- G) arising out of labelling, relabelling or using the Policyholder's products as a container part or ingredient of any other thing or substance,
- H) incurred by persons or organisations from whom the Policyholder has acquired the Policyholder's products,
- I) assumed by the Vendor under any contract or agreement except to the extent that such liability would have attached in the absence of such contract or agreement,
- J) arising out of the sale or distribution of the Policyholder's products other than by the Vendor,
- K) arising out of the ownership or occupation of any premises by the Vendor,
- L) arising out of any unauthorised advice or specification by the Vendor in connection with any of the Policyholder's products,
- M) arising out of the failure by the Vendor to maintain the Policyholder's products in a merchantable condition.

Exclusions to Section 2

The indemnity will not apply to legal liability:

- 1 Aircraft Products**
arising from Aircraft Products.
- 2 Airside**
arising out of work undertaken Airside.
- 3 Asbestos in North America**
of whatsoever nature directly or indirectly caused by or contributed to by or occurring due to the presence of Asbestos, Asbestos Containing Materials or Asbestos Dust or the release of Asbestos Dust happening in North America or where a claim is brought in North America.

4 Asbestos Removal Costs

for the costs of management (including those of any persons under any statutory duty to manage), removal, repair, alteration, recall, replacement or reinstatement of any property or part thereof arising out of the presence of Asbestos, Asbestos Dust or Asbestos Containing Materials.

5 Employers' Liability

for bodily injury or mental injury to or death, disease or illness of any Person Employed arising out of and in the course of employment by the Policyholder in the Business.

6 Fear of Asbestos

for mental injury or fear of suffering bodily injury, death, disease or illness arising out of actual or suspected exposure to Asbestos, Asbestos Dust or Asbestos Containing Materials.

7 Fines or Penalties

for:

- A) fines or penalties,
- B) the costs of appeal against any improvement or prohibition notices,
- C) fees for intervention payable under the Health and Safety Fees (Regulations) 2012,
- D) compensation ordered or awarded by a Court of Criminal Jurisdiction,
- E) aggravated exemplary or punitive damages awarded by any court outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

8 Mechanical Vehicles

arising from or out of the ownership, possession or use by or on behalf of the Policyholder or any Person Entitled to Indemnity of any:

- A) Vehicle other than legal liability arising out of:
 - i) the use of plant as a tool of trade on site,
 - ii) the use of plant at the premises of the Policyholder,
 - iii) the loading or unloading of any vehicle,

except where indemnity is provided by any motor insurance contract or where insurance or security is required by law.

- B) aircraft or other aerial device.
- C) aero spatial device,
- D) hovercraft or hydrofoil,
- E) water-borne vessel or craft other than
 - i) hand propelled or sailing craft inland or territorial waters,
 - ii) craft used for business entertainment within inland or territorial waters.

9 Product Defects and Recall

- A) for loss of, or damage to, any product supplied or contract work executed by the Policyholder caused by any defect therein, or the harmful nature or unsuitability thereof, for its intended purpose,
- B) for the costs of recall, removal, repair, alteration, replacement or reinstatement of any product supplied or contract work executed by the Policyholder necessitated by any known or suspected defect therein, or the unsuitability thereof for its intended purpose.

10 Professional Liability

arising from or in connection with:

- A) advice
- B) design
- C) specification

provided for a fee by the Policyholder and not connected with the supply or intended supply of the Policyholder's products.

11 Property in the Policyholder's Custody or Control

for or arising from loss of or damage to any Property, which at the time of the Event giving rise to such legal liability is owned by or held in trust by or in the custody or control of the Policyholder other than:

- A) Employees', directors', or visitors' personal effects including vehicles and their contents,
- B) premises and their contents not owned by or leased or rented to the Policyholder at which the Policyholder is undertaking work in connection with the Business,
- C) premises and their fixtures and fittings leased or rented to the Policyholder unless such legal liability:
 - i) has been accepted by agreement in which case the indemnity will only be provided to the extent that such liability would have attached in the absence of such agreement,
 - ii) arises from an agreement to maintain in force insurance in respect of loss of or damage to such premises and their fixtures and fittings.

12 Property Worked Upon

for loss of, or damage to that part of any Property upon which the Policyholder is or has been working, where such loss or damage is the direct result of such work.

13 Pollution or Contamination

caused by or arising out of pollution or contamination of buildings or other structures or of water or of land or the atmosphere:

- A) happening in North America or where a claim is brought in a court of law in North America,
- B) happening anywhere in the world other than North America unless caused by a Sudden Pollution or Contamination Incident.

14 Radioactive Contamination

of whatsoever nature 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.

15 War and Allied Risks

arising from any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power.

Section 3 – Legal Defence Costs

THIS SECTION DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

Where Injury of any person or loss of or damage to Property has not occurred or where the Company ceases to have an interest in the outcome of the proceedings under any other Liability Insurance Section insured under this Policy, the Company will provide indemnity to the Policyholder and if the Policyholder so requests any Employee or director or partner of the Policyholder up to the Limit of Indemnity in respect of:

- A) legal costs and other expenses incurred with the Company's prior written approval,
- B) costs awarded against the Policyholder or any director, partner or Person Employed,

in connection with the defence of criminal proceedings brought or in appeal against a conviction, arising from such proceedings, if in the opinion of Counsel (appointed by mutual consent) such appeal could be contested with the probability of success, relating to an offence alleged to have been committed during the Period of Insurance, in the course of the Business but only in respect of proceedings brought as stated in **Part A** and **B** below.

The Insurance Provided

Part A

In respect of a breach of:

- 1 the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, where the proceedings relate to the health, safety and welfare of any Person Employed, director or partner of the Policyholder
- 2 the Corporate Manslaughter and Corporate Homicide Act 2007.

Part B

In respect of a breach of:

- 1 the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, where the proceedings relate to the health, safety and welfare of any person other than a Person Employed, director or partner of the Policyholder,
- 2 Part II of the Consumer Protection Act 1987,
- 3 Part II of the Food Safety Act 1990.
- 4 the Corporate Manslaughter and Corporate Homicide Act 2007.

General Provisions

Provided that in respect of **Part A** and **B**:

- 1 the indemnity will not apply:
 - A) to fines or penalties of any kind,
 - B) to the costs of appeal against any improvement or prohibition notices,
 - C) to fees for intervention payable under the Health and Safety Fees (Regulations) 2012,
 - D) where indemnity is provided by any other insurance,
 - E) to proceedings consequent upon any deliberate act or omission by:
 - i) the Policyholder,
 - ii) any partner or director of the Policyholder,
 - iii) any Employee with any specific responsibility for compliance with the legislation specified in this Section, which could reasonably have been expected to constitute a breach of the legislation specified in this Section.
 - F) to any costs or expenses incurred arising out of or in connection with criminal proceedings relating in any way to Asbestos, Asbestos Dust or Asbestos Containing Materials.
- 2 the Company may at any time pay the Limit of Indemnity (less any sums already paid) or any less amount for which, at the absolute discretion of the Company, the claims arising can be settled but including any amount for which the Company may be responsible prior to the date of such payment.

The Company will then relinquish control of such claims and be under no further liability in respect thereof.
- 3 where the Company is liable to indemnify more than one person the total amount of indemnity shall not exceed the Limit of Indemnity.

Special Provision

The Company shall pass notification to an independent third party service provider with whom the Company has an agreement which shall thereafter administer claims settlement on the Company's behalf.

Section 4 – Financial Loss

THIS SECTION DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The insurance provided by Section 4 is on a claims made basis with the costs and expenses of the claimant and the costs and expenses (incurred by the Company or with the Company's written approval) of any Person Entitled to Indemnity included within the Limit of Indemnity stated in the Schedule.

The Insurance Provided

The Company will provide indemnity to any Person Entitled to Indemnity:

- 1 against legal liability incurred in connection with the Business for damages in respect of financial loss arising out of any claim which is:
 - A) first made in writing to the Policyholder (or any other Person Entitled to Indemnity under this Policy) during the Period of Insurance
 and
 - B) notified to the Company:
 - i) during
 - or
 - ii) within thirty days after expiry of the same Period of Insurance.
- 2 against legal liability for claimant's costs and expenses in connection with **1** above.
- 3 in respect of:
 - A) i) costs of legal representation at proceedings in any court arising out of any alleged breach of statutory duty resulting in financial loss which may be subject of indemnity under this Section,
 - ii) costs and expenses of legal representation at any appeal against conviction if in the opinion of Counsel (appointed by mutual consent) such appeal could be contested with the probability of success,

Where the Company has an interest in the outcome of the proceedings.

 - B) all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under **1** above,

incurred by the Company or with the Company's prior written approval.

General Provisions

Provided that:

- 1 the financial loss is sustained within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,
- 2 the total amount payable under this Section (including all Extensions, Clauses and Memoranda) shall not exceed the Limit of Indemnity stated in the Schedule,
- 3 the Policyholder's Contribution will be payable before the Company shall be liable to make any payment,
- 4 the Company may at any time pay the Limit of Indemnity (less any sums already paid or incurred) or any less amount for which at the absolute discretion of the Company the claim or claims can be settled,

The Company will then relinquish control and be under no further liability in respect of such claim or claims.

- 5 the total amount payable by the Company, in respect of all damages, costs and expenses, arising out of all claims during the Period of Insurance, irrespective of the number of such claims and irrespective of the number of Persons Entitled to Indemnity having claims under this Policy shall not exceed the appropriate Limit of Indemnity stated in the Schedule.

For the purposes of the Limit of Indemnity, all of the Persons Entitled to Indemnity under this Policy shall be treated as one party or legal entity so that there will be only two parties to the contract of insurance, namely the Company and the Policyholder.

Extensions to Section 4

(each of which is subject otherwise to the terms of this Policy)

1 Cross Liabilities

If the Policyholder comprises more than one party the Company will provide indemnity to each in the same manner and to the same extent as if a separate Policy had been issued to each.

Provided that the total amount payable in respect of damages, costs and expenses shall not exceed the Limit of Indemnity stated in the Schedule.

2 Compensation for Court Attendance

In the event of any of the following persons attending court as a witness, at the request of the Company, in connection with a claim, in respect of which the Policyholder is entitled to indemnity under this Section of the Policy, the Company will provide compensation to the Policyholder at the following rates per day for each day on which attendance is required:

- | | |
|--|------|
| A) any director or partner of the Policyholder | £750 |
| B) any Employee | £500 |

Exclusions to Section 4

The indemnity will not apply to legal liability:

1 Advice, Design or Specification

arising from or in connection with

- A) advice
- B) design
- C) specification.

2 Asbestos

of whatsoever nature directly or indirectly caused or contributed to or occurring by:

- A) the presence of Asbestos, Asbestos Dust or Asbestos Containing Materials,
- B) the release of Asbestos Dust,
- C) the exposure of persons, buildings or property to Asbestos, Asbestos Dust or Asbestos Containing Materials.

3 Competition or Anti-Trust Laws

arising out of any breach or alleged breach of competition or anti-trust laws.

4 Contractual Liability

any liability assumed under any contract or agreement except to the extent that liability would have attached in the absence of such contract or agreement.

5 Defamation or Intellectual Property Rights

arising out of any defamation, injurious falsehood, passing off or infringement of any Intellectual Property Rights.

6 Deliberate Act or Omission

arising out of any deliberate act or omission by the Policyholder or partner or director of the Policyholder.

7 Diminution in Value

for the diminution of the value of any property.

8 Electronic Risk and Data

arising directly or indirectly from or out of:

- A) the transmission or impact of any Virus,
- B) any unauthorised access to a System,
- C) 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,
- D) Failure of a System,
- E) damage to Data including but not limited to any:
 - i) loss of, destruction or corruption of Data whether in whole or in part,
 - ii) unauthorised appropriation, use, access to or modification of Data,
 - iii) unauthorised transmission of Data to any third party,
 - iv) misinterpretation, use or misuse of Data,
 - v) operator error.

9 Employment-Related Practices

of whatsoever nature directly or indirectly resulting from Employment-Related Practices.

10 Fines or Penalties

for:

- A) fines or penalties,
- B) the costs of appeal against any improvement or prohibition notices,
- C) fees for intervention payable under the Health and Safety Fees (Regulations) 2012,
- D) compensation ordered or awarded by a Court of Criminal Jurisdiction.

11 Fraud

arising out of any act of fraud or dishonesty by the Policyholder or partner or director of the Policyholder.

12 Injury, Damage, Nuisance, Trespass or Interference

in respect of:

- A) Injury of any person,
- B) loss of or damage to Property,
- C) nuisance trespass or interference with any easement, right of air, light, water or way,
- D) wrongful arrest or false imprisonment.

13 Mechanical Vehicles

arising from or out of the ownership, possession or use by or on behalf of the Policyholder or any Person Entitled to Indemnity of any:

- A) Vehicle other than legal liability arising out of:
 - i) the use of plant as a tool of trade on site,
 - ii) the use of plant at the premises of the Policyholder,
 - iii) the loading or unloading of any vehicle,
 except where indemnity is provided by any motor insurance contract or where insurance or security is required by law.
- B) aircraft or other aerial device,
- C) aero spatial device,
- D) hovercraft or hydrofoil,
- E) water-borne vessel or craft.

14 Person Employed

for financial loss sustained by any Person Employed arising out of and in the course of employment by the Policyholder in the Business.

15 Product Recall

for the costs of recall, removal, repair, alteration, replacement or reinstatement of any:

- A) product supplied
- B) contract work executed

} by the Policyholder

necessitated by any known or suspected defect therein or the unsuitability thereof for its intended purpose.

16 Radioactive Contamination

of whatsoever nature 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

17 Retroactive Liability

arising out of any cause happening before the Retroactive Date.

18 Statutory Authorities

to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties.

19 Storage or Processing of Computer Data

for financial loss arising from any reciprocal arrangement for the storage or processing of computer data or use of computer facilities.

20 Strikes or Labour Disturbances

arising out of or in connection with any delays, strikes or labour disturbances.

21 Territorial Limits

for financial loss sustained outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

22 War and Allied Risks

arising from any consequence of war, invasion, act of foreign enemy hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military of usurped power.

Definitions

Applicable to Liability Insurance (Sections 1–4).

1 Advertising Injury

- A) oral or written publication of material in any manner that slanders libels or defames a person's or organisation's goods products or services
 - B) oral or written publication of material in any manner that infringes a person's legal right to privacy
 - C) the use of another's advertising idea
 - D) infringement of copyright trade dress or slogan
- committed in the course of advertising the Policyholder's goods products or services

2 Aircraft Products

Aircraft or any aerial device (including missiles or spacecraft) and any other goods or products manufactured, sold, handled or distributed or services provided or recommended by the Policyholder or by others trading under their name for use in the manufacture, repair, operation, maintenance or use of any aircraft or aerial device.

3 Airside

That part of any airport airfield or military installation provided for

- A) the take-off or landing of aircraft or the movement of aircraft on the ground
- B) aircraft parking including any associated service roads refuelling areas ground equipment parking areas aprons maintenance areas and hangars

4 Asbestos

Crocidolite, amosite chrysotile, fibrous actinolite, fibrous anthophyllite, or fibrous tremolite or any mixture containing any of those minerals.

5 Asbestos Containing Materials

Any material containing Asbestos or Asbestos Dust.

6 Asbestos Dust

Fibres or particles of Asbestos.

7 Business

That which is specified in the Schedule and conducted solely from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man and shall include:

- A) the ownership, repair and maintenance of the Policyholder's own property,
- B) the provision and management of canteen, social, sports and welfare organisations and first aid, ambulance and medical services for the benefit of any Person Employed,
- C) fire and security services maintained solely for the protection of premises owned or occupied by the Policyholder,
- D) private work undertaken by any Person Employed for any director or partner of the Policyholder or Employee with the prior consent of the Policyholder,

- E) the provision of car parks,
- F) the provision of sponsorship of events and sponsorship of individuals,
- G) repair or servicing of vehicles other than on a commercial basis,
- H) attendance at or participation in trade fairs shows and exhibitions by any Employee or Director in connection with their employment,
- I) former activities of the Policyholder as declared and agreed by the Company,

but in respect of Section 1 shall not include any work undertaken Offshore.

8 Clean Up Costs

The costs reasonably incurred by:

- A) a government agency or regulatory body,
- B) the Policyholder with the written consent of the Company where a government agency or regulatory body would have required remediation,

in each case in carrying out action to curtail or minimise or remediate a Sudden Pollution or Contamination Incident in respect of which the Policyholder is legally responsible.

9 Employee

Any individual under a contract of service or apprenticeship with the Policyholder.

