

COMMERCIAL PROPERTY OWNERS POLICY

Effected through: Axent Brokers Ltd

In return for payment of the premium shown in the Schedule, the Insurers agree to indemnify the Insured, subject to the terms and conditions contained in or endorsed on this policy, against loss or damage the Insured sustains or legal liability the Insured incurs for accidents happening during the period shown in the Schedule.

When drawing up this policy, The Insurers have relied on the information and statements which the Insured has provided in the proposal form (or declaration) on the date shown in the Schedule.

The insurance relates ONLY to those sections of the policy which are shown in the Schedule as being included.

The insurance is underwritten by Millennium Insurance Company Limited, a company regulated by the Financial Services Commission in Gibraltar under company registration number 82939 and authorised to operate in the United Kingdom by the Financial Conduct Authority. FCA number 517520.

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Axent Brokers Ltd

Date: As per Schedule

Making a claim - Telephone Contact Points

Should you need to make a claim under this policy you can by visiting the following website:
www.axentbrokers.com and completing the form

online.
Alternatively you can contact Axent Brokers on 01902 375559 between 9:00 a.m. and 4:00 p.m. Monday to Friday

Choice of Law

The law of England and Wales will apply to this contract unless:

- 1) You and the Insurers agree otherwise; or
- 2) At the date of the contract you are a resident of (or, in the case of a business, the registered office or principal place of business is situated in) Scotland, Northern Ireland, Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country will apply.

Financial Services Compensation Scheme

The Insurers are a member of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if the Insurers cannot meet their obligations, depending on the type of insurance and the circumstances of your claim.

For compulsory classes of cover e.g. Employers Liability you would be covered in full for any claim; for any other type of claim, you may be entitled to receive a proportion of your claim.

Further information about the scheme is available from the FSCS website www.fscs.org.uk, or write to Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU.

Telephone Call Recording

For our joint protection telephone calls may be recorded and/or monitored

Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

COMPLAINTS PROCEDURE

Complaints should in the first instance be directed to the Compliance Officer of your insurance advisor.

If, after this action, you are still not satisfied with the way a complaint has been dealt with, you may ask the Compliance Officer at Axent Brokers Ltd, to review your case. Their address is:

Axent Brokers Ltd
Oak House
Kingswood Business Park Kingswood
Wolverhampton
WV7 3AU

Telephone: 01902 375 559

If you remain unhappy with the decision you receive, you may write to the Chief Executive officer of Millennium Insurance Company Ltd at:

PO Box 1314, Ragged Staff Wharf, Queensway, Gibraltar

If after contacting Millennium Insurance Company Ltd you are still dissatisfied, you may be able to refer your complaint to the Financial Ombudsman Service. The (FOS) can be contacted at:

South Quay Plaza,
183 Marsh Wall
Docklands
London
E14 9SR

Telephone 0845 080 1800
Email: enquiries@financial-ombudsman.org.uk

In all communications the policy/certificate number should be quoted.

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GENERAL DEFINITIONS APPLICABLE TO SECTIONS A - D OF THIS POLICY

INSURED

The firm, company or individual named in the Schedule

BUSINESS

The Business specified in the Schedule

DAMAGE (D)

Save where expressly provided otherwise, loss, destruction or damage to the Property Insured

DEFINED PERILS

The Perils defined in Section A of this Policy

EXCESS

The first part of each and every loss, which the INSURED must bear after the application of any condition of average.

GLASS

All fixed plain sheet or plain glass in windows, doors, fanlights, skylights, partitions, furniture, display and showcases, counters or shelves or mirrored glass, fixed hand basins, lavatory bowls, bidets, shower trays and baths at the Premises stated in the Schedule.

THE INSURER

Millennium Insurance Company Ltd

MONEY

Business cash or any negotiable money instrument.

NON-NEGOTIABLE INSTRUMENT

Any Money instrument which is by its nature non -negotiable or which has been made expressly non-negotiable.

PERIOD OF INSURANCE

Any period for which the INSURER may accept payment of a premium in respect of this Policy.

POLICY

The entirety of the Policy of insurance specified in the Schedule and/or contained in any and all endorsements or amendments forming part of the Policy (whether or not such endorsements or amendments are agreed prior to the Policy of insurance coming into force or at any time thereafter). All references to the terms of this Policy shall be construed as references to the entire Policy, including all terms, conditions, warranties, exclusions, Sums Insured, excesses, deductibles, limits, Schedules, endorsements, amendments and any other written contractual provisions that form part of the Policy.