10 Employment-Related Practices

Any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by the Policyholder in connection with any actual or alleged:

- A) unlawful or unfair dismissal, discharge or termination of employment,
- B) breach of any written or oral employment contract or quasi-employment contract,
- C) employment-related misrepresentation,
- D) breach of the Equality Act 2010,
- E) violation of or non-compliance with legislation regulating working hours,
- F) failure to employ or promote,
- G) demotion,
- H) discipline,
- I) deprivation of a career opportunity,
- J) failure to grant tenure,
- K) failure to adopt adequate workplace or employment policies and procedures,
- L) retaliatory treatment of whistleblowers and others,
- M) negligent evaluation,
- N) employment-related invasion of privacy,
- O) employment-related breach of data protection legislation,

- P) employment-related libel, slander, humiliation and defamation,
- Q) failure to furnish job references or accurate job references,
- R) employment-related infliction of mental anguish or emotional distress.

11 Injury

Sections 1 and 3 (Part A)

bodily injury, death, disease or illness

Sections 2 and 3 (Part B) and 4

bodily injury, mental injury, death, disease or illness

12 Intellectual Property Rights

Any patent, trade mark, copyright, registered design, technical or commercial information or other intellectual property.

13 North America

The United States of America or Canada or any other territory within the jurisdiction of either such country.

14 Offshore

Embarkation onto a vessel or aircraft for conveyance to an offshore rig or platform until disembarkation from the conveyance onto land upon return from such offshore rig or platform.

15 Person Employed

Any of the following while under the direct control and supervision of the Policyholder and while working for the Policyholder in connection with the Business:

- A) Employee
- B) labour master and persons supplied by them
- C) individuals employed by labour only sub-contractors
- D) self-employed person (not being in partnership with the Policyholder)
- E) individual hired to or borrowed by the Policyholder
- F) individual undertaking study or work experience while under the supervision of the Policyholder,
- G) person working under the Community Offender Act 1978 or similar legislation,
- H) prospective employees being assessed by the Policyholder as to their suitability for employment,
- I) voluntary worker helper or instructor.

16 Person Entitled to Indemnity

- A) the Policyholder,
- B) the personal representatives of the Policyholder in respect of legal liability incurred by the Policyholder,
- C) at the request of the Policyholder the Company will also indemnify the following within the terms and conditions of the Policy:
 - i) any principal,
 - ii) any director or partner of the Policyholder,
 - iii) any Person Employed,

against legal liability in respect of which the Policyholder would have been entitled to indemnity under this Section of the Policy if the claim had been made against the Policyholder,

- iv) the officers, committees and members of the Policyholder's canteen, social, sports and welfare organisations and first aid, fire, ambulance, medical and security services in their respective capacities as such but this shall not include medical or dental practitioners in relation to medical services provided,
- v) any director or partner of the Policyholder or Employee in respect of private work undertaken by any Person Employed for such director, partner or Employee with the prior consent of the Policyholder,

each of whom shall as though the Policyholder be subject to the terms of this Section of the Policy so far as they can apply.

17 Policyholder's Contribution

The amount or amounts specified in the Schedule which the Policyholder agrees to pay in respect of damages costs and expenses.

18 Property

Material property but shall not include Data.

19 Sudden Pollution or Contamination Incident

Pollution or contamination of buildings or other structures or of water or land or of the atmosphere caused by a sudden identifiable, unintended and unexpected incident which takes place in its entirety at a specific moment in time and place in Great Britain, Northern Ireland and the Channel Islands or the Isle of Man during the Period of Insurance.

Provided that all pollution or contamination which arises out of one Sudden Pollution or Contamination Incident shall be considered by the Company for the purposes of this Policy to have occurred at the time such incident takes place.

20 Terrorism

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

21 Vehicle

Any mechanically propelled vehicle (including any machinery or apparatus which is attached thereto).

22 Vendor

Any person or organisation who undertakes in the normal course of their business to distribute or sell the Policyholder's product.

Fidelity Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

This is a loss discovered Policy wording. No cover exists for any loss first discovered before the Period of Insurance or after the end of the Period of Insurance unless and to the extent that a Discovery Period applies.

The Insurance Provided

The Company shall indemnify the Insured for:

1 Employee Fraud

loss of Money, Securities or Property owned or leased by the Insured directly resulting from a Fraudulent Act,

2 Third Party Computer Fraud

loss of Money, Securities or Property owned or leased by the Insured directly resulting from Third Party Computer Fraud,

3 Third Party Funds Transfer Fraud

loss directly resulting from Third Party Funds Transfer Fraud,

4 Forgery of Cheques and other Financial Instruments

loss directly resulting from Forgery by a Third Party of any Financial Instrument,

5 Counterfeit Paper Currency

loss directly resulting from the acceptance in good faith of any Counterfeit money orders or current paper currency,

6 Corporate Card Fraud

loss directly resulting from the fraudulent use by a Third Party of any Corporate Card,

7 Telecommunications Fraud

charges for which the Insured is legally liable, directly resulting from the fraudulent and unauthorised access and use by a Third Party of a Telecommunications System provided that:

- A) the Company shall not be liable for any loss or part of a loss occurring more than 30 days prior to the date of Discovery and
- B) the maximum liability of the Company for Any One Claim under this insuring clause shall not exceed £50,000, such amount being part of and not in addition to the Limit of Indemnity,

8 Public Utilities Fraud

charges for which the Insured is legally liable, directly resulting from the theft or abstraction by a Third Party of Public Utilities provided that:

- A) the Company shall not be liable for any loss or part of a loss occurring more than 90 days prior to the date of Discovery and
- B) the maximum liability of the Company for Any One Claim under this insuring clause shall not exceed £50,000, such amount being part of and not in addition to the Limit of Indemnity,

first Discovered during the Period of Insurance.

Conditions

1 Notice and Proof of Claims

- A) In order for claims to be accepted under this Policy, the Policyholder must give written notice of a loss as soon as reasonably possible after it is Discovered and in no event later than 60 days after Discovery to the Company at:

The Claims Department, Professional and Financial Risks,
St Mark's Court, Chart Way,
Horsham,
West Sussex,
RH12 1XL

marked for the attention of the Professional and Financial Risks Claims Manager.

Notice will be effective on the day of receipt by the Company.

Failure to comply with this condition will result in the claim being rejected.

- B) Within 6 months after Discovery of any such loss, the Policyholder shall at their own expense (except as otherwise provided for by this section of the Policy) provide to the Company, at the address set out above, proof of loss with full particulars including all relevant information in their possession in relation to the loss and such further information as may be required by the Company.

2 Cancellation of cover in respect of any Employee

All cover shall be cancelled in respect of any Employee from the time a director, partner, Member, departmental director or senior manager of the Insured (not acting in Collusion with the Employee) first becomes aware of facts which would cause a reasonable person to believe that any act of fraud or dishonesty has been or is likely to be committed by such Employee, irrespective of whether such act occurred before or after the commencement of employment with the Insured.

3 Acquisition, Merger or Winding-up of the Policyholder

Unless otherwise agreed in writing by the Company and the Insured, this section of the Policy shall terminate for all Insured upon:

- A) the acquisition of the entire issued share capital of the Policyholder, or of all or substantially all of its assets by another entity or the merger or consolidation of the Policyholder into or with another entity such that the Policyholder is not the surviving entity or
- B) the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least 50% of the directors of the Policyholder or
- C) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, administrator, supervisor, trustee or other similar insolvency appointee or fiduciary to the Policyholder.

Following termination the Insured may continue to notify loss first Discovered during the latter of the Discovery Period noted in the Schedule or the Period of Insurance provided that:

- i) cover shall only apply to loss or that part of a loss occurring prior to the event described in A), B) or C) above and
- ii) cover for that Insured is not replaced by a similar policy of insurance issued by the Company or by another insurer, irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

4 Disposal or Winding-up of Subsidiaries

Unless agreed in writing by the Company and the Insured, this section of the Policy shall terminate for a Subsidiary:

- A) upon the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, administrator, supervisor, trustee or other similar insolvency appointee or fiduciary, or
- B) upon falling outside the definition of Subsidiary.

Following termination, such Insured may continue to notify loss first Discovered during the latter of the Discovery Period noted in the Schedule or the Period of Insurance provided that:

- i) cover shall only apply to loss or that part of a loss occurring prior to the event described in A) or B) above and
- ii) cover for that Insured is not replaced by a similar policy of insurance issued by the Company or by another insurer, irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

5 Limit of Indemnity

The liability of the Company shall not exceed the Limit of Indemnity.

If Any One Claim under this section of the Policy falls to be covered by more than one insuring clause, the maximum liability of the Company shall not exceed the Any One Claim Limit of Indemnity.

Any applicable Discovery period shall not increase or reinstate the Limit of Indemnity, which shall be the maximum liability of the Company for the Period of Insurance and Discovery Period combined.

The Contribution does not form part of the Limit of Indemnity and it shall be payable by the Insured before the application of the Limit of Indemnity.

6 Termination of Prior Policies

The commencement of cover under this section of the Policy shall terminate, if not already terminated, all previous liability of the Company to the Insured under any prior policies including liability arising by reason of any discovery period stated in such policies.

7 Single Insured

This section of the Policy is a single contract of insurance irrespective of the number of Insureds covered.

Where there is more than one Insured:

- A) the Policyholder shall act on behalf of all Insureds with respect to:
 - i) the giving of and receiving of notice of Discovery of loss,
 - ii) the payment of premiums and the receiving of any return premiums that may become due under this section of the Policy,
 - iii) the negotiation, agreement to and payment of claims,
 - iv) the negotiation agreement to and acceptance of Clauses and
 - v) the giving or receiving of any notice provided for in this section of the Policy,

and the Insureds agree that the Policyholder shall so act on their behalf.

- B) all amounts payable under this section of the Policy shall be made to the Policyholder.

The Company shall not be liable for the application or distribution of such amounts between Insureds and shall be released from all liability in respect of such payment by virtue of its payment to the Policyholder.

- C) Discovery made by one Insured shall constitute Discovery made by every Insured,
- D) the Company's liability for loss sustained by any or all Insureds shall not exceed the amount for which the Company would have been liable had all such loss been suffered by any one Insured.
- E) the Limit of Indemnity does not apply separately for each Insured.
- F) the Company shall not be liable for loss sustained by one Insured to the advantage of any other Insured.

8 Acquisitions Prior to the Period of Insurance

If a Subsidiary has been acquired by the Insured prior to the Period of Insurance, such Subsidiary shall only be covered under this section of the Policy in relation to loss occurring after the date on which such Subsidiary was acquired by the Insured unless agreed in writing by the Company.

9 Partial Invalidity

Should any provision of this section of the Policy be or become invalid or unenforceable pursuant to the law to which this section of the Policy is subject, such provision shall be deemed to be deleted and all other terms and conditions of this section of the Policy shall remain in full force and effect.

10 Alteration and Assignment

No change in modification of or assignment of interest under this section of the Policy shall be effective unless agreed in writing by the Company.

11 Termination of Employment

Upon termination of employment of any Employee, the Insured shall take all reasonable precautions to prevent fraud or dishonesty by that Employee which may give rise to a claim under this Policy.

12 Recoveries

All recoveries made by either the Insured or the Company shall be allocated after deducting the reasonable costs of recovery as follows:

- A) firstly, to the benefit of the Insured to reduce or extinguish the amount of the loss to the extent that it would have been paid under this section of the Policy but for the fact that such loss exceeds the Limit of Indemnity together with any Contribution where applicable,
- B) secondly, to the benefit of the Company for all sums paid in settlement of loss arising under this section of the Policy and
- C) thirdly, to the benefit of the Insured for the amount of the Contribution under this section of the Policy.

All recoveries made prior to or after settlement of any claim under this section of the Policy shall be held for the benefit of the Company and applied as stated above.

13 Other Insurances

If at the time any claim arises under this section of the Policy there is any other insurance, indemnity or guarantee covering the same loss, the Company shall not be liable except to the extent of any excess beyond the amount payable, under such other insurance, indemnity or guarantee had this section of the Policy not been effected.

14 Valuation

The Company shall not be liable for more than:

- A) the actual market value of Securities, at the close of business on the business day immediately preceding the day on which the loss was discovered or the actual cost of replacing Securities, whichever is less,
- B) the cost of blank material such as blank pages, tapes or other materials, plus the cost of labour and computer time for the actual transcription or copying of Data, which shall have been furnished by the Insured in order to reinstate such electronic Data,
- C) the value of foreign currency calculated in pounds sterling at the rate of exchange published as The Financial Times closing mid point rate on the date of Discovery,
- D) the actual cash value of Property at the time of loss or the actual cost of repairing or replacing the Property with property of similar quality or value, whichever is less.

Extensions

Subject to all of the terms and conditions of this section of the Policy, cover is extended to include the following:

1 Care, Custody and Control

Where a loss which is covered under any insuring clause of this section of the Policy includes a direct loss of Money, Securities or Property:

- A) held for others while in the care, custody and control of the Insured or
- B) for which the Insured is legally liable,

such Money, Securities or Property shall be included in the cover provided by this section of the Policy. Such amount shall be part of and not in addition to the Limit of Indemnity.

2 Expenses

The cover provided under this section of the Policy shall include the following costs and expenses incurred with the prior written consent of the Company:

- A) Auditors' Fees,
- B) Computer Clean-up Costs,
- C) Defence Costs and
- D) Public Relations Consultancy Fees.

The maximum payable by the Company under this Extension shall not exceed 10% of the Any One Claim Limit of Indemnity stated in the Schedule or £250,000 whichever is the lesser. Such amount shall be payable in addition to the Limit of Indemnity.

3 Acquisitions

- A) If during the Period of Insurance the Insured acquires or creates any new Subsidiary, either directly or through one or more of its Subsidiaries, cover shall apply provided that the new Subsidiary:
 - i) has no more than 20% of the total number of Employees previously declared by or on behalf of all the Insured and
 - ii) does not undertake activities which vary materially from those previously declared to the Company and
 - iii) has not in the preceding 3 years suffered any loss of a type covered by this section of the Policy (whether insured or not and before the application of any retention, contribution, deductible or excess) greater than 25% of the amount of the Contribution and
 - iv) adheres to controls and procedures which are as effective as those most recently advised to the Company by the Insured creating or acquiring such Subsidiary.
- B) If the new Subsidiary acquired or created falls outside the conditions stated above, the Company shall provide cover for a period of 30 days, during which time the Policyholder shall provide any additional information and pay any additional premium and carry any increased Contribution as may be reasonably required by the Company.
- C) Cover provided in relation to any new Subsidiary shall only apply with respect to any loss which occurs after the date of their creation or acquisition unless agreed in writing by the Company.

4 Discovery Period

Following expiry or earlier termination of this section of the Policy for any Insured, the Insured may continue to notify loss first Discovered during the Discovery period noted in the Schedule provided that:

- A) cover shall only apply to loss or that part of a loss occurring prior to the expiry of the Period of Insurance or earlier termination and
- B) cover for that Insured is not replaced by a similar policy of insurance issued by the Company or by another insurer, irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

Any loss first Discovered during the period provided under this Extension shall be deemed to have been Discovered during the immediately preceding Period of Insurance.

5 Loss of Interest

The cover provided under this section of the Policy shall include the amount of any interest that would have been receivable by the Insured but for a loss covered by this Policy, provided that the liability of the Company for such interest shall be limited to simple interest on the principal amount of any Money (for which it can be proved that interest would have been received), calculated at the London Inter Bank Offered Rate, as published in the Financial Times, on the date of Discovery of loss.

The maximum amount payable under this Extension shall not exceed 15% of the Any One Claim Limit of Indemnity stated in the Schedule. Such amount being part of and not in addition to the Limit of Indemnity stated therein.

6 Computer Violation

The cover provided under this section of the Policy shall include Computer Clean-up Costs directly resulting from a Computer Violation committed by an Employee. Such amount being part of and not in addition to the Limit of Indemnity stated therein.

7 Contractual Penalties

The cover provided under this section of the Policy shall include the amount for which the Insured is contractually required to pay (excluding damages for breach of contract) as a result of a loss covered by this section of the Policy, provided that such amount shall not exceed 15% of the Any One Claim Limit of Indemnity stated in the Schedule. Such amount being part of and not in addition to the Limit of Indemnity stated therein.

8 Benefit Plans

The definition of Subsidiary under this section of the Policy shall include any Benefit Plan declared to the Company prior to the commencement of the Period of Insurance or as acquired or created during the Period of Insurance under the terms of the Acquisitions Extension.

For the purposes of this Extension the definition of Employee shall include any natural person who acts as a trustee of any Benefit Plan.

Exclusions

The Company shall not be liable for:

1 Taxes, Penalties, Fines and Damages

any taxes, penalties, fines or damages except for direct compensatory damages or contractual penalties as specifically covered under this section of the Policy.

2 Indirect Loss

any loss which amounts to indirect loss of any kind including but not limited to payment of costs, fees or other expenses except as specifically covered under this section of the Policy.

3 Profits Dividends or other Income or Interest

profits, dividends or other income or interest except as specifically covered under this section of the Policy.

4 Insured's Contribution

the Contribution stated in the Schedule.

5 Confidential Information

any loss of and/or damage to proprietary information, confidential processing methods, trade secrets, intellectual property or other confidential information of any kind.