PREMISES

The Address(es) specified in the Schedule

PROPERTY INSURED

Save where expressly provided otherwise, the Buildings, Landlord's Fixtures and Fittings and Landlords Contents at the Premises, all as defined in these General Definitions, if and to the extent they are included as Property Insured in the Schedule

PROPOSAL

Any proposal/declaration and/or statement of fact and any information in addition to or in substitution of such proposal, declaration or statement of fact supplied to the INSURERS by or on behalf of the INSURED.

SCHEDULE

The Schedule specifying the terms and extent of this Policy

SUM INSURED/LIMIT OF INDEMNITY

The sum or limit specified in the Schedule as applying to the relevant Section of this Policy or items insured.

TERRITORIAL LIMITS

Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

TERRORISM

An act of any person or groups of persons acting on behalf of, or in the name of, or in support of, or in connection with any organisation, association or affiliation of persons which carries out activities directed towards the or influencing by force, destruction or violence or by the threat of force, destruction or violence, any government or political institution.

UNLAWFUL ASSOCIATION

Any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Terrorism Act 2000 or any similar legislation.

UNOCCUPIED

When the Premises are closed for Business for a period in excess of seven consecutive days.

SECTION A - MATERIAL LOSS OR DAMAGE

COVER AND AMOUNT PAYABLE

In the event of the Property Insured suffering accidental Damage during the Period of Insurance, the Insurers will pay the amount of the Damage or at its option replace or repair such Damage.

The liability of the Insurers will not exceed the value of the property at the time of the Damage or the cost of the Damage. The maximum amount payable will not exceed the individual Sum Insured set against each item in the Schedule or specification attached thereto in any one Period of Insurance.

SECTION A – DEFINITIONS

BREAKAGE

Destruction of or Damage to Glass occurring during the Period of Insurance from any cause but excluding superficial cracks, scratching or chipping or as otherwise excluded By this Policy.

BUILDING(S)

The building(s) situate at the address(es) specified in the Schedule which include:

- a. Landlord's Fixtures and Fittings
- b. annexes, gangways, outbuildings and extensions;
- c. walls, gates and fences,
- d. yards, car parks, roads and pavements

all belonging to the Insured or for which the Insured is legally responsible.

The term Landlord's Fixtures and Fittings means those fixtures and fittings which form a permanent part of the structure including:

- i. additional structural fixtures and fittings which were not part of the original structure;
- ii. central heating systems;
- iii. sanitary fittings.

DECLARED VALUE

The Insureds assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with paragraph a. of the Rein statement Extension at the level of Costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) including in so far as the insurance by the item provides, due allowance for:

- a. the additional cost of Reinstatement to comply with local authority requirements,
- b. professional fees,
- c. removal of debris costs.

DEFINED PERILS

Fire; lightning; explosion; aircraft or other aerial devices or articles dropped therefrom; riot; civil commotion; strikers; locked-out workers; persons taking part in labour disturbances; theft or attempted theft; malicious persons other than thieves; earthquake; storm; flood; bursting, overflowing or leaking of water tanks, apparatus or pipes; escape of oil from any fixed heating installation; or imp act by any road vehicle or animal

LANDLORDS CONTENTS

Contents of common parts, furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings all belonging to the Insured or for which the Insured is responsible whilst contained in the Buildings insured by this section excluding:-

- a. Landlord's Fixtures and Fittings;
- b. Stock and materials in trade;
- c. Property more specifically insured.

REINSTATEMENT

- a. where property is destroyed the rebuilding of the property if a building or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new.
- b. where property is Damaged the repair of the Damage or the restoration of the Damaged portion of the property to a condition substantially the same but not better or more extensive than its condition when new.