6 Discovery Outside the Period of Insurance

any loss first Discovered:

- A) prior to the commencement of the Period of Insurance or
- B) after the expiry of the Period of Insurance unless provided by the Discovery Period Extension.

7 Retroactive Date

any loss or part of loss sustained prior to the Retroactive Date stated in the Schedule.

8 Profit and Loss Computation and Inventory Comparison

any loss which is dependent solely upon:

- A) a profit and loss comparison or
- B) a comparison of inventory records with an actual physical count,

provided that where the Insured establishes wholly, apart from such comparison, that it has sustained a loss covered under this section of the Policy by an identifiable Employee, then it may offer its profit and loss comparison or comparison of inventory records with an actual physical count in support of the amount of loss claimed.

9 Major Shareholders

a Fraudulent Act committed by:

- A) an Employee controlling more than 5% of the voting share capital of any Insured at the time of committing such act or
- B) any equity partner or Member of the Insured,

whether acting alone or In Collusion with another Employee or with other persons.

10 Contractual Liability

any loss resulting from an agreement by the Insured whereby the amount of their liability exceeds the amount of the liability which would have attached to the Insured in the absence of such an agreement, except as specifically covered under this section of the Policy.

11 Geographical Limits

any Fraudulent Act committed by an Employee normally resident outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

12 Terrorism

any loss arising directly or indirectly out of Terrorism.

Definitions

1 Any One Claim

All loss as specifically covered under this section of the Policy directly or indirectly resulting from an act or number of acts of one or more persons acting alone or In Collusion.

2 Auditors Fees

Independent professional auditor's fees necessarily incurred by the Insured to substantiate the amount of a loss covered by this section of the Policy.

3 Benefit Plan

Any pension or benefit plan established by the Insured for the benefit of its past and present Employees.

4 Clause

An alteration to the terms of this section of the Policy agreed in writing.

5 Computer Clean-up Costs

The reasonable costs stated in 1 and 2 below following the fraudulent use of computer hardware, software or Computer System which are the subject of a loss covered by this section of the Policy.

- 1 Rewriting or amending the software, programs or systems where such rewriting or amending is necessary to correct the programs systems or the security codes.
- 2 Duplicating destroyed or damaged electronic data or computer programs from other electronic data or computer programs, which shall have been furnished by the Insured and in the event that destroyed or damaged computer programs cannot be duplicated from other computer programs, the cost incurred for computer time, computer programmers, consultants or other technical specialists, as is reasonably necessary to restore the computer programs to substantially the previous level of operational capability, but shall not include costs arising:
 - A) as a result of the reconstitution of Data recorded on magnetic or optical media, if there are no analysis files specifications or backups of software or Data held outside the Insured's premises, or
 - B) as a result of the reconstitution of Data, if the Insured knowingly uses illegal copies of programs:
 - i) to render the information usable by replacement processing equipment, or
 - ii) to design, update or improve the software or programs or to perfect their operation or performance, or
 - C) as a result of an alteration in Data held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the Computer System.

6 Computer System

A computer or network with its input, output, processing, storage and communication facilities and shall include off-site media libraries.

7 Computer Violation

An intentional, unauthorised and malicious:

- 1 entry of Data into a Computer System, or
- 2 change to data elements or software which is kept in machine readable format, or
- 3 introduction of instructions, programmatic or otherwise, which propagate themselves through a Computer System.

8 Contribution

The first part of Any One Claim borne by the Insured.

9 Corporate Card

Any corporate, credit, debit or charge card issued to an Employee, equity partner or Member of the Insured for Business purposes, other than such cards issued by the Insured.

10 Corporate Card Fraud

The fraudulent use of any Corporate Card provided that:

- 1 the Insured has complied fully with the provisions, conditions or other terms under which the card was issued and
- 2 the Insured is legally liable for such loss.

11 Counterfeit

An imitation of an original which is intended for fraudulent purposes to cause a reasonable person familiar with the appearance of the original to believe that the imitation is the original.

12 Data

Information contained in a manuscript, record, account, microfilm, tape or other record, whether or not contained in a Computer System.

13 Defence Costs

Reasonable legal fees, costs and expenses incurred by the Insured, in defence of any claim resulting from the refusal to pay any Financial Instrument in which refusal it is alleged that such instrument is forged or fraudulently altered and in which proceedings are brought against the Insured to enforce payment of any such instrument.

14 Discovered or Discovery

When a director, partner, Member, departmental director or senior manager of the Insured (not acting In Collusion with an Employee) first becomes aware of facts which would cause a reasonable person to believe that a loss has been or is likely to be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of such loss may not then be known. Discovery also occurs when a person named above receives notice of an actual or potential claim alleging facts that if true, would constitute a loss covered by this section of the Policy.

15 Employee

A natural person:

- 1 whilst employed under a contract of service or apprenticeship with the Insured (other than members of the board of directors or equivalent management board of the Insured) in the ordinary course of its business whether temporary, permanent, full-time, part-time or seasonal,
- 2 who personally performs duties or services under the control and direction of the Insured in the ordinary course of its business who is:
 - A) a student, secondee or on a work experience or training placement,
 - B) working exclusively for the Insured and for no other party, under a contract for services as a consultant having previously been employed by the Insured,
 - C) provided to the Insured by an agency on a permanent or temporary basis,
 - D) engaged by the Insured to develop a Computer System or computer programs,
- 3 who is a member of the board of directors or equivalent management board, other than equity partners or Members of the Insured.
- 4 who is employed by an organisation to whom the Insured Outsource any administrative function, other than where such person is or acts on behalf of any external auditor, accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee or other similar agent or representative, unless specifically agreed by the Company,

- 5 who falls into any of the categories 1 to 4 above and whom the Insured is unable to identify by name, but whose acts have caused a loss, provided that the evidence submitted proves beyond reasonable doubt that the loss was due to the act of such person and
- 6 who falls into any of the categories 1 to 4 above for the first 60 days following termination of service.

An Employee of any Insured is considered to be an Employee of every Insured.

16 Financial Instrument

Any cheque, draft promissory note or similar written promise, order or direction to pay a sum certain in money made, or drawn by, or drawn upon, the Insured or made by one acting as agent of the Insured on the Insured's behalf or purporting to have been so made or drawn.

17 Forgery

A counterfeit, reproduction or alteration of an original, or the signing by hand of another natural person's signature with the intent to deceive, but does not mean the signing of one's own name with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated as hand-written signatures.

18 Fraudulent Act

An act of fraud or dishonesty committed by an Employee with the clear intent of obtaining an improper personal financial gain for themselves or for any other person or organisation intended to receive such gain. For the purposes of this definition, "improper personal financial gain" shall not include salary, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other emoluments or benefits earned in the normal course of employment.

19 In Collusion

Two or more persons who are connected, involved, acting or implicated together or materially assist each other.

20 Insured

The Policyholder set out in the Schedule and all of its Subsidiaries, declared to the Company, prior to the commencement of the Period of Insurance, or as acquired or created during the Period of Insurance under the terms of the Acquisitions Extension.

21 Limit of Indemnity

The maximum liability of the Company for Any One Claim, provided always that if an aggregate limit is shown in the Schedule, the amount shown shall be the maximum liability of the Company for all claims (other than that detailed in the Expenses Extension) under this section of the Policy during the Period of Insurance and under the terms of the Discovery Period Extension.

22 Member

A member of a Limited Liability Partnership.

23 Money

- 1 currency, coins and bank notes in current use and bullion.
- 2 travellers cheques, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards, all in current use and unused credits in franking machines.
- 3 monetary balances held at a financial institution to the credit of the Insured.

24 Outsource

The retention and authorisation by the Insured of a person or organisation to perform an administrative function on behalf of the Insured provided that:

- 1 such function is performed under a written contract, and
- 2 the Insured retain the right to audit the performance of such function, and
- 3 the Insured can demonstrate that they have vetted the person or organisation for competency, financial stability and honesty prior to the retention and authorisation by the Insured of such person or organisation to perform such function.

25 Policyholder

The organisation set out in the Schedule. Where there is only one Insured, a reference to the Policyholder shall be deemed a reference to the Insured and where there is more than one Policyholder, the Policyholder shall be the first named Insured in the Schedule.

26 Property

Tangible property, other than Money or Securities.

27 Public Relations Consultancy Fees

Fees necessarily incurred by the Insured to employ the services of an external public relations consultant, solely to provide advice to minimise adverse publicity following Discovery of a loss covered by this section of the Policy.

28 Public Utilities

Electricity, gas and water services.

29 Securities

Negotiable and non-negotiable instruments representing either Money or Property, but does not include Money.

30 Subsidiary

Any company in which the Policyholder:

- 1 holds directly or indirectly more than 50% of the voting rights, or
- 2 has the right to appoint or remove a majority of the board of directors, or
- 3 holds more than half of the issued share capital,

and where the Policyholder is a partnership, a company shall be a Subsidiary of the partnership where such holding or right is held for the benefit of the partnership.

31 Telecommunications System

A land line telephone system that is:

- 1 owned or leased by the Insured and
- 2 on the premises of the Insured and
- 3 protected by a feature to prevent access to the system following a maximum of three unsuccessful attempts being made to use an access code, PIN, password or other similar code which is changed at regular intervals.

32 Terrorism

An act of any person acting on behalf of or in connection with any individual or 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.

33 Third Party

Any person other than:

- 1 an Employee, equity partner, Member or director of the Insured,
- 2 any person who is, or acts on behalf of the Insured as any external auditor, accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee or other similar agent or representative, or
- 3 any person who provides a service pursuant to and under a contract with the Insured.

34 Third Party Computer Fraud

The unlawful taking of Money, Securities or Property due to any fraudulent or dishonest manipulation by a Third Party of the Insured's computer hardware, software, programmes or Computer System.

Third Party Computer Fraud does not include:

- 1 the use of any computer to fraudulently cause a transfer of funds belonging to the Insured or for which the Insured is responsible from an account maintained by the Insured at a financial institution or
- 2 charges for which the Insured is legally liable directly resulting from the fraudulent and unauthorised access and use of a Telecommunications System.

35 Third Party Funds Transfer Fraud

The loss of the funds from an account maintained by the Insured at a financial institution (from which the Insured or their authorised representatives may request the transfer payment or delivery of funds) following fraudulent, electronic, telegraphic, cable, facsimile, teletype, telephone or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from the Insured, but which are fraudulently transmitted or issued by a Third Party are a forgery or fraudulently altered by a Third Party.

Personal Accident Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The Insurance Provided

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Death or Disablement the Company will pay to the Policyholder the appropriate Benefit shown in the Schedule subject to the Maximum Incident Limit (and inner limits where applicable) as detailed below.

Maximum Incident Limit

The maximum amount the Company will pay under this section of the Policy and any other policy of Personal Accident Insurance issued by the Company in the Policyholder's name in respect of all losses and in respect of all Insured Persons arising out of one and the same Incident shall not exceed the Maximum Incident Limit of £5,000,000 subject to the following inner limits:

1	Aircraft Accumulation	
	A) Multi-engined aircraft	£2,500,000
	B) Any other aircraft or airship	£1,000,000
2	Terrorism (other than Nuclear, Chemical or Biological Cause)	£2,500,000
3	Limit per Person	
	In connection with any Accident the maximum payable for any one Insured Person including any amount payable under the Extensions to this section will be:	
	A) under Benefits 1 to 4	£500,000
	B) under Benefit 5 and subject to Condition 4	£1,000
	C) under Benefit 6 and subject to Condition 4	£400

The duration of any one Incident shall be limited to 72 consecutive hours and no loss which occurs outside this period shall be included in that Incident.

Benefits

- 1** Death
- 2** Loss of two or more Limbs or Loss of both Eyes or one of each
- 3**
 - A) Loss of one Limb or Loss of one Eye
 - B) Permanent total loss of speech
 - C) Permanent total loss of hearing:
 - i) in both ears
 - ii) in one ear 25% of Benefit 3C)i)
- 4** Permanent Total Disablement from the Insured Person's usual occupation in the Business
- 5** Temporary Total Disablement from the Insured Person's usual occupation in the Business

- 6** Temporary Partial Disablement from at least 50% of the Insured Person's usual occupation in the Business
- 7** Medical Expenses necessarily incurred in the treatment of the Insured Person.

Payment Period for Benefits 5 and 6

Benefits 5 and 6 are payable per week for a maximum of 104 weeks in all not necessarily consecutive.

Deferment Period for Benefits 5 and 6

Benefits 5 and 6 are not payable for the first seven days of any Period of Disablement.

Disablement Benefits 2 to 6 Operative Time

The Operative Time shown in the Schedule shall have the meanings as shown in the Definitions of Operative Times.

Conditions

1 Application of Benefits

- A) The Company will not pay in respect of any one Insured Person in connection with the same Accident:
 - i) more than one of Benefits 1 to 4 and then,
 - ii) not more than the Limit per Person in respect of any claim payable under any of Benefits 1 to 6 and the Extensions to the Personal Accident Section.
- B) No claim for Disablement shall be payable under Benefits 2 to 4 of this Policy until such time as reasonable evidence has been provided to the Company to show that such Disablement is permanent and that there is no reasonable expectation of recovery.
- C) The Company will pay any amount claimed for Benefits 5 or 6 in addition to any amount claimed under Benefits 1 to 4 in connection with the same Accident.
- D) Where Benefits 5 and 6, or Benefits 5 or 6 are claimed the amount payable per week will not exceed:
 - i) under Benefit 5 1/52nd of the Insured Person's Annual Salary; and
 - ii) under Benefit 6 40% of 1/52nd of the Insured Person's Annual Salary,

regardless of the level of cover purchased.
- E)
 - i) If Benefit 1 is not included for an Insured Person the Company will not pay for Loss of Limb or Eye or speech or hearing until at least thirteen weeks after the date of the Accident and the Company will only then pay if the Insured Person has not in the meantime died as a result of the Accident.
 - ii) If Benefit 1 is included but the amount payable thereunder is less than the amount for Loss of Limb or Eye or speech or hearing the Company will not pay more than the amount for Benefit 1 until at least thirteen weeks after the date of the Accident and the Company will only then pay the balance if the Insured Person has not died in the meantime as a result of the Accident.

2 Assignment

The Company will not be bound to accept or be affected by any trust charge lien assignment or other dealing with or relating to this Policy.

3 Disappearance

In the event of the disappearance of an Insured Person if after a suitable period of time it is reasonable to believe that death has occurred as a result of bodily injury following an Accident

Benefit 1 shall become payable subject to a signed undertaking by the Policyholder that if the belief is subsequently found to be wrong such amount shall be refunded to the Company.

4 Evidence Required

In connection with any claim:

- A) all medical certificates, reports, information and evidence required by the Company to substantiate that claim must be supplied at the Insured Person's own expense and in such form as the Company may reasonably require;
- B) the Insured Person must undergo a medical examination and provide medical evidence to the Company (at the Company's expense) as often as the Company may reasonably require following receipt of that claim; and
- C) no benefit shall be payable in respect of that claim where the Insured Person fails to undergo such medical examination or provide such medical evidence as referred to in (b) above.

5 Exposure

If an Insured Person suffers Death or Disablement as a result of exposure to the elements the Company will consider that as having been caused by bodily injury following an Accident.

6 Minors

If the Insured Person is under the age of 16, or aged 16 or 17 and is not one of the Insured's Employees:

- A) The amount for Benefit 1 will be limited to £10,000.
- B) Benefit 4 shall read Permanent Total Disablement from gainful employment of any and every kind.
- C) No amount will be payable under Benefit 5 or 6.

5 Non-Employees

If the Insured Person is not a Director or Employee of the Policyholder Benefit 4 shall read Permanent Total Disablement from any gainful employment for which the Insured Person is fitted by way of training, education or experience.

Extensions

The following extensions shall be payable in addition to any benefit paid under the Personal Accident Benefits 1 to 7 of the section of this Policy, subject to the Maximum Incident limit (and inner limits where applicable) as detailed in this section of the Policy.

1 Coma Benefit

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within 90 days is the sole and independent cause of the Insured Person being in a continuous unconscious state the Company will pay £50 per full 24 hours up to a maximum of 52 weeks for any one Insured Person while they remain in a continuous unconscious state.

2 Commuting Expenses

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of the Insured Person sustaining disablement from at least 50% of the Insured Person's usual occupation in the Business, the Company will pay necessary expenses for additional commuting costs necessitated to aid the Insured Person's return to work at the Policyholder's request up to £50 per week up to a maximum £250 for any one Insured Person.

3 Dependants Benefit

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Death for which Benefit 1 is paid the Company will pay an additional 2% per Child up to a maximum 10% of Benefit 1.

4 Disability Assistance

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Disablement for which Benefit 2, 3 or 4 is paid, the Company will pay necessary expenses incurred with the Company's prior written consent to make alterations to the Insured Person's home, car or usual place of work as a direct and necessary result of the Disablement suffered up to a maximum of £5,000.

5 Funeral Expenses

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Death, the Company will pay the necessary costs incurred with the Company's prior written consent for funeral expenses up to a maximum of £5,000 for any one Insured Person.

6 Hospitalisation

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of the Insured Person being admitted to Hospital on the recommendation of a Medical Practitioner, the Company will pay £50 per full 24 hours up to a maximum of 52 weeks for any one Insured Person while they are a Hospital in-patient.

7 Paralysis

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of the Insured Person suffering paralysis the Company will pay the following benefit:

- A) total loss of use of all four limbs, bladder and rectum – an additional 20% of the amount paid under Benefit 2 or 4,
- B) total loss of use of two legs, bladder and rectum – an additional 10% of the amount paid under Benefit 2 or 4,

In respect of this Extension, Benefit 2 or 4 must be paid at 100% of the Benefit shown in the Schedule.

8 Relocation Expenses

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of Disablement for which Benefit 2, 3 or 4 is paid, the Company will pay necessary expenses incurred with the Company's prior written consent for stamp duty payments, solicitors' and estate agents' fees and removal costs necessitated as a direct and necessary result of the Insured Person having to relocate as a direct result of the Disablement suffered up to a maximum of £5,000 for any one Insured Person subject to there not being any claim paid under the Disability Assistance Extension.

9 Retraining

If during the Operative Time the Insured Person sustains bodily injury following an Accident which within two years is the sole and independent cause of the Insured Person suffering Permanent Total Disablement from the Insured Person's usual occupation in the Business for which the benefit is paid, the Company will pay reasonable expenses incurred in retraining the Insured Person for an alternative occupation with the Policyholder up to a maximum of £5,000.

Exclusions

The Company will not pay any Benefit or amount under the Extensions to this section where bodily injury following an Accident is the result of or is contributed to by:

- 1 the Insured Person committing or attempting to commit suicide or as a result of self-inflicted injury,
- 2
 - A) illness or disease (not resulting from bodily injury following an Accident),
 - B) any naturally occurring condition or degenerative process,
 - C) any gradually operating process,
 - D) post traumatic stress disorder or any psychological or psychiatric condition (not resulting from bodily injury following an Accident),
- 3 radioactive contamination (not resulting from bodily injury following an Accident),
- 4 the Insured Person engaging in flying of any kind other than as a passenger,
- 5 War,
- 6 Terrorism occasioned by any Nuclear, Chemical or Biological Cause,

The Company will not pay any claim after the expiry of the Period Of Insurance in which the Insured Person attains the age of 80 years.

Definitions

1 Accident

Accident shall mean:

- A) a sudden and
- B) unexpected or unforeseen and
- C) identifiable incident.

2 Aircraft Accumulation

All Insured Persons travelling in any aircraft or airship.

3 Annual Salary

the Insured Person's total annual remuneration excluding payments for overtime commission or bonus (unless otherwise agreed in writing) payable by the Policyholder to the Insured Person at the date bodily injury following an Accident is sustained.

4 Assault

While the Insured Person is engaged upon duties incidental to the Business and as a direct result of assault other than by the explosion of any bomb or explosive device. Cover will also apply where the assault is a direct consequence of the Insured Person's employment with the Policyholder.

5 Britain

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

6 Child

Any person who is:

- A) unmarried and dependent and
- B) under 18 years of age or under 25 years of age if in full-time education.

7 Commuting

While in the course of daily travel directly between residence (normal or temporary) and place of Business (normal or temporary).

8 Deferment Period

The period of time at the commencement of a period of Temporary Total Disablement or Temporary Partial Disablement when no benefit is payable.

9 Director (including Partners and Members)

- A) A serving director (other than a non-executive director) of the Policyholder:
 - i) whose details have been notified to Companies House in accordance with Section 288 of the Companies Act 1985 or any statutory amendment, modification or re-enactment of such Act or Regulations where the Policyholder is a company registered in the United Kingdom,
 - ii) who sits on the Insured's Board of Directors where the Policyholder is a company registered outside of the United Kingdom,
- B) a member of a limited liability partnership as defined under the Limited Liability Partnership Act 2000
- C) any person who has signed the partnership deed of the Policyholder.

10 Disablement

Benefits 2 to 6.

11 Employee

Any person under a contract of service or apprenticeship with the Policyholder excluding any Director.

12 Hospital

Any institution which meets fully every one of the following criteria:

- A) maintains permanent and full time facilities for the care of 12 overnight resident patients and
- B) has diagnostic and therapeutic facilities for the surgical and medical diagnosis, treatment and care of injured and sick persons by or under the supervision of a staff of Medical Practitioners and
- C) continuously provides a 24 hours a day nursing service supervised by state registered nurses or by persons with equivalent qualifications and
- D) is not other than incidentally an institution which provides full time facilities for:
 - i) mentally ill or mentally handicapped persons
 - ii) nursing or convalescing
 - iii) persons aged 70 years or more
 - iv) drug addicts
 - v) alcoholics.

13 Incident

All individual losses arising out of and directly occasioned by one sudden unexpected specific event occurring at an identifiable time and place.

14 Insured Person

Any Director or Employee who is detailed in the Schedule and resident in Britain. Cover applies until the expiry of the Period of Insurance in which the Insured Person attains the age of 80 years,

or

any other persons stated in the Schedule.

15 Loss of Eye

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)

16 Loss of Limb

- A) in the case of a leg loss by permanent physical severance at or above the ankle or permanent and total loss of use of a complete foot or leg
- B) in the case of an arm loss by permanent physical severance of the four fingers at or above the metacarpophalangeal joints (where the fingers join the palm of the hand) or permanent and total loss of use of a complete arm or hand

17 Medical Expenses

The cost of medical, surgical or other remedial attention, treatment or appliances given or prescribed by a Medical Practitioner and all Hospital, nursing home and ambulance charges.

18 Medical Practitioner

Any legally qualified medical practitioner other than:

- A) an Insured Person,
- B) a member of the immediate family of an Insured Person,
- C) an Employee of the Policyholder.

19 Nuclear, Chemical or Biological Cause

Use of any nuclear weapon or device or the deliberate emission, discharge, dispersal, release or escape of any solid, liquid or gaseous chemical agent and/or Biological agent.

Biological agent shall mean any pathogenic micro-organism and/or biologically produced toxin(s) including genetically modified organisms and chemically synthesised toxins.

20 Payment Period

The maximum amount of weeks in all for which Benefit 5 Temporary Total Disablement and Benefit 6 Temporary Partial Disablement are payable after the expiry of the Deferment Period, but not necessarily consecutive.

21 Period of Disablement

The number of weeks (not necessarily consecutive) Benefit 5 Temporary Total Disablement and Benefit 6 Temporary Partial Disablement are payable as a result of one Accident occurrence.

22 Operative Times

The Operative Time as shown in the Schedule shall mean:

24 Hour Cover

At any time,

or

Occupational Accidents Only

- A) while engaged on the Insured Person's occupation in the Business or
- B) as a result of Assault or
- C) at any time while travelling on the Business of the Policyholder.

Insurance operates from the departure of the Insured Person from their residence or normal place of Business (whichever occurs first) until arrival back at such residence or normal place of Business (whichever occurs last) at the end of the journey excluding Commuting.

or

Occupational Accidents and Commuting Cover

- A) While engaged on the Insured Person's occupation in the Business or
- B) as a result of Assault or
- C) at any time while travelling on the Business of the Policyholder.

Insurance operates from the departure of the Insured Person from their residence or normal place of Business (whichever occurs first) until arrival back at such residence or normal place of Business (whichever occurs last) at the end of the journey including Commuting.

23 Terrorism

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

24 Units of Cover

Units of Cover shall mean

For Fixed Benefits Cover the following represent one unit of cover:

Benefit 1	£10,000
Benefit 2	£10,000
Benefit 3	£10,000
Benefit 4	£10,000
Benefit 5	£50 per week
Benefit 6	£20 per week
Benefit 7	£2,500

Under Benefit 7 the maximum amount payable for each Insured Person shall be £2500 irrespective of the number of Units of Cover purchased.

For Salary related Benefits:

Benefits 1 2 3 and 4 will be the multiple of Annual Salary stated in the Schedule

Benefit 5	the percentage of weekly wage stated in the Schedule
Benefit 6	the percentage of weekly wage stated in the Schedule
Benefit 7	£2,500 irrespective of the multiplier of Annual Salary purchased.

25 War

War, invasion, act of foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

Loss of Liquor Licence Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWING AS NOT INSURED IN THE SCHEDULE

In the event of the Premises Licence being forfeited, suspended or withdrawn during the Period of Insurance due to the operation of the Act the Company will provide indemnity in respect of the included sections of this Policy subject to the terms, Conditions and Exceptions of this Policy.

This section of the Policy operates in respect of the Premises Licence as specified in the Schedule and does not extend to successors of the Premises Licence.

The liability of the Company in respect of each section shall not exceed the Limit of Indemnity specified in the Schedule.

In addition the Company will pay costs and expenses incurred by the Policyholder with the written consent of the Company.

The Insurance Provided

Section 1

Any loss, cost or expense suffered or incurred by the Mortgagee under the Mortgage with the First Insured secured on the Premises.

Provided that:

the liability of the Company under this section shall be reduced by the amount the Mortgagee receives under the terms of the Mortgage following the sale or disposal of the Premises.

Section 2

The loss of Gross Profit suffered by the First Insured during the Indemnity Period and the amount payable as indemnity shall be the aggregate of:

- 1 Shortage in Turnover less Turnover from Alternative Trading multiplied by the Rate of Gross Profit,
- 2 Additional Expenditure less Savings in Costs,
- 3 Professional Accountants' Charges.

Section 3

The depreciation in value of the Premises if the First Insured is unable to obtain a Premises Licence for the Premises during a period of twelve months from the date of the forfeiture, suspension or withdrawal of the Licence and the First Insured sells the Premises.

Other Circumstances Clause

In arriving at any figure regard shall be taken of the trend of the Business and of other circumstances affecting the Business either before or after the loss of the Premises Licence or which would have affected the Business had the loss of the Premises Licence not occurred.

Conditions

1 Notice of Forfeiture, Suspension or Withdrawal

The First Insured and the Mortgagee shall give immediate written notice to the Company of the forfeiture, suspension or withdrawal of any Premises Licence or of any event likely to prejudice the Premises Licence coming to the knowledge of the First Insured or the Mortgagee stating (as far as is practicable) the grounds on which any order was made or the particulars of such event and the Company shall be entitled to appeal in the name of the Policyholder against any such forfeiture, suspension or withdrawal and shall have full discretion in the conduct of any proceedings. The First Insured and the Mortgagee shall give all such assistance as the Company may require.

2 Alteration to the Risk

The First Insured or Mortgagee shall give written notice to the Company of any alteration in the risk which renders void, voidable or liable to be forfeited, suspended or withdrawn any Premises Licence thereof or which does or might occasion any disqualification.

3 Alteration to the Premises

No alterations shall be made to the Premises without the sanction of the Licensing and other competent authorities.

4 Offer to Surrender or Discontinue any Licence

No offer shall be made to surrender or discontinue any Licence without the written consent of the Company.

5 Action by the Policyholder

The Policyholder shall use due diligence to:

- A) comply with the terms of the licence in the provision of accommodation, food, refreshments and entertainment,
- B) comply with the standards required by the fire, planning and food hygiene authorities,
- C) exercise against any Employee or agent who is responsible for the day-to-day running of the licensed premises all rights, powers and privileges which the Policyholder may be entitled to exercise to protect any licence against loss or to protect the interest of the First Insured and the Mortgagee in the Premises. The Policyholder shall make all such applications as the Policyholder may be entitled to do under the Act to prevent the loss of the Premises Licence by non-renewal forfeiture or withdrawal of the licence,
- D) produce a suitable person to replace an Employee or agent responsible for the day-to-day running of the licensed premises in the event of the death, bankruptcy or incapacity of such Employee or agent or if such person shall abscond or be convicted of any offence.

Claims Conditions

1 Other Insurance

If at the time of the forfeiture or withdrawal of any Premises Licence there is any other insurance covering the same loss the Company shall not pay more than its rateable portion of any claim.

2 Action by the First Insured/Mortgagee

As soon as reasonably practicable after the forfeiture or withdrawal of a Premises Licence the First Insured and the Mortgagee shall deliver to the Company a detailed statement of the loss with all such proofs and information as may reasonably be required together with (if required) a Statutory Declaration of the truth and accuracy of such statement. The First Insured shall permit the Company to take proceedings at its own expense to recover compensation or secure indemnity from any party in respect of anything covered by this section of the Policy.

3 The Company's Right to Pay the Limit of Indemnity

In connection with any claims against the Policyholder the Company may at any time pay to the Insured the Limit of Indemnity or any lesser amount for which such claims can be settled and thereupon the Company shall relinquish the control of such claims and be under no further liability in connection therewith except for costs and expenses for which the Company may be responsible in respect of matters prior to the date of such payment.

4 Action by the Policyholder Applicable only to Section 2

- A) In the event of a claim being made under this section of the Policy the Policyholder shall:
- i) notify the Company as soon as reasonably practical,
 - ii) take and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss,
 - iii) at their own expense provide within 30 days after the expiry of the Indemnity Period or within such further time as the Company will allow full details in writing of the claim,
 - iv) at their own expense provide the Company with all such books of account, documents, accounting and other information, proofs, explanations and evidence as may reasonably be required by the Company for the purpose of verifying the claim. Any such accounting information required may be produced by professional accountants if at the time they are regularly acting as such for the Policyholder and their report shall be prima facie evidence of the information to which the report relates.
- B) In the event that the Policyholder shall not comply with the terms of this Condition:
- i) no claim under this section of the Policy shall be payable and
 - ii) any payment on account of the claim already made shall be repaid to the Company forthwith.

Exclusions

The Company shall not be liable in respect of any loss arising from any:

- 1 A) partial removal
- B) suspension or
- C) any failure by the Licensing Authorities to grant any requested alterations of the Premises Licence.

Unless such partial removal, suspension or alteration is ancillary to the Premises Licence being fully removed or suspended.

- 2 A) actual or proposed compulsory acquisition of any of the Premises
- B) scheme of town or country planning improvement or redevelopment whether such loss is direct or indirect.
- 3 alteration after the inception of this Policy of the law governing the grant, suspension, surrender, renewal, forfeiture, withdrawal or transfer of the Premises Licence unless the Company confirms in writing that the Policy will apply after such alteration.
- 4 such refusal to renew a Premises Licence as entitles the Policyholder to claim compensation under any statute.
- 5 failure:
 - A) other than for good cause to keep open the Premises during the times stated on the operating schedule of the Premises Licence,
 - B) to maintain the Premises in good sanitary and general repair,
 - C) to comply with any direction or requirement of the licensing justices or other authority.
- 6 forfeiture of the Premises Licence occasioned wholly or in part by any act or omission of the Policyholder or by the Policyholder's failure to take all reasonable action to maintain the Premises Licence in force.
- 7 failure of the Policyholder to apply for or follow the correct procedures for applying for a Licence under the regulations of the Licensing Act 2003.

Definitions

1 Act

The Licensing Act 2003 in England and Wales.

2 Additional Expenditure

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Shortage of Turnover which would have occurred but for that expenditure during the Indemnity Period in consequence of the loss of the Premises Licence but not exceeding the amount of the reduction in Gross Profit thereby avoided.

3 First Insured

As stated in the Schedule.

4 Gross Profit

The amount by which the sum of the amounts of the Turnover and closing stock shall exceed the sum of the amounts of the Uninsured Working Expenses and opening stock. The amounts of the opening and closing stocks shall be arrived at in accordance with the Policyholder's normal accountancy methods, due provision being made for depreciation.

5 Indemnity Period

The period beginning with the loss of the Premises Licence and ending not later than the date a Premises Licence is re-obtained or 12 months after the date of the loss of the Premises Licence (whichever shall be the earlier) during which the results of the Business shall be affected in consequence of the loss of the Premises Licence provided that if the Premises are disposed of within 12 months after the loss of the Premises Licence the Indemnity Period shall terminate upon disposal.

6 Mortgagee

As stated in the Schedule.

7 Premises

The premises in respect of which the Premises Licence is indemnified hereunder and as specified in the Schedule.

8 Premises Licence

As stated in the Schedule.

9 Professional Accountants' Charge

The reasonable charges payable by the Policyholder to their professional accountants for producing information required by the Company under the terms of the Conditions and for reporting that such information is in accordance with the Policyholder's accounts.

10 Rate of Gross Profit

The rate which but for the loss of the Premises Licence Gross Profit would have borne to Turnover during the Indemnity Period subject to the Other Circumstances Clause.

11 Savings in Costs

Any of the charges or expenses of the Business payable out of Gross Profit which cease or reduce in consequence of the loss of the Premises Licence during the Indemnity Period.

12 Shortage of Turnover

The amount by which the Turnover during the Indemnity Period shall in consequence of the forfeiture, suspension or withdrawal of the Premises Licence fall short of the Turnover which but for the loss of the Premises Licence would have been achieved during the Indemnity Period subject to the Other Circumstances Clause.