SECTION A EXTENSION 1 - ACCIDENTAL DAMAGE

COVER

The Insurers hereby agree, to the extent and in the manner hereinafter provided, to insure the Property Insured specified in the Schedule against ALL RISKS OF ACCIDENTAL PHYSICAL LOSS OR DAMAGE other than loss or Damage caused by FIRE, LIGHTNING, EXPLOSION, AIRCRAFT AND OTHER AERIAL DEVICES OR ARTICLES DROPPED THEREFROM, RIOT, CIVIL COMMOTION, STRIKERS, LOCKED OUT WORKERS, PERSONS TAKING PART IN LABOUR DISTURBANCES, MALICIOUS PERSONS, THEFT, EARTHQUAKE, SUBTERRANEAN FIRE, SPONTANEOUS FERMENTATION, HEATING OR COMBUSTION, STORMS, FLOOD, ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE, IMPACT BY ANY ROAD VEHICLE OR ANIMAL, BREAKAGE OR COLLAPSE OF TELEVISION AND RADIO AERIALS AND SATELLITE DISHES AERIAL FITTINGS AND MASTS, LEAKAGE OF FUEL FROM ANY FIXED OIL HEATING INSTALLATION, WATER ACCIDENTALLY DISCHARGED OR LEAKING FROM ANY SPRINKLER INSTALLATION occurring during the Period of Insurance at the Premises and subject to the Sums Insured specified in the Schedule.

SECTION A EXTENSION 1 SPECIFIC EXCLUSIONS

Extension 1 does not cover:

1. The amount of the Excess specified in the Schedule.
2. Damage caused by, or following upon, subsidence, collapse, landslip, ground heave, settling, cracking, shrinkage or expansion, of any building or foundation.
3. Mechanical and/or electrical derangement and/or breakdown, Breakage of valves filaments and the like, burning out or Damage directly caused by short-circuiting, and/or claims arising from overheating.
4. Damage caused by moth, vermin or insect, wear, tear, gradual deterioration, rust or oxidation, rot, mould or mildew, inherent vice, latent defect, mysterious disappearance or unexplained shortage.
5. Damage caused by faulty manipulation, scratching or denting, or loss of magnetism and/or erasure of tapes, or faulty projection, shortage in weight, contamination, taint or insufficiency of insulation.
6. Breakage of articles of a brittle nature (other than jewellery) unless such Breakage is caused by burglars, thieves, or fire, and/or Breakage of Glass, over winding or internal Damage of clocks and/or watches.
7. Loss by delay, loss of market, consequential loss of any and every description.
8. Damage which may be sustained whilst the Property Insured is being worked upon, or is under any process, and directly resulting there from.
9. Damage caused by climatic or atmospheric conditions or extremes of temperature.
10. Infidelity or dishonesty by the Insured or any Employee(s) of the Insured.
11. Damage to aircraft, watercraft, vehicles, livestock, growing timber or crops, jewellery, furs, watches, precious metals/stones, Money, documents, data or word-processing media or computer systems records.
12. Damage insured more specific ally under any other Section or Sections of this Policy, or any other Insurance.
13. Insurers will not be liable for loss of or damage to property as a result of burst or leaking water pipes & tanks which are inadequately lagged at the time of the loss or damage.

SECTION A EXTENSION 2 - GLASS

COVER

Breakage of Glass at the Premises as specified in the Schedule including: -

1. The reasonable cost of boarding up rendered necessary by such Breakage.
2. Damage to goods displayed in consequence upon such Breakage of Glass other than from Breakage of Glass due to theft or attempted theft.
3. The reasonable cost of repairing or replacing window frames and framework consequent upon the Breakage of Glass.
4. The reasonable cost of refitting the lettering and or alarm foil consequent upon the Breakage of Glass.

SECTION A EXTENSION 2 SPECIFIC EXCLUSIONS

Extension 2 does not cover: -

1. Consequential loss of any kind or description except as stated herein to the contrary.
2. Any Breakage arising directly or indirectly from: -
 - a. alterations or repairs to the Premises or occurring whilst the Premises are empty or not in use;
 - b. defects in frames, framework or other fittings.
3. Damage to any lettering, embossing, beading, silvering or ornamental work unless specifically detailed in the Schedule.
4. Breakage caused by fire, lightning, explosion or earthquake.
5. The amount of the Excess specified in the Schedule.

SECTION A - STANDARD CLAUSES

AVERAGE

If, at the time of any Damage to property, the Sum Insured by the relevant item is less than the full value of the Property Insured by that item, the amount payable by the Insurers will be proportionately reduced.