13 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.

14 Turnover from Alternative Trading

The money paid or payable for goods sold and delivered and for services rendered during the Indemnity Period elsewhere than at the Premises either by or on behalf of the First Insured for the benefit of the Business.

15 Uninsured Working Expenses

Purchases and discounts relative thereto and bad debts (unless otherwise stated in the Policy). The words and expressions used in the definition of Uninsured Working Expenses shall have the meaning usually attached to them in the books and accounts of the Policyholder.

The following notes refer to the above definitions:

- A) To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this insurance shall be exclusive of such tax.
- B) For the purpose of the interpretations contained in this section of the Policy any adjustment implemented in current cost accounting shall be disregarded.

Legal Expenses Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

This is a 'claims made' insurance.

This insurance covers claims or circumstances notified to the Company during the Period of Insurance.

The Insurance Provided

The Company will indemnify the Policyholder in respect of Legal Expenses which arise from Legal Proceedings that:

- 1 are notified to Us during the Period of Insurance and
- 2 arise from the usual conduct of the Policyholder's Business and
- 3 are brought by or against the Policyholder within the jurisdiction of a court within the Territorial Limits,

subject to the Limits of Indemnity as detailed below

Limits of Indemnity

The maximum liability of the Company under this Insurance in respect of each of the following shall not exceed:

	Limit of Indemnity
A) Any One Event	As shown in the Schedule
B) All claims and legal proceedings and Taxation Proceedings notified during any Period of Insurance	As shown in the Schedule

in respect of:

Insured Incident 1 – Employment

- 1 the defence of any Legal Proceedings, brought in an employment tribunal, arising from a dispute with an Employee, ex-Employee or prospective Employee relating to:
 - A) their contract of employment with the Policyholder,
 - B) actual or alleged breaches of their statutory rights under employment legislation.
- 2 the pursuit of any Legal Proceedings to recover possession of Premises which are owned by the Policyholder but occupied by an Employee or ex-Employee,

provided that:

- 1 the Policyholder has sought and followed advice from Our Legal Consultants before materially changing or attempting to change the particulars of an Employee's contract of employment or dismissing an Employee (whether or not by reason of redundancy),
- 2 the Policyholder agrees to the appointment of the legal personal representative in accordance with Claims Settlement Condition 7a).

Insured Incident 2 – Prosecution Defence

the defence of any Legal Proceedings arising from:

- 1 any actual or alleged act or omission by the Policyholder relating to an appeal against the service of an improvement, prohibition or suspension notice under the:

- A) Health and Safety at Work etc Act 1974 or the Health and Safety (Northern Ireland) Order 1978,
 - B) Food Safety Act 1990,
 - C) Consumer Protection Act 1987.
- 2 civil action taken against the Policyholder for:
 - A) wrongful arrest in respect of an accusation of theft,
 - B) any activities as a trustee of a pension fund set up for the benefit of the Policyholder's employees,
 - 3 the Policyholder's prosecution in a court of criminal jurisdiction.

Insured Incident 3 – Taxation

- 1 entering a response to a full enquiry by HM Revenue & Customs into a self-assessment tax return following the issue of a formal notice. This includes representation at a first tier tribunal hearing,
- 2 entering a response to an examination by HM Revenue & Customs following an Employer Compliance Review which arose from and related to an expression of dissatisfaction with the Policyholder's PAYE or National Insurance Contribution affairs,
- 3 an appeal against a written VAT decision or assessment issued by HM Revenue & Customs. This includes the local review procedure and any VAT tribunal.

Insured Incident 4 – Property

the pursuit or defence of Legal Proceedings relating to the Policyholder's rights as the owner or occupier of land or buildings physically occupied by the Policyholder.

Provided that:

- 1 the Policyholder has suffered or could suffer a financial loss if Legal Proceedings are not pursued or defended,
- 2 the property has been disclosed to Us in writing as part of the insurance proposal and accepted by the Company.

Insured Incident 5 – Contract Disputes

the pursuit or defence of Legal Proceedings arising from a dispute with a customer or supplier, in respect of a contract with that customer or supplier, for the sale, purchase, hire or supply of goods or services.

Provided that:

- the Policyholder entered into the contract or alleged contract during the Period of Insurance.

Insured Incident 6 – Data Protection

- 1 the defence of any Legal Proceedings brought against the Policyholder for compensation under Section 13 of the Data Protection Act 1998;
provided that the Policyholder is already registered with the Data Protection Commissioner,
- 2 an appeal by the Policyholder against:
 - A) the refusal of the Policyholder's application for registration by the Data Protection Commissioner,
 - B) the refusal of an application for alteration of registered particulars by the Data Protection Commissioner,

- C) an enforcement notice,
- D) a de-registration notice,
- E) a transfer prohibition notice.

In respect of 1 and 2 above the Policyholder must agree to the appointment of the Legal Representative in accordance with Claims Settlement Condition 7a).

Insured Incident 7 – Bodily Injury

the pursuit of compensation following an event which causes death of or bodily injury to the Policyholder.

This section extends to cover members of the Policyholder's family who suffer bodily injury following an event that also causes bodily injury to the Policyholder.

Insured Incident 8 – Statutory Licence

an appeal to the relevant statutory body or court concerning a decision by a registration authority where the authority suspends, revokes, alters the terms of or refuses to renew a statutory licence:

Provided that:

- 1 no appeal was made in the twelve months prior to the inception of this section of the Policy,
- 2 the Policyholder has suffered or would suffer a pecuniary loss if Legal Proceedings are not pursued.

Conditions

THE FOLLOWING CONDITIONS SPECIFICALLY APPLY IN RESPECT OF LEGAL EXPENSES INSURANCE

Record Keeping

The Policyholder must take all reasonable care in keeping business books, records and accounts. Tax returns are to be submitted without undue delay and accounts and related taxation computations are to be submitted to the proper government department within the statutory period laid down at the end of the relevant period of account.

Claims Settlement Conditions

The following claims conditions are specific to Legal Expenses Insurance:

1 Consent

Our consent to pay Legal Expenses must be obtained in writing. Legal expenses incurred before such consent is given will not be covered. Any consent given will remain effective whilst the Policyholder can satisfy Us that:

- A) there are reasonable prospects of successfully pursuing or defending the Legal Proceedings,

and

- B) it is reasonable in all the specific circumstances of the case for Legal Expenses to be provided.

In circumstances where We have chosen a representative to act on the Policyholder's behalf We will pay Legal Expenses incurred for providing the initial assessment of the claim irrespective of the prospects of success or whether the claim is covered under this Policy.

Where the Policyholder has chosen their own representative any Legal Expenses incurred in providing initial assessment shall only be covered where there are reasonable prospects of successfully pursuing or defending the Legal Proceedings and the claim is covered under all other terms and conditions of the Policy.

The decision to grant consent will take into account the advice of the Policyholder's Legal Representative as well as that of Our own advisers. We may require, at the Policyholder's expense, an opinion of counsel on the merits of the Legal Proceedings. If the claim is subsequently admitted the Policyholder's costs in obtaining such an opinion and providing such advice will be covered under this insurance.

If the Policyholder decides to commence or continue Legal Proceedings for which We have denied support under Claims Settlement Condition 1A) and is successful, We will pay Legal Expenses as if We had given Our consent in the first instance.

2 Minimising Claims or Legal Proceedings

The Policyholder must take all reasonable measures to minimise the risk or likelihood of claims, and the cost of Legal Proceedings.

3 Arbitration

Any dispute between the Policyholder and Us or the Company in respect of this section of the Policy may be referred to a single arbitrator who shall be either a solicitor or barrister agreed upon by both parties. Failing agreement, the arbitrator shall be nominated by the President of the appropriate Law Society, Bar Council or professional body within the Territorial Limits.

The party against whom the decision is made shall meet the costs of the arbitration in full. If the decision is not clearly made against either party the arbitrator shall have the power to apportion costs. If the decision is made in favour of Us or the Company, the Policyholder's costs shall not be recoverable under this Policy.

4 Insolvency of Policyholder

If the Policyholder is insolvent when a claim is notified to Us or becomes insolvent during the course of any Legal Proceedings, to which the Company has given support, the Company has the right to refuse to admit a claim or immediately to withdraw its support from a claim. The Policyholder shall be deemed insolvent upon the appointment of an office-holder within the meaning given by section 233 (1) or 372 (1) of the Insolvency Act 1986.

5 Notification of Claims

It is a condition precedent to the Company's liability that We must be notified in writing immediately the Policyholder is aware of any actual or alleged act, omission or dispute which has given or may give rise to any Legal Proceedings involving the Policyholder. If the Policyholder fails to notify Us of any actual or alleged act, omission or dispute during the Period of Insurance any claim arising from such actual or alleged act, omission or dispute will not be admitted.

Where such notification has been given, the Company agrees to treat any subsequent Legal Proceedings in respect of the circumstances notified as though the Legal Proceedings had been made or brought during the Period of Insurance.

Special Procedure

If a form ET1 (Originating Application) is received from an employment tribunal the Policyholder must immediately forward it to Us with form ET3 (Notice of Appearance by Respondent) which should be left blank.

In view of the 21 days' statutory time limit this must be done immediately.

6 Appeal Procedure

Our consent must be obtained if the Policyholder wishes to appeal against the judgment of a court. A written application must be submitted to Us at least 10 working days before the final date for lodging the appeal. The application must state the reasons for bringing the appeal. We will inform the Policyholder of Our decision.

The Policyholder must co-operate in an appeal against the judgment of a court at Our request.

7 Conduct of Legal Proceedings

A) Nomination of the Legal Representative

i) In respect of any and all claims where the Company may be liable to pay an award of compensation, We have the right to choose the Legal Representative.

ii) In respect of all other claims covered by the Policy:

Where court papers have been issued (or received), or where there is a conflict of interest, the Policyholder is free to choose a suitably qualified Legal Representative.

Where the Policyholder has selected a Legal Representative of the Policyholder's own choice, We will only pay Legal Expenses up to the limit specified by the Standard Legal Expenses. Any Legal Expenses in excess of the Standard Legal Expenses will be the responsibility of the Policyholder.

In selecting the Legal Representative the Policyholder shall have a duty to minimise the cost of Legal Proceedings.

We may choose not to accept a representative chosen by the Policyholder. If this occurs We will explain why. If there is a disagreement over the choice of representative in these circumstances, the Policyholder may choose another suitably qualified person and submit the name of that person to Us for consideration. If We cannot agree on a representative or whether Legal Proceedings are necessary the Policyholder can take the matter to an independent arbitrator. The arbitration process is set out in Claims Settlement Condition 3.

In all circumstances except those described in 7a)ii) above, We shall choose a representative to act on the Policyholder's behalf.

If the Policyholder's choice of representative has to undertake work to familiarise themselves with the work already undertaken on the case, We will not pay for this work to be done. We will not pay the Policyholder's choice of representative more than We would pay Our own choice of representative.

iii) In the period before We agree that Legal Proceedings are necessary We reserve the right to seek to obtain a settlement on the Policyholder's behalf. The settlement will be subject to the Policyholder's agreement, which the Policyholder will not unreasonably refuse.

Any representative is appointed in the Policyholder's name to act for the Policyholder.

B) All information to be given to the Legal Representative

The Legal Representative must be given all information and assistance required. This must include a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the Policyholder's possession. The Policyholder must obtain or execute all documents as may be necessary and attend any meetings or conferences when requested. The Policyholder owes the same obligations to Us as to the Legal Representative.

C) Access to the Legal Representative

We are entitled to obtain from the Policyholder's Legal Representative any information, document, or advice relating to a claim under this insurance, whether or not privileged. On request the Policyholder will give any instructions necessary to ensure such access.

D) Instruction of counsel or appointment of expert witnesses

If the Legal Representative wishes to instruct counsel or appoint expert witnesses We will not unreasonably withhold Our consent. The names of counsel or the expert witnesses must be submitted to Us together with an explanation of the necessity for such action.

E) Our right to pay the Policyholder instead of indemnifying Legal Expenses

We may elect to pay the Policyholder a reasonable sum not exceeding the realistic estimated value of any claim instead of indemnifying any Legal Expenses. Such a decision will be entirely at Our discretion and will be in full and final settlement of the Policyholder's claim.

F) Offer of settlement

The Policyholder must inform Us in writing as soon as an offer to settle Legal Proceedings is received or a payment into court is made. The Policyholder will not unreasonably withhold consent to the Legal Representative making an offer to settle the Legal Proceedings.

The Policyholder must not enter or offer to enter into any agreement to settle without Our prior written consent. Any such agreement must take into account the Company's interest in the recovery of costs.

If the Policyholder unreasonably withholds agreement to a settlement We reserve the right to withdraw Our support.

G) Withdrawal by the Policyholder

Where the Company has provided an indemnity for Legal Expenses and the Policyholder withdraws from the Legal Proceedings without Our agreement, the Company shall be entitled to reimbursement for all Legal Expenses paid.

H) Payment of Legal Expenses

All bills relating to any Legal Proceedings which the Policyholder receives from the Legal Representative should be forwarded to Us without delay.

Bills must be certified by the Policyholder to the effect that the charges have been properly incurred and that We are authorised to settle on the Policyholder's behalf. Gross sum bills must be accompanied by a breakdown setting out the work done and rates applied.

If requested the Policyholder must ask the Legal Representative to submit the bill of costs for assessment or audit.

The provision of indemnity for any Legal Expenses does not imply that all Legal Expenses will be paid. If the Policyholder is in doubt We should be consulted.

The Policyholder must not, without Our written consent, enter into any agreement with the Legal Representative as to the payment of Legal Expenses.

l) Recovery of costs and expenses

The Policyholder through the Legal Representative shall be responsible for the repayment to the Company of any:

- i) award of costs in favour of the Policyholder,
- or
- ii) costs agreed to be paid to the Policyholder as part of any settlement.

When the total amount of Legal Expenses incurred is within the Limit of Indemnity, the Policyholder and the Company will share any Legal Expenses that are recovered according to the proportion paid.

Where the total cost of the legal action exceeds the Limit of Indemnity, the Policyholder and the Company shall have priority over any other parties with an interest in any costs recovery. The Policyholder and Company shall share such recovery according to the proportion paid, subject to the Company's right of recovery being restricted to the Limit of Indemnity

Extensions

1 Jury Service Allowance

The Company will indemnify the Policyholder in respect of Jury Service Allowance provided that such attendance commences during the Period of Insurance and within the Territorial Limits.

Limit of Indemnity £150 per person per day

2 Witness Attendance Allowance

The Company will indemnify the Policyholder in respect of Witness Attendance Allowance provided that such attendance commences during the Period of Insurance and within the Territorial Limits.

Limit of Indemnity £150 per day,

subject to a Limit of Indemnity of £10,000 in total in respect of all Events notified during any Period of Insurance.

3 Taxation Proceedings

Limit of Indemnity £25,000 in respect of Any One Event for Legal Expenses arising out of Taxation Proceedings,

subject to a Limit of Indemnity of £100,000 in total in respect of all Events notified during any Period of Insurance arising out of Taxation Proceedings.

4 Legal Advice

The Company will provide the Policyholder with confidential advice and guidance on legal matters affecting the business. To access this service contact the Company's legal consultants on 0845 078 7543 quoting 70201.

This service is available 24 hours a day, 365 days a year. The Company accepts no responsibility for failure of this service for reasons outside of the Company's control.

Exclusions

The Company shall not be liable for Legal Expenses in respect of:

- 1 the period before We have agreed in writing to support the Legal Proceedings,
- 2 work undertaken without our prior written agreement
- 3 the defence of any Legal Proceedings made or brought against the Policyholder arising from any actual or alleged:
 - A) death, bodily injury, disease or illness of any person,
 - B) loss, destruction or Damage to any property,
 - C) breach of any professional duty,
 - D) breach of any duty owed as a director or officer of any company. This does not apply where the breach or alleged breach relates to taxation disputes and cover is provided under Insured Incident 3 - Taxation.
- 4 any Legal Expenses that are in excess of the Standard Legal Expenses where the Policyholder has nominated their own representative to act as the Legal Representative.
- 5 any Legal Proceedings brought outside the Territorial Limits,
- 6 any Legal Proceedings where a reasonable estimate of the likely irrecoverable element of any Legal Expenses to be paid would exceed a realistic financial valuation of the Policyholder's claim,
- 7 any Legal Proceedings where the Policyholder is, or but for the existence of this section of the Policy would be, entitled to cover under any other insurance policy actually held or would be entitled to cover under any policy which the Policyholder is required to hold by law,
- 8 any actual or alleged act, omission or dispute occurring prior to, or existing at inception or renewal of this Policy and which the Policyholder knew (or ought reasonably to have known) was likely to give rise to Legal Proceedings,
- 9 any Legal Proceedings arising from:
 - A) the Policyholder's intentional wrongdoing or
 - B) an act or omission with reckless disregard as to its consequences.
- 10 any dispute between the Policyholder and any subsidiary, parent, associated or sister company or between shareholders, directors, partners or any other person who is or would be entitled to indemnity at the Policyholder's request,
- 11 damages, fines or penalties of any nature incurred by the Policyholder in Legal Proceedings,
- 12 any VAT attaching to Legal Expenses incurred with Our consent which is recoverable by the Policyholder,
- 13 the defence of any Legal Proceedings arising from or relating to any actual or alleged dishonesty, fraud or malicious conduct of the Policyholder unless such proceedings are successfully defended,
- 14 the pursuit or defence of any action alleging defamation or malicious falsehood,
- 15 the pursuit or defence of any Legal Proceedings relating to patents, copyrights, design rights, moral rights, trade or service marks, registered designs, passing off, trade secrets or confidential information,

- 16 the pursuit or defence of Legal Proceedings between the Policyholder and a central or local government authority concerning the imposition of statutory charges except where an appeal is allowed at law,
- 17 an application for judicial review,
- 18 any alternative funding arrangement or insurance or costs which are only payable where a successful outcome to a legal action is achieved,
- 19 the defence of any Legal Proceedings arising from or relating to seepage, pollution or contamination of any kind,
- 20 any Legal Proceedings arising directly or indirectly from:
 - A) equipment failing correctly to recognise data representing year 2000 or any other date in such a way that it does not work properly or at all,
 - B) computer viruses, including any program or software which prevents any operating system, computer program or software working properly or at all.

This does not apply to any claim relating to compensation for bodily injury.
- 21 any Legal Proceedings directly or indirectly caused by, contributed to, or arising from:
 - A) ionising radiations or contamination by radioactivity from an irradiated 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.

Additional Exclusions Specific to Insured Incidents 1 to 8

Exclusions Specific to Insured Incident 1 – Employment

The Company will not pay Legal Expenses arising from or relating to:

- 1 any benefit due under a contract of employment,
- 2 any payment made in respect of redundancy,
- 3 the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Equal Pay Act 1970,
- 4 any claim where the Policyholder does not appoint the Legal Representative in accordance with Claims Settlement Condition 7a),
- 5 any dispute that arises within three months of the inception of the Policy,
- 6 a dispute within the first six months of the Policy where a warning was given to an Employee six months prior to the Policy's inception,
- 7 any compensatory award made against the Policyholder relating to:
 - A) trade union activities including membership or non-membership,
 - B) pregnancy, maternity or paternity rights.

- 8 any award made because of the Policyholder's failure to provide written reasons for dismissal,
- 9 any compensatory award specified in a reinstatement or re-engagement order or made because of the Policyholder's failure to provide written reasons for a dismissal,
- 10 any awards to the extent that they relate to contractual rights accruing to the Employee, ex-employee or prospective Employee prior to the actual or alleged breach of the actual or alleged contract of employment,
- 11 a matter which is more specifically covered by another section of this Policy or would have been had it not been for an exclusion or proviso applying to that section.

Exclusions Specific to Insured Incident 2 – Prosecution Defence

The Company will not pay Legal Expenses:

- 1 arising from or relating to any Legal Proceedings involving the ownership, possession, hiring or use of a motor vehicle, aircraft or water craft,
- 2 arising from or relating to any Legal Proceedings concerning to any alleged deliberate or intentional act unless charges are dismissed or the Policyholder is acquitted,
- 3 incurred in a Magistrates' Court that are in excess of what would be allowed should a full Representation Order have been granted,
- 4 incurred in the Crown Court that are in excess of any contribution required under the terms of the Representation Order,
- 5 in respect of a claim where it is alleged that the Policyholder has breached the terms and conditions of a Representation Order,
- 6 arising from or relating to a matter which is more specifically covered by another section of this Policy or would have been had it not been for an exclusion or proviso applying to that section.

Exclusions Specific to Insured Incident 3 – Taxation

The Company will not pay Legal Expenses arising from or relating to:

- 1 any claim where a Tax Avoidance Scheme has been used by the Policyholder,
- 2 an enquiry undertaken under Section 60 or 61 of the VAT Act 1994 or any investigation or enquiry by the Investigations Division of HM Revenue & Customs, HM Revenue & Customs Internal Governance or Criminal Investigations,
- 3 any investigation or inspection by HM Revenue & Customs that commenced prior to the inception of this Policy,
- 4 any work in connection with the normal reconciliation of the annual accounts and VAT returns where such reconciliation has not been undertaken prior to the dispute or investigation arising,
- 5 the Policyholder's actual or alleged misstatement with intent to deceive contained in any relevant business books, records or returns. If such intent to deceive is shown the Company shall be entitled to recover such indemnity as it has actually provided,

- 6 any issue of law, practice, or procedure not directly connected with the particular investigation, dispute or Legal Proceedings which are the subject of an indemnity under this section of the Policy,
- 7 any enquiry born out of an enquiry into earlier years' tax return(s) or a tax return already under enquiry,
- 8 enquiries into tax returns that were filed after the statutory filing date and where no reasonable excuse has been accepted by HM Revenue & Customs for late filing,
- 9 any criminal prosecution,
- 10 a matter which is more specifically covered by another section of this Policy or would have been had it not been for an exclusion or proviso applying to that section.
- 11 in an investigation to Research and Development relief for Corporation Tax or where Patent Box has been used,
- 12 any claim involving an enquiry by Special Civil Investigation Office under Code of Practice 8 unless that at the culmination of such enquiry it is provided that the Insured Person is not guilty of any fraud, fraudulent intent or serious irregularities.

Exclusions Specific to Insured Incident 4 – Property

The Company will not pay Legal Expenses arising from or relating to:

- 1 rent payable for leasehold property,
- 2 the recovery of rent payable,
- 3 freehold title, lease, tenancy or licence disputes,
- 4 mining or other subsidence or heave,
- 5 a matter which is more specifically covered by another section of this Policy or would have been had it not been for an Exclusion or proviso applying to that section,
- 6 a contract entered into by the Policyholder,
- 7 the construction, extension, alteration, demolition, repair, renovation or refurbishment of any property,
- 8
 - A) any dispute arising from the compulsory purchase, confiscation, nationalisation, requisition, destruction of or damage to any freehold or leasehold property,
 - B) any disputes over restrictions or controls placed on any freehold or leasehold property,
 - C) any disputes arising from actual, planned, or proposed construction, closure, adaptation or repair of roads, buildings, housing or other works,

by or on behalf of any government, public or local authority, except in so far as the claim relates to accidental damage arising from such activities.

Exclusions Specific to Insured Incident 5 – Contract and Disputes

The Company will not pay Legal Expenses arising from or relating to:

an undisputed debt owed to the Policyholder:

- 1 any licence or franchise agreements,
- 2 a dispute about either the amount an insurance company should pay to settle an insurance claim or the way a claim should be settled,

- 3 the letting or tenancy of property,
- 4 any computer software or hardware that has been tailored by or on behalf of a supplier or the Policyholder,
- 5 the construction, extension, alteration, demolition, repair, renovation or refurbishment of any property,
- 6 the ownership, possession, hiring or use of a motor vehicle, aircraft or water craft.

Exclusions Specific to Insured Incident 6 – Data Protection

The Company will not pay Legal Expenses arising from or relating to:

- 1 any criminal prosecution,
- 2 any legal action concerning the grant and/or execution of a warrant of entry,
- 3 a matter which is more specifically covered by another section of this Policy or would have been had it not been for an exclusion or proviso applying to that section.

Exclusions Specific to Insured Incident 7 – Bodily Injury

The Company will not pay Legal Expenses arising from or relating to:

- 1 any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident,
- 2 the defence of any claim,
- 3 a matter which is more specifically covered by another section of this Policy or would have been had it not been for an Exclusion or proviso applying to that section.

Exclusions Specific to Insured Incident 8 – Statutory Licence

The Company will not pay Legal Expenses arising from or relating to:

- 1 an original application for a statutory licence,
- 2 the standard renewal of a licence.

Definitions

1 Acts of Parliament

All Acts of Parliament referred to in this Policy include any subsequent amendments or re-enactments of those Acts and any equivalent legislation which is enforceable within the Territorial Limits.

2 Any One Claim

All Legal Proceedings (including any appeal against judgment) arising from or relating to the same original cause, event, series of events or circumstance shall be regarded as one claim.

3 Courts

A court, or other competent authority.

4 Employee

Any person under a contract of service or apprenticeship with the Policyholder in connection with the Business. This includes any trainee under the Policyholder's control in connection with a government-approved training scheme.

5 Equipment

Computers and anything else which contains a microchip. Computers include hardware, software, data, electronic data processing equipment, microchips (including integrated circuits) and micro-controllers, and any other computing and electronic equipment linked to a computer.

6 Legal Expenses

Fees and Costs, Witness Attendance Allowance and in respect of:

- A – Employment Basic and Compensatory Awards,
- E – Data Protection Data Protection Awards.

1 Fees

Any fees and disbursements reasonably and properly incurred by Legal Representative, or by Us, in connection with any Legal Proceedings.

These will not exceed costs which are reasonable and proportionate in accordance with the rules on costs such as those contained within the Civil Procedure Rules of England and Wales and rules on judicial expenses in Scotland. Where any such rules prescribe or restricts the level of costs which can be recovered from an opponent, reasonable own costs shall not exceed this amount.

We may instruct cost experts to agree with the representative which costs are reasonable and proportionate.

2 Costs

Any costs payable by the Policyholder following:

- A) an award of costs by any court;
- or
- B) an out-of-court settlement made in connection with any Legal Proceedings. The Policyholder must have obtained Our agreement to any such settlement in accordance with Legal Expenses – Claims Settlement Condition 7G).

3 Witness Attendance Allowance

The actual loss of earnings incurred when the Policyholder is absent from work attending court as a:

- A) witness for the Policyholder at the request of the Legal Representative,
- or
- B) defendant,

provided that a claim has been admitted under Insured Incidents 1–8 this Policy. The sum payable shall not exceed the amounts stated in Extension 2 Witness Attendance Allowance..

4 Data Protection Awards

- A) an award of compensation made against the Policyholder under Section 13 of the Data Protection Act 1998,
- or
- B) an out-of-court settlement of a claim under 4a) above to which We have given Our prior written consent.

7 Basic and Compensatory Awards

- A) a basic or compensatory award of compensation which the Policyholder must pay as a result of judgment in a dispute under employment legislation,
- or
- B) an out-of-court settlement of a claim under 5A) above to which We have given Our prior written consent.

8 Jury Service Allowance

The income, salary or wages of the Policyholder or any director or partner in or Employee of the Policyholder in respect of that individual's obligation to attend court for jury service in so far as it is not recoverable from the relevant court. The sum payable shall not exceed the amounts shown in Extension 1 Jury Service Allowance.

9 Legal Proceedings

The pursuit or defence of legal or taxation disputes.

10 Legal Representative

A solicitor, Our Employment Advocacy Service or any appropriately qualified person approved by Us and who is appointed to act in a professional capacity for the Policyholder in the name of the Policyholder in accordance with the terms and conditions of this section of the Policy. Where the Policyholder has chosen their own representative We will only pay Legal Expenses up to the limit specified by the Standard Legal Expenses (see Legal Expenses – Claims Settlement Condition 7).

11 Policyholder

1 In respect of Insured Incidents 1–6 and 8

The person or company named as Policyholder in the Schedule and at the request of the Policyholder in respect of Insured Incidents 1 – Employment, and 2 – Prosecution, a director, partner or Employee of the Policyholder.

2 In respect of Insured Incident 7 – Bodily Injury

Any director, partner or Employee of the Policyholder, if requested by the Policyholder.

12 Standard Legal Expenses

The level of costs that would be incurred by Us in nominating the Legal Representative of Our choice.

13 Territorial Limits

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

14 We/Us/Our

A third party provider approved by Royal & Sun Alliance Insurance plc and stated in the Schedule.

Transit Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The Company will by payment (or at the Company's option by repair, reinstatement or replacement) indemnify the Policyholder if any part of the Property suffers Damage within the Territorial Limits during any Period of Insurance

The Insurance Provided

A) Despatched Free On Board (FOB)

while in transit as provided for in the Schedule until delivered on board the export steamer or aircraft at port or airport of shipment including temporary storage (for a period not exceeding 30 days or any such longer period specifically agreed by the Company) on quays, wharves or in warehouses (other than packers' warehouse) or sheds.

B) Despatched by Post, Rail or Road Carrier

while in the custody or control of the postal authority, railway board or any road carrier until delivered to the consignee's premises or in course of return transit to the Policyholder's Premises.

C) In the custody of the Policyholder's Travellers or Agents:

- 1) while travelling on business including while contained in vehicles,
- 2) while deposited in any building not owned or occupied by the Policyholder but only in respect of Damage as a result of fire, explosion, water damage, aircraft or articles dropped therefrom or theft involving entry to or exit from the building by forcible and violent means.

D) In Vehicles owned or operated by the Policyholder

while being loaded upon, carried by, temporarily housed upon or being unloaded from any such vehicle.

Provided that the liability of the Company in respect of any claim arising out of any one happening or Event shall not exceed the Limits of Liability.

Plus in addition to any of C or D above:

The Company will indemnify the Policyholder in addition to the Limits of Liability shown in the Schedule provided that vehicles owned or operated by the Policyholder, his Travellers or Agents are included in this insurance, in respect of:

1 additional costs reasonably incurred in:

- A) transhipping Property to another vehicle, delivering it to the original destination or returning it to the place of despatch following Damage to the Property or an accident to the conveying vehicle,
- B) removal of debris following Damage to the Property or an accident to the conveying vehicle,
- C) reloading onto any vehicle any Property if it falls from such vehicle

Limit of Liability any one Event £1,000

- 2 Damage to sheets, ropes, packing materials, dunnage, securing chains and toggles owned by the Policyholder or in the charge or control of the Policyholder whilst carried on any such vehicle

Limit of Liability any one Event £1,000

- 3 Damage to the personal effects belonging to the driver or attendant whilst carried by any such vehicle in the course of the employment of the driver or attendant with the Policyholder

Limit of Liability any one Event in respect of any one person £100

Conditions

1 Underinsurance

- A) If the Property shall at the commencement of any Damage hereby insured against be collectively of greater value than the Limit of Liability then the Policyholder will be considered as being his own insurer for the difference and shall bear a rateable share of the Damage accordingly
- B) If the Schedule specifies the number of vehicles owned or operated by the Policyholder or the number of travellers or agents and at the commencement of any Damage hereby insured against the Policyholder owns or operates more vehicles or entrusts Property to more travellers or agents than shown then the Policyholder will be considered as being his own insurer for the difference and shall bear a rateable share of the Damage accordingly.

If both sub-clauses A) and B) above are applicable then the Company will pay the lesser of the amounts calculated under sub-clause A) and B) (less the Policyholder's Contribution and any applicable co-insurance).

Exclusions

1 Unattended Vehicle Security Requirements (Applicable if shown in the Schedule and in respect of Vehicles owned or operated by the Policyholder or in the custody of the Policyholder's Travellers or Agents)

The Company shall not be liable for theft of or from any unattended vehicle unless at the time of theft:

- 1) **Immobiliser**
Any immobiliser and/or alarm system fitted to the vehicle was set in operation
- 2) **Keys**
All keys were removed from the vehicle
- 3) **Enclosed Area**
The stolen Property was contained within a fully enclosed area of the vehicle
- 4) **Unattended Vehicle**
 - A) all doors, windows and other openings were left closed, securely locked and properly fastened and
 - B) entry or access to the vehicle was effected by forcible and violent means.
- 5) **Overnight Requirement**
Property left in or on any unattended vehicle for the night was protected in accordance with any other Vehicle Security Requirement(s) specified herein and the vehicle was either garaged in a building which was securely closed and locked or parked in a compound secured by locked gates.

6) **Coinsurance**

In the event of non-compliance with one or more of Vehicle Security Requirements numbered 1 to 5, if specified in the Schedule, the Company agrees to provide indemnity subject otherwise to the Policy terms and conditions provided;

- A) that the Policyholder shall bear 20% of each and every agreed claim; and
- B) that all drivers, attendants, travellers and agents have been instructed in writing prior to entrusting them with any Property or at inception of this Policy as to their responsibility for compliance with such Vehicle Security Requirements.

2 Climatic Conditions

The Company shall not be liable in respect of vehicles owned or operated by the Policyholder in respect of physical damage to Property caused by atmospheric or climatic conditions unless the Property was contained within a fully enclosed area of the vehicle or protected by vehicle sheets.

3 Despatches by Post, Rail or Road Carrier

The Company shall not be liable in respect of Property despatched by post, rail or road carrier:

- A) consigned to or from any address outside the Territorial Limits.
- B) originally despatched from outside the Territorial Limits unless such Property was unpacked and checked for quantity and quality prior to the commencement of any transit for which insurance is provided under this Policy.
- C) damage caused by or arising as a result of insufficient labelling or incorrect addressing or failure to make proper and complete declarations required by carriers unless the labelling or addressing was carried out by a party other than You or Your Employees and such insufficiency, error or failure arose entirely without Your knowledge.