ARCHITECTS, SURVEYORS AND CONSULTANTS FEES

The Sum Insured by each item of the Schedule for Buildings or Landlords Contents includes an amount in respect of architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred in the Reinstatement or repair of the property consequent upon its Damage but not for preparing any claim. The total amount payable under this Extension for any item will not exceed its Sum Insured.

CAPITAL ADDITIONS

The Insurance by this section on Buildings extends to include:

1. any newly erected and/or newly acquired Buildings in so far as they are not otherwise insured;
2. alterations, additions and improvements to Buildings insured by this section (but not appreciation in value due to other circumstances), all within the Territorial Limits

Provided that:

- a. at any one situation this cover will not exceed £500,000.
- b. the maximum liability of the Insurers under this Extension in any one Period of Insurance will not exceed £5,000,000.
- c. The Insured will declare to the Insurers particulars of such extensions of cover as soon as practicable and in any event of not more than 6 months and to effect specific insurance from inception of cover and pay the appropriate additional premium.
- d. Immediately such specific insurance is effected, cover by this Extension will be fully restored.

CLEARING OF DRAINS

The insurance by each item on Buildings extends to include Costs and expenses necessarily incurred by the Insured in clearing drains, sewers, and gutters the property of the Insured or for which the Insured is responsible following Damage to the Property Insured under this section. The total amount payable under this Extension and the section for any item will not exceed its Sum Insured.

DESIGNATION OF PROPERTY

For the purpose of determining where necessary the item under which property is insured, the Insurers agree to accept the designation under which such property has been entered in the Insured's books.

EUROPEAN UNION AND PUBLIC AUTHORITIES

The insurance by each item on Buildings or Landlords Contents includes the additional cost of reinstating any Damage to the Property Insured incurred solely by reason of the necessity to comply with the Stipulations of European Union Legislation or building or other regulations under, or framed in pursuance of, any act of parliament or with bye-laws of any public authority (hereafter referred to as 'the Stipulations'), excluding:

- a. the cost incurred in respect of Damage occurring with any of the aforesaid Stipulations;
 1. In respect of Damage occurring prior to the granting of this Extension.
 2. In respect of Damage not insured by this section.
 3. Under which notice has been served upon the Insured prior to the happening of the Damage.
 4. In respect of property entirely undamaged by any Defined Peril hereby insured against.
- b. the additional cost that would have been required to make good the Damage to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen.
- c. the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property by the owner of it by reason of compliance with the Stipulations.

Conditions applicable

1. The work of Reinstatement must be commenced without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Insurers may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate), subject to the liability of the Insurers under this Extension not being increased.
2. If the liability of the Insurers under any item of this section apart from this Extension will be reduced by the application of any of the terms and conditions of the Policy, then the liability of the Insured under this Extension for any such item will be similarly reduced.
3. The total amount recoverable under any item of this section in respect of this Extension shall not exceed:
 - a. In respect of the Damaged property,
 - i. 15% of its Sum Insured;
 - ii. Where the Sum Insured by the item applies to property at more than one Premises, 15% of the total amount for which the Insurers would have been liable had the Property Insured by the item at the Premises where the Damage has occurred been wholly destroyed.
 - b. In respect of undamaged portions of the property (other than foundations) 15% of the total amount for which the Underwriters would have been liable had the Property Insured by the item at the Premises where the Damage has occurred been wholly destroyed.

4. The total amount payable under this Extension and the section for any item will not exceed its Sum Insured.
5. All the terms and conditions of this section, except in so far as they may be expressly varied by this Extension, will apply as if they had been incorporated.

LANDSCAPED AREAS

The Insurers will also pay the cost of restoring landscaped areas and ornamental features following Damage caused by the Fire Brigade or other emergency services attending the Premises following Damage to the Property Insured under this section up to a maximum amount, for any one loss, of £25,000.

LOSS OF METERED WATER

In the event of Damage to the Property Insured by a Defined Peril for which the Insurers have admitted liability under this section the Insurers will also pay for loss of metered water or heating oil from the Premises resulting from such Damage, provided that the liability of the Insurers under this Extension in any one Period of Insurance will not exceed £5,000.

NO REDUCTION IN SUM INSURED

In the event of a claim and in the absence of written notice by the Insurers or the Insured to the contrary, the relevant Sum Insured will be maintained provided that the Insured agrees to pay any additional premium.