4 Excluded Property

The Company shall not be liable in respect of:

- A) Excluded Property.
- B) Hi-tech Equipment unless shown as "Insured" in the Schedule.

5 Excluded Causes

The Company shall not be liable:

- A) for loss or damage caused by or arising as a result of packing which was inadequate to withstand normal handling during transit.
- B) for Property carried by You for hire or reward.
- C) for Property whilst being driven under its own motive power or whilst being towed on its own road wheels.
- D) for mechanical, electrical and/or electronic breakdown, failure and/or derangement of Property unless external damage to that Property has occurred and such damage is covered under this Policy.
- E) for Property whilst being dismantled, erected, commissioned or tested.

- F) for loss, damage or expense caused by or arising from depreciation, deterioration, mildew, mould, moth, vermin, ordinary wear and tear and/or any characteristic of the Property which in itself causes or gives rise to loss or damage irrespective of any other cause.
- G) for loss of market, loss of profits, delay, business interruption, increased cost of working or loss of production and any other losses unless specifically stated in the Policy.

6 Used and/or Previously Damaged and/or Second-hand Property

The Company shall not be liable for rust, oxidisation, discolouration, corrosion, breakage, scratching, denting, bruising, chipping, twisting, bending and distortion to used and/or damaged and/or second-hand Property unless attributable to the carrying conveyance being involved in an accident or casualty.

7 Acts of Authorities

The Company shall not be liable for loss caused by, or contributed to by, or arising from destruction, damage, confiscation, seizure, expropriation, nationalisation, detention or requisition by any central or local government or agency of such government.

8 Policyholder's Contribution

The Company shall not be liable for the Policyholder's Contribution being the first £25 of each and every claim (as ascertained after the application of the Underinsurance Condition) except in respect of Property despatched by post, rail or road carrier which shall be the first £10 of each and every claim.

9 Warehoused Property

The Company shall not be liable for Property warehoused at a rental or under a contract for storage and distribution.

10 Radioactivity and Bio-chemical weapons

The Company shall not be liable for any Damage caused by, or contributed to by, or arising from:

- A) ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- B) any weapon or device employing atomic or nuclear fusion and/or fusion or other like reaction or radioactive force or matter.
- C) the radioactive, toxic, explosive or other hazardous or contaminating properties of any:
 - i) nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
 - ii) radioactive matter, but not radioactive isotopes, other than nuclear fuel, where such isotopes are carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- D) any chemical, biological, biochemical or electromagnetic weapons.

11 Terrorism

The Company shall not be liable for any Damage caused by, or contributed to by, or arising from Terrorism.

Definitions

1 Damage

Physical loss damage or destruction

2 Excluded Property

- A) Money, securities for money, negotiable instruments, savings stamps, unused postage stamps and/or anything of a similar nature,
- B) cash, credit, debit and/or charge cards,
- C) documents, business records and/or information represented and/or stored in electronic form,
- D) mobile telephones,
- E) portable satellite navigation equipment
- F) microchips; microprocessors; central processing units; system boards; memory boards; memory, sound and/or video cards and components of a similar nature.

3 FOB (Free on Board)

As defined in International Commercial Terms (Incoterms®) 2010.

4 Hi-tech Equipment

- A) Lap-top and/or palm-top computers,
- B) plasma screens,
- C) electronic organisers, digital cameras, camcorders and/or any other hand held devices designed for the recording, transmission and/or playing of sound and/or images and/or for the storage, management, use or communication of information and/or Data.

5 Limit of Liability

The maximum amount the Company will pay under this section of the Policy for any claim or series of claims arising out of any one Event.

6 Property

Property belonging to or for which the Policyholder is responsible incidental to the Business.

7 Territorial Limits

Great Britain, Northern Ireland, the Channel Islands or the Isle of Man including sea or air transits between these territories.

8 Terrorism

Any act including the use of force or violence or the threat thereof, by 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 influence any government or to put the public or any section of the public in fear).

Deterioration of Stock Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

In the event of Damage by deterioration or putrefaction of stock in the cold chamber of any machine detailed in the Schedule while at the Premises:

- 1 due to the rise or fall in temperature resulting from any cause not hereunder excluded or
- 2 due to the action of refrigerant fumes which have escaped from the machine,

during any Period of Insurance.

The Company will pay to the Policyholder the amount of such loss or Damage but not exceeding as far as each item is concerned the Sum Insured or in all the Total Sum Insured.

The Insurance Provided

In consideration of the Policyholder agreeing to pay the Company an appropriate additional premium the Company will automatically reinstate the Sum Insured in full after Damage as insured by the Policy has occurred subject to:

- 1 the cause of such loss or Damage being rectified before reinstatement of the Sum Insured is effective,
- 2 such reinstatement not applying to the original loss or Damage nor to any succeeding loss or Damage arising out of the same continuous cause,
- 3 the Company not giving the Policyholder notice within 30 days of the Policyholder reporting the loss or Damage to the Company that the Company will not reinstate the Sum Insured.

Stock in the Cold Chamber

The term 'stock in the cold chamber' shall be deemed to include the stock which at the time of Damage giving rise to such deterioration or putrefaction is elsewhere on the Premises but which would in the normal course be placed in the said cold chamber.

Underinsurance

The Sum Insured by each Item is separately but similarly subject to the following Condition:

If the Sum Insured on stock shall at the commencement of any loss or Damage be less than the value of such property the Policyholder will be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly.

Exclusions

This section of the Policy does not cover:

1 Property Damage Covers

Deterioration or putrefaction resulting from Damage at the Premises by fire, lightning, explosion, flood, earthquake, aircraft or other aerial devices or articles dropped therefrom or by leakage from a sprinkler installation,

2 Deliberate Act

Damage resulting from the deliberate act of any public electricity supply authority or the exercise by any such authority of its power to withhold or restrict supply or from the wilful neglect of the Policyholder,

3 Loss of goodwill or other consequential loss

Of any nature whatsoever,

4 The Policyholder's Contribution

The first £25 of each and every loss borne by the Policyholder or otherwise specified in the Schedule as ascertained after the application of the Underinsurance Condition,

5 Riot or civil commotion in Northern Ireland

6 Electronic Risk

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

- i) Damage to or corruption of Data whether in whole or in part,
- ii) unauthorised appropriation of use of access to or modification of Data,
- iii) unauthorised transmission of Data to any third parties,
- iv) Damage arising out of any misinterpretation, use or misuse of Data,
- v) Damage arising out of any operator error in respect of Data.

B) Damage to the Stock in the Cold Chamber arising directly or indirectly from:

- i) the transmission or impact of any Virus,
- ii) unauthorised access to a System,
- iii) 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,
- iv) Failure of a System,
- v) anything described in 6A) above,

but in respect of 6 B)i), B)ii), B)iii) and B)iv) this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded provided that such Damage does not arise by reason of any malicious act or omission.

7 Age of Machine

Damage to the Property Insured arising from a machine that is more than 15 years of age.

8 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:

- A) influence any government or any international governmental organisation or
- B) 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.

Computer Equipment Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

In the event of Damage (subject to any exclusions) to Property, happening during the Period of Insurance, owned by or on Deferred Purchase, leased, hired or rented to the Policyholder, whilst situated or in transit anywhere in the world, the Company will pay to the Policyholder the value of the Property at the time of its loss or destruction or the amount of the Damage or at its option the amount payable by the Company shall be Reinstatement.

The Insurance Provided

- 1 Damage to Property,
- 2 Loss of Information,
- 3 Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance, rental, hire or lease or any provision in an agreement for the supply of the Property,
- 4 Damage to any item of Property due to its own breakdown or derangement,
- 5 the accidental failure or fluctuation for a period exceeding 30 minutes of the public supply of electricity at the terminal ends of the public supply authority's service feeders, at any premises in which the Property is situated, not caused by the deliberate act of any supply authority nor the exercise by any such authority of its power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authority's property,
- 6 the accidental failure for a period exceeding eight hours of any telecommunications system used in connection with the Property not occasioned by:
 - A) the deliberate act of any telecommunications authority nor the exercise by any such authority of its power to withhold or restrict operation of the system nor the inability of any such authority to maintain the system due to industrial action by any of its employees,
 - B) the use by the Policyholder of machinery and equipment that is not acceptable to the telecommunications authority as properly installed and compatible with the telecommunications system,
 - C) failure of any satellite prior to its obtaining its full operating function or whilst in or beyond the final year of its design life,
 - D) atmospheric, solar or lunar conditions causing temporary interference with transmission to or from any satellite.
- 7 the Policyholder being denied access to the Property due to:
 - A) Damage to the Property at or in the immediate vicinity of the Premises,
 - B) the exercise by any authority of its powers for the sole purpose of safeguarding life or property.

Reinstatement shall mean:

- A) where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by new Property of equal performance or capacity or if such be impossible replacement by new Property having the nearest higher performance or capacity to the Property which has suffered Damage,
- B) where any item of Property otherwise suffers Damage the repair of the Damage and the restoration of the portion of Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new.

In respect of Additional Cost of Working

(if shown as operative in the Schedule)

If the operations of the Business are interrupted or interfered with due to the occurrence during the Period of Insurance of an Insured Event, the Company will pay the additional expenditure necessarily and reasonably incurred by the Policyholder (including Loss of Interest) during the Indemnity Period in consequence of such interruption or interference.

And in respect of Loss of Information

In the event of Loss of Information (other than Loss of Information hereby excluded) from the Property whilst situated or in transit anywhere in the world, the Company will pay the costs necessarily and reasonably incurred by the Policyholder to reinstate such programs including information, provided that the liability of the Company shall not exceed £10,000.

Underinsurance

If at the time of Reinstatement the sum which would have been incurred in reinstating the whole of the Property exceeds the Sum Insured thereon at the commencement of any Damage the liability of the Company shall not exceed that proportion of the amount of the Damage which the Sum Insured shall bear to the sum representing the cost of reinstating the whole of the Property at that time.

Limit of Liability

The liability of the Company shall not exceed:

- 1 in any Period of Insurance the Sum Insured set against this section or in respect of any item its Sum Insured or any other Limit of Liability as stated in the Schedule,
- 2 10% of the Sum Insured set against this section in the Schedule or £100,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less whilst the Property is in transit or located outside the United Kingdom,
- 3 £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause in respect of theft from unattended vehicles.

In the event that the Policyholder consists of more than one party or legal entity the liability of the Company shall not exceed the amount for which the Company would have been liable had such Damage been sustained by any one of the Policyholder parties or legal entities.

Conditions

1 Maintenance and Back-up

The Policyholder shall:

- A) maintain the Property in good order and efficient operating condition and
- B) observe the manufacturer's or supplier's instructions for use, operation, storage, transit and inspection of the Property and
- C) back up information (other than software programs) at least once every 24 hours, verify and store taking all reasonable precautions in its safe storage and separately maintain one Verified Back-up Copy at least once every seven days in a location away from the Premises and
- D) maintain one Verified Back-up Copy and up-to-date set of software programs in a separate location away from the Premises and
- E) obtain and keep in force and effect a proper and valid licence in respect of any software program in its possession.

2 Residual Breakdown

In the event of Damage to Property other than Property Hired in by the Policyholder due to its own breakdown or derangement, such item at the time of the Damage must be the subject of a maintenance, rental, hire or lease agreement that must provide at inclusive cost a service of at least on-call remedial or corrective maintenance with free repair or replacement in the event of breakdown or derangement arising out of normal use.

3 Unattended Premises

The Premises must not be left unattended unless:

- A) the 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,
- B) police response to alarm calls has not been withdrawn,
- C) all locks bolts and other protective devices are in full and effective operation,
- D) all keys (including those relating to any part of the intruder alarm system) are removed from the Premises or placed in a locked safe or strong room the keys to which are removed from the Premises,
- E) all portable items of computer equipment, including but not limited to laptop computers, palmtop computers digital cameras and digital projectors insured under this Policy are locked in cupboards drawers or other secure storage the keys for which must be removed from the Premises.

4 Unattended Vehicle Security

In respect of this section of the Policy while any Property is being carried in a vehicle which is left unattended:

- A) any such vehicle must be protected by an intruder alarm system which is in full and efficient working order and which will operate in the event of interference with the vehicle,
- B) the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened,
- C) the vehicle must be in a locked garage or locked parking area if left overnight,
- D) the Property must be concealed from view in a locked boot or covered luggage compartment.

Extensions

The cover provided by this section of the Policy is extended to include the following:

1 Accidental Discharge of Gas Flooding Systems

The cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such system.

Provided that the amount payable in respect of any one incident of Damage or series of incidents of Damage from a common cause shall not exceed £50,000.

2 Additional Property

Additions to the Property occurring after the commencement of the Period of Insurance, for the period up to the next renewal date, subject to a limit of 20% of the Sum Insured under the Computer Section or up to £250,000 in total in any one Period of Insurance, whichever is less.

3 Automatic Restoration of Sum Insured

Payment of a claim made under this section of the Policy shall not reduce the Sums Insured except upon written notice by the Company to the contrary.

Provided that:

- A) the Policyholder shall where the payment exceeds £10,000 pay such additional premium as may be required by the Company,
- B) the Policyholder shall take immediate steps to comply with any requirements of the Company relating to improvements to the protection of the Property.

4 Computer Virus Seek and Destroy

Costs and expenses necessarily and reasonably incurred with the consent of the Company in locating and removing detectable computer Viruses contained in any host program or executable disc segment within the Property.

Provided that the amount payable under this extension shall not exceed 10% of the Sum Insured as stated in the Schedule under the Computer Section or £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause, whichever is less.

5 Consulting Engineers' Fees, Repair Investigation Costs

Costs (including consulting engineers' fees) incurred with the prior consent of the Company in conducting investigations or tests into possible repair, replacement or reinstatement of Property suffering Damage regardless of whether such investigations or tests are successful or not.

Provided that the amount payable in respect of any one incident of Damage or series of incidents of Damage from a common cause shall not exceed £50,000.

6 Cost of Recovery

Costs of employing specialist investigators to aid the recovery of stolen or lost Property insured that contains confidential or secret data or information, provided that the Company is satisfied that the cost of employment of investigators is necessary and reasonable to protect the Policyholder against legal prosecution or commercial embarrassment resulting from the loss.

Provided that the amount payable under this extension shall not exceed £10,000 in respect of any one incident of Damage or series of incidents of Damage from a common cause.

7 Debris Removal Costs

Costs necessarily and reasonably incurred with the consent of the Company in the removal of the portion or portions of the Property suffering Damage.

Provided that the liability of the Company under this extension shall not exceed 10% of the Sum Insured stated in the Schedule under the Computer Section or £50,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause, whichever is less.

8 Incompatibility of Computer Records

Costs of:

- A) modification of computer equipment or
- B) reinstatement, recompilation or replacement of computer records together with reinstatement of programs including information thereon,

(whichever is the lesser) to achieve compatibility in the event that loss or destruction of computer equipment insured by this section of the Policy has resulted in undamaged computer records being incompatible with the replacement computer equipment provided that cover is provided under the Additional Cost of Working item in the Schedule if insured.

Provided that the amount payable in respect of any one incident of Damage or series of incidents of Damage from a common cause shall not exceed £50,000.

9 Research and Development Costs

Costs of re-writing any data processing, research or development project(s) to the stage they had reached immediately prior to the Damage but excluding any benefit to the Policyholder which would have been obtained from completion of the project(s) had the Damage not occurred.

Provided:

- A) cover is provided under the Additional Cost of Working item in the Schedule if insured and
- B) that the amount payable shall not exceed the Sum Insured as stated in the Schedule under the Additional Cost of Working item if insured or £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause, whichever is less and
- C) that the Policyholder has fully complied with the Policy conditions detailed under Special Condition – Special Precautions regarding back-ups.

10 Temporary Repairs Expediting Costs

Costs necessarily and reasonably incurred:

- A) in the making of temporary repairs to or
- B) expediting of the repair, reinstatement or replacement of Property which suffered Damage covered by any other policy issued for the benefit of the Policyholder.

Provided that the liability of the Company under this extension in respect of any one incident of Damage or series of incidents of Damage from a common cause shall not exceed £50,000.

11 Waste Electrical and Electronic Equipment Disposal Costs

Costs necessarily and reasonably incurred with the consent of the Company in the disposal of Property which has suffered Damage as per The Waste Electrical and Electronic Equipment (Amendment) Regulations 2009;

Provided that the liability of the Company under this extension shall not exceed £10,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause.

Exclusions

This section of the Policy does not cover:

1 Buildings of Non-standard Construction

Damage to Property whilst situated at the Premises occurring whilst such Property is situated in a portacabin, timber building or building of a temporary nature.

2 Corrosion or Erosion

Damage including Loss of Information consisting of or caused by any form of corrosion or erosion howsoever the same may arise but this Exclusion shall not apply to Damage to any other part of the Property free from such corrosion or erosion.

3 Denial of Service Attacks

This Policy does not cover interference with electronic means of communication used in the conduct of the Business including but not limited to any diminution in the performance of any website or electronic means of communication.

4 E-Risk: Virus and Hacking

The Cover under this section of the Policy does not cover losses that arise directly or indirectly from:

- A) the transmission or impact of any Virus,
- B) unauthorised access to a System,
- C) Failure of a System,
- D) Damage arising out of any misinterpretation use or misuse of Data.

5 Financial Loss

Any loss that arises directly or indirectly of any kind whatsoever not specifically insured by this section of the Policy including financial loss, loss of profits, loss due to delay or any consequential loss, lease, hire, rent, loan or sale, Damage to any Property which is:

- A) offered or to be offered for lease, hire, rent or loan by the Policyholder,
- B) leased, hired, rented or lent by the Policyholder to others,
- C) offered or to be offered for sale or sold by the Policyholder where the sale of such Property is in the course of the Business of the Policyholder.

6 Flood

Damage including Loss of Information occurring in the Netherlands caused by flood.

7 Incorrect Storage

Any cost incurred in consequence of the failure of the Policyholder to comply with the manufacturer's recommendations relating to the storage of the Property Category d) and e).

8 Intruder Alarm

Damage by theft at any Premises where:

- A) the Policyholder has knowingly and wilfully failed to maintain the Intruder Alarm protection,
- or
- B) all of the following apply
- i) An Intruder Alarm is a requirement of cover and is shown in the Schedule
 - ii) The Premises are unattended
 - iii) The maintenance and efficacy of the Intruder Alarm are the Policyholder's responsibility
 - iv) The failure of the Intruder Alarm is a major contributor to Damage
 - v) The Company has not been informed of the absence of alarm protection.

9 Lease, Hire, Rent, Loan or Sale

Damage to any Property or Loss of Information from any Property which is:

- A) offered or to be offered for lease, hire, rent or loan by the Policyholder,
- B) leased, hired, rented or lent by the Policyholder to others,
- C) offered or to be offered for sale or sold by the Policyholder where the sale of such Property is in the course of the Business of the Policyholder.

10 Maintenance Agreement

Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance, rental, hire or lease or any provision in an agreement for the supply of the Property.

11 Policyholder's Contribution

The Policyholder's Contribution stated in the Schedule being the first part of each and every claim to be borne by the Policyholder as ascertained after the application of all other terms and conditions of this Policy.

12 Pollution or Contamination

Damage including Loss of Information caused by pollution or contamination except (unless otherwise excluded) Damage including Loss of Information caused by pollution or contamination which itself results from any Damage including Loss of Information.

13 Pre-commissioning Damage

Damage occurring prior to successful completion of commissioning.

14 Property of Others

Damage to any Property which is not owned, leased rented or hired to the Policyholder whilst in the custody or control of the Policyholder for programming, repair, service adjustment, alteration, storage or transit purposes.

15 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:

- A) influence any government or any international governmental organisation or
- B) 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.

16 Underground Risks

Damage occurring underground and any recovery costs and abandonment.

17 Unproven Software

Any cost incurred in consequence of the use by the Policyholder of software on which development has not been finalised or which has not passed all testing procedures and has not been successfully proven.

18 Use in Water and Air

Damage to the Property other than on dry land or in transit by scheduled air or sea services.

19 Wear and Tear

Damage consisting of or caused by gradually occurring wear and tear or deterioration which is both predictable and inevitable from the normal operation or usage of the Property but this Exclusion shall not apply to Damage to any other part of the Property free from any such condition.

Definitions

1 Deferred Purchase

an arrangement whereby the Policyholder enters into an agreement which entitles the Policyholder to defer payment for Property for a period in excess of usual trade credit.

2 Loss of Information

loss, distortion, corruption or erasure of programs including information from any cause not otherwise excluded.

3 Loss of Interest

- A) interest payable in respect of loans raised,
- B) interest foregone on reduction in investment capital in lieu of loans raised as a direct result of or to minimise the effect of the interruption or interference.

4 Property

(Property Insured in respect of Terrorism Insurance if operative)

- A) computer equipment comprising desk top personal computers, lap-top computers, personal digital assistants, palm-top computers, digital cameras, smart phones, mobile phones, digital projectors, audio and visual equipment, televisions and visual display units and other electronic media presentation equipment, removable satellite navigation devices, electronic point of sale equipment, computerised telephone systems, electronic access equipment,
- B) all other computer equipment (including interconnecting wiring, fixed discs and telecommunications equipment) used for the storage and communication of electronically processed Data but excluding:
 - i) computers which are an integral part of any item of process or production machinery,
 - ii) fixed vehicle satellite navigation systems.
- C) ancillary equipment solely for use with the computer equipment comprising air conditioning equipment, generating equipment, uninterruptable power supply voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat, smoke and water detection equipment, lightning and transient overvoltage protection devices, anti-theft devices which have been approved by the Company, gas flooding equipment and pipework and computer room partitioning,
- D) programs and/or information stored upon fixed discs,
- E) all current and back-up computer records (excluding fixed discs and paper records of any description) incorporating stored programs and/or information thereon owned by or leased, hired or rented to the Policyholder or for which the Policyholder is responsible.

5 Verified Back Up Copy

Data stored on back-up media where the data has been checked for accuracy. The process must demonstrate that the Data created and stored on the back-up media is an exact copy of the original source Data to ensure that Data can be restored from back-up media.

Machinery Breakdown Insurance

THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE

The Insurance Provided

In the event of Property owned by the Policyholder or for which they are responsible suffering Damage whilst situated anywhere within the Territorial Limits during the Period of Insurance the Company will in accordance with the provisions of this Insurance pay:

- 1 in respect of Property which at the time of Damage is less than or equal to two years old from the date of sale as new the cost of Reinstatement,
- 2 in respect of Property which at the time of Damage is greater than two years old from the date of sale as new, the value of the Property at the time of the Damage or the cost of repair of the Damage to a condition substantially the same as but not better or more extensive than the condition at the time of the Damage or at the option of the Company the cost of Reinstatement or replacement of such Property,

plus

such additional cost of Reinstatement as may be incurred in complying with Building Regulations or local authority or statutory requirements,

provided that:

- A) the Company's liability in total in respect of any one incident of Damage or series of incidents of Damage from a common cause shall not exceed any Limit of Liability or Sum Insured stated in the Policy,
- B) where Damage occurs to only part of the Property the Company's liability shall not exceed the amount that the Company would have been liable to pay had the Property been wholly destroyed.

Where the basis of payment is to be Reinstatement, payment of Reinstatement shall not be made:

- 1) unless Reinstatement commences and proceeds without unreasonable delay,
- 2) until Reinstatement has been carried out.

3 Costs of Replacement Equipment

In the event of Damage to Property for which liability is admitted under this section of the Policy the Company will also pay the cost of hiring charges incurred by the Policyholder for the necessary hire of substitute Property of a similar type and capacity until repair or replacement of the Property suffering Damage has been effected,

Provided that:

- A) the liability of the Company for the cost of such hiring charges under this Extension shall not exceed £5,000 in respect of any one incident of Damage or series of incidents of Damage from a common cause,
- B) in addition and subject to the Sum Insured any Property in respect of which such hiring charges are payable under this Extension shall be insured to the same extent as the Property which suffered Damage,

Provided that:

the insurance shall not apply beyond the period of hire to which the Company payment of hiring charges relates.

4 Payment on Account

Where liability under this section of the Policy is admitted the Policyholder shall be entitled to receive payment(s) as agreed between the Policyholder and the Company in advance of final settlement.

Underinsurance

If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property exceeds the Sum Insured at the commencement of any Damage, the liability of the Company shall not exceed that proportion of the amount of the Damage which the Sum Insured shall bear to the sum representing the cost of reinstating the whole of the Property at that time.

Condition

1 Special Precautions

The Policyholder shall maintain the Property in efficient condition and fit for its purpose and shall ensure that any Property requiring inspection or test under any statute or order or regulation shall be so inspected or tested.

Extensions

1 Temporary Removal

The cover provided by this section of the Policy also applies whilst the Property is temporarily located at premises or working sites in the European Community or European Free Trade Area for the purpose of repair, maintenance, overhaul or inspection of the Property including transit between its location within the Territorial Limits and such temporary locations.

Provided that:

the Company's liability under this Extension shall not exceed £25,000 during transit by sea or air in respect of any one incident of Damage or series of incidents of Damage from a common cause.

2 Additional Property

Any additional Property owned by or leased to the Policyholder of a similar class, type, function and capacity to the Property described in the Schedule is deemed to be included in this Policy once installation is completed and the Property is handed over to the Policyholder and is ready to commence normal working,

Provided that:

- A) such Property is suitable for service free from material defects and in sound working condition,
- B) such Property shall not be worked until any relevant legal requirements for inspection and certification have been fulfilled,
- C) such Property shall be covered only to the same extent as similar items of Property described in the Schedule,
- D) if any such Property proves to be unacceptable to the Company the insurance on that part of the Property shall terminate from the date of notification to the Policyholder.

3 Temporary Repairs or Expediting Costs

In respect of each claim for Damage for which cover is provided by this section of the Policy the Company will pay the reasonable cost (if previously approved by the Company) of effecting temporary repair and of expediting permanent repair of such Damage.

Provided that:

the Company's Limit of Liability under this Extension shall not exceed £10,000.

4 Debris Removal

Subject to the Sum Insured stated in the Schedule the Company will pay for costs incurred with the Company's consent in the removal of Property consequent upon Damage for which cover is provided by this Policy but excluding any costs or expenses arising from pollution or contamination of property not covered by this Policy.

5 Measures taken in Avoidance of Damage

Subject to the terms and Conditions of this section of the Policy and the Sum Insured stated in the Schedule the Company will pay reasonable costs incurred by the Policyholder in taking exceptional measures to avoid or mitigate impending Damage for which cover is provided by this section of the Policy.

Provided that:

- A) the impending Damage does not stem from any defect within any Property and
- B) Damage would be reasonably expected in the absence of such measures and
- C) the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken.

6 Multiple Lifting

Any lifting operations in which a single load is shared between more than one item of lifting equipment at the same time (of which at least one item of the equipment involved in such lifting operations is covered by this Policy) must conform to BS7121 specification for multiple lifting.

Exclusions

This section of the Policy does not cover:

1 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:

- A) influence any government or any international governmental organisation or
- B) 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.

2 Electronic Risk

Any accidental loss of or damage to the Property and any accidental loss or destruction of or Damage to Data which shall include but not be limited to:

- A) loss, destruction or corruption of Data whether in whole or in part,
- B) unauthorised appropriation, use, access to or modification of Data,
- C) unauthorised transmission of Data to any third parties,
- D) Damage arising out of any misinterpretation, use or misuse of Data,
- E) Damage arising out of any operator error in respect of Data other than accidental loss of or damage to the Property and any accidental loss or destruction of or damage to Data arising directly as a result of Breakdown of Property provided always that the liability of the Company shall not exceed in total in any one Period of Insurance the sum of £10,000.

Any Damage to the Property arising directly or indirectly from:

- A) the transmission or impact of any Virus,
- B) unauthorised access to a System,
- C) interruption or interference with electronic means of communication used in the conduct of the Business including but not limited to any diminution in the performance of any website or electronic means of communication,
- D) failure of a System,
- E) any other means described above.

3 Testing, Overloading and Repair

Damage caused by and occurring during testing or intentional overloading of the Property except for Damage caused by and occurring during the checking of the correct working of the Property or during the checking of safety installations in connection therewith during the normal operations of the Property.

4 Fire

Damage caused by fire howsoever the fire may have been caused.

5 Explosion

Damage caused by explosion.

6 Collapse

Damage caused by the sudden and dangerous distortion (whether or not attended by rupture) of any part of the Boiler and Pressure Plant caused by crushing stress by force of steam or other fluid pressure (other than pressure or ignition of gases in the furnaces or flues).

7 Rubber Tyres

Damage to rubber tyres unless such Damage arises out of an accident for which cover is provided under this Policy to other parts of the Property or unless such Damage arises out of a malicious act which necessitates replacement of such tyres repair thereof being impracticable.

8 Pollution or Contamination

Damage caused by pollution or contamination except (unless otherwise excluded) Damage caused by pollution or contamination which itself results from any Damage.

9 Corrosion or Erosion

Damage consisting of or caused by any form of corrosion or erosion howsoever the same may arise but this Exclusion shall not apply to Damage to any other part of the Property free from such corrosion or erosion.

10 Wear and Tear

Damage consisting of or caused by gradually occurring wear and tear or deterioration which is both predictable and inevitable from the normal operation or usage of the Property but this Exclusion shall not apply to Damage to any other part of the Property free from any such condition.

11 Other Damage

- A) scratching of painted or polished surfaces,
- B) Damage to non-metallic protective linings, pipes or hoses, and driving or conveyor belts and batteries,
- C) Damage to ropes (other than Damage resulting in complete severance).

12 Financial Loss

Loss of any kind whatsoever not specifically covered by this Policy including financial loss of profits, loss due to delay or any consequential loss of any kind whatsoever not specifically covered by this Policy.

13 Building Regulations

- A) the cost of complying with Building Regulations or local authority or statutory requirements:
 - i) relating to undamaged property or undamaged portions of property,
 - ii) under which notice has been served prior to Damage.
- B) any rate, tax, duty, development or other charge or assessment arising out of capital appreciation as a result of complying with any of the said regulations or requirements.

Definitions**1 Damage**

physical loss, destruction or damage including any resultant loss of coolant, lubricant or insulant, refrigerant or brine due to:

- A) the actual failure, breaking, distortion or burning out of any part of the Property whilst in use arising out of:
 - i) mechanical or electrical defects in the Property,
 - ii) failure or fluctuation of electricity supply,
 - iii) Damage caused by the error or omission of the operator(s) during the normal operation of the Property other than in respect of any failure to maintain.
- B) the fracturing of any part of the Property by frost when such fracture renders that part of the Property inoperative.

2 Property

all integral parts of any item of machinery and plant described in the Schedule but excludes even if integral to the Property (unless specifically stated as being covered):

- A) chimneys, masonry, brickwork, foundations, racking shelving and supporting structures,
- B) computer or data processing equipment (unless linked and wholly dedicated to the control of any machine or production or treatment process),
- C) office equipment including but not limited to communications or alarm systems, vending machines, games machines, typewriters, adding machines, calculators, facsimile machines and equipment for the printing or reproduction of documents or other records,
- D) any item or part of equipment sold supplied processed serviced, manufactured or stored in the course of the Policyholder's trade or business,
- E) exchangeable or detachable tools equipment and appliances or parts requiring renewal in the normal course of operation,
- F) vehicles other than purpose-built lifting and handling machinery,
- G) the contents of the machinery,
- H) machinery and plant of a prototypical or experimental or novel nature in use or application.

3 Reinstatement

- A) where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by new Property of equal performance or capacity or if such be impossible replacement by new Property having the nearest overall performance or capacity to the Property which has suffered Damage,
- B) where any item of Property otherwise suffers Damage the repair of the Damage and the restoration of the portion of Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new.

Complaints Procedure

Our commitment to customer service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1

If your complaint relates to your Policy then please contact the sales and service team in the office which issued the Policy. If your complaint relates to a claim then please call the claims helpline number shown in your Policy booklet.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post: RSA
Customer Relations Team
PO Box 255
Wyndham NR18 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR

Telephone: 0800 0234567 (for landline users)
0300 1239123 (for mobile users)

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

Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the Financial Ombudsman Service. This does not affect your right to take legal action; however, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

Fair Processing Notice

How we use your information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information statement 'we', 'us' and 'our' refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises all the details we hold about you and your transactions and includes information obtained from third parties.

If you contact us electronically, we may collect your information identifier, e.g. Internet Protocol (IP) Address or telephone number supplied by your Service Provider.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services.

We do not disclose your information to anyone outside the Group except:

- Where we have your permission;
- Where we are required or permitted to do so by law;
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change.

We will not keep your information for longer than is necessary.

Sensitive information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer,
Customer Relations Office,
RSA,
Bowling Mill,
Dean Clough Industrial Estate,
Halifax, HX3 5WA.

Employers' Liability Tracing Office

Certain information relating to your insurance policy including, without limitation, the policy number(s), employers' names and addresses (including subsidiaries and any relevant changes of name), coverage dates, employer's reference numbers provided by Her Majesty's Revenue and Customs and Companies House Reference Numbers (if relevant), will be provided to the Employers' Liability Tracing Office (the 'ELTO') and added to an electronic database (the 'Database').

This information will be made available in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure By Insurers Instrument 2010. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.

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

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

The Database will be managed by the ELTO.

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

By entering into this insurance policy you will be deemed to specifically consent to the use of your insurance policy data in this way and for these purposes.