NON-INVALIDATION

The Insurance of this Section shall not be invalidated by any act, omission or alteration whereby the risk of Damage is increased unknown to or beyond the control of the Insured provided that, immediately the Insured becomes aware thereof they shall give notice to the Insurers and pay an additional premium if required.

REINSTATEMENT

In the event of any Buildings or Landlords Contents insured by this section sustaining Damage the basis upon which the amount payable under such items is to be calculated will be the cost of Reinstatement subject to the provisions set out below.

Provisions

1. No payment beyond the amount which would have been payable had this Extension not been operative will be made:
 - a. unless the work of Reinstatement is commenced and carried out with reasonable despatch,
 - b. until the cost of Reinstatement has been incurred,
 - c. unless any other insurance covering the Insured's interest in the property at the same time of Damage is upon the same basis of Reinstatement as this Policy, and if no such payment is made then the rights and liabilities of the Insurers and the Insured will be those which would have applied had this Extension not been operative.
2. Reinstatement may be carried out at another site and in any manner suitable to the Insured subject to the liability of the Insurers not being increased as a result.
3. In the event of partial Damage to any Property Insured under this extension the Insurers' liability for any loss will not exceed the cost which would have been incurred had such property been totally destroyed.
4. Each item insured under this Extension is declared to be separately subject to the following *Average Condition*:
If the Sum Insured on any item at the time of Damage is less than 85% of the cost of reinstating the whole Property Insured by such item at the time of Reinstatement then the Insured will be considered as being their own insurer for the difference between the Sum Insured and the cost of Reinstatement of the whole of the property and will bear a rateable proportion of the loss accordingly.

REINSTATEMENT (DAY ONE NON-ADJUSTABLE BASIS)

This Extension applies to each item stated in the Schedule as being on a Day 1 Basis.

1. The Insured having stated in writing the Declared Value (shown in the Schedule for each item to which this Endorsement applies) the premium has been calculated accordingly.
2. At the inception of each Period of Insurance the Insured will notify the Insurers of each Declared Value of the Property Insured by each of the said items and in the absence of such declaration, the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance.
3. Where because of Provision 1 of the Reinstatement Extension no payment is to be made beyond the amount which would have been payable had the Extension not been operative, the Sum Insured will be limited to the Declared Value(s) shown in the Schedule.
4. In respect of each item to which this Extension applies:
Provision 4 of the Reinstatement Extension is amended to read:
Each item insured under this Extension is declared to be separately subject to the following *Average Condition*.
'If at the time of Damage the Declared Value of the Property Insured by any item is less than the cost of Reinstatement at the inception of the Period of Insurance, then the Insurers' liability in respect of such Damage will be limited to the proportion that the Declared Value bears to the cost of Reinstatement'.

REMOVAL OF DEBRIS

The insurance by this section extends to include Costs and expenses incurred by the Insured with the consent of

the Insurers in:

1. removing debris,
2. dismantling and/or demolishing,
3. shoring up or propping,

of the portion(s) of the property, which is the subject of a claim under this section.

The total amount payable under this Extension and the section for any item will not exceed its Sum Insured.

The Insurers will not pay for any Costs or expenses:

- a. incurred in removing debris except from the site of any property which is the subject of a claim under this section and the area immediately adjacent to such site.
- b. arising from pollution or Contamination of property not insured by this section.

REPLACEMENT OF LOCKS

The Insurers will also pay the amount for which the Insured is responsible for the necessary replacement of locks to any external door to any building insured by this section following the theft of keys involving forcible and violent entry to or exit from such building or the home of any authorised key holder, provided that the liability of the Insurers under this Extension for any one loss will not exceed £25,000.

RESIDENTIAL PROPERTIES

This Extension applies to each item in the Schedule applicable to Premises wholly occupied as residential properties.

The definitions of Buildings and Landlords Contents are cancelled and replaced by the following:

Buildings

The buildings of the residential properties at the Premises which include:

1. Landlords Fixtures and Fittings;
2. its domestic outbuildings and garages;
3. swimming pools and tennis hard courts;
4. terraces, patios, drives, paths, yards, car parks, roads and pavements;
5. fixed Glass,

all belonging to the Insured or for which the Insured is responsible.

The term Landlords Fixtures and Fittings means those fixtures and fittings which form a permanent part of the structure including:

- a. additional structural fixtures and fittings which were not part of the original structure;
- b. central heating systems;
- c. sanitary fittings.

The insurance by each item on Buildings includes the reasonable cost of alternative accommodation during the period the building is not tenanted due to Damage covered under this section, provided that:

- i. the maximum period during which payment will be made under this Extension will not exceed two years from the date of the Damage, and
- ii. the liability of the Insurers under this Extension shall not exceed 20% of the Sum Insured on the building which has been Damaged.

Landlords Contents

Contents of common parts, furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings and all other property in any individual unit (including televisions, radios, recording or audio equipment, clocks, pictures, curiosities, or works of art for an amount not exceeding £1,000 for any one article), all belonging to the Insured or for which the Insured is responsible whilst contained in the Buildings insured by this section.

The following are excluded from the Definition of Landlords Contents:

1. Landlord's Fixtures and Fittings;
2. stock and materials in trade;
3. motor vehicles (other than domestic gardening equipment), caravans, trailers, cycles, watercraft, hovercraft, aircraft or other aerial devices or parts or accessories on or in any of them;
4. photographic equipment, clothing and personal effects;
5. property held in connection with any Business other than that stated in the Schedule.
6. property more specifically insured

Paragraph b of Exclusion 6 of this section is cancelled and replaced by the following:

- b. vandalism, malicious acts, theft or attempted theft by or with the collusion of:
 - i. the Insured or any member of the Insured's family or any director or Employee of the Insured.
 - ii. any occupier to the unit in which they reside.

The following Exclusions are added to this section:

1. Damage arising from bursting, overflowing or leaking of water tanks, apparatus or pipes caused as a result of the action of chemicals on or the reaction of chemicals with any part of the Buildings.

2. the cost of replacing any undamaged item or parts of items forming part of a set, suite, carpet or other article of a uniform nature colour or design when Damage or Breakage occurs within a clearly identifiable area, or to a specific part and replacements cannot be matched.

Paragraph c of the Subrogation Waiver Extension is cancelled. The Reinstatement Extension does not apply to household linen.

SUBROGATION WAIVER

In the event of a claim arising under this section the Insurers agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

1. any company standing in the relation of parent to subsidiary or subsidiary to parent to the Insured as defined in Section 736 and 736A of the Companies Act 1985 (as from time to time amended) or equivalent.
2. any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary in each case within the meaning of Section 736 and 736A of the Companies Act 1985 (as from time to time amended) or equivalent
3. any tenant of the Buildings insured by this section unless the Damage:
 - a. has been occasioned or contributed to by the fraudulent or criminal or malicious act of such tenant.
 - b. has been caused by impact by any road vehicle belonging to or under the control of the tenant or his Employees.
 - c. has occurred to parts of the Premises not leased or rented by such tenant (other than common parts which may be used by all tenants).

TELEPHONE, GAS AND WATER MAINS

The insurance by each item on Buildings or Landlords Contents extends to cover telephones, gas, water and electric instruments, meters, piping, cabling and accessories including similar property in the adjoining yards and roadways or underground (and pertaining to any building insured by this section), all belonging to the Insured or for which the Insured is responsible.

TEMPORARY REMOVALS

The insurance on extends to cover Landlord's Contents whilst temporarily removed for cleaning, renovation, repair or other similar purposes, elsewhere on the same Premises or to any other premises or whilst in transit thereto and therefrom by land or inland waterway anywhere in the Territorial Limits., provided that the liability of Insurers' under this Extension for any one loss shall not exceed £5,000.

TRACE AND ACCESS

In the event of Damage to Property Insured caused by bursting or overflowing or leaking of water tanks, apparatus or pipes the Policy is extended to include Costs reasonably and necessarily incurred with the consent of Insurers in locating the source of the Damage at the Buildings and the subsequent making good, provided that the liability of the Insurers under this Extension will not exceed £25,000 for any one loss.

TRANSFER OF INTEREST

If at the time of destruction or Damage to any building hereby insured, the Insured shall have contracted to sell his interest in such building and the purchase shall not have been but shall be thereafter completed, the purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such destruction or Damage, shall be entitled to the benefit of this Policy so far as it relates to such destruction or Damage, subject to all its terms and without prejudice to the rights and liabilities of the Insured or the Insurers under this Material Loss or Damage Section up to the date of completion.

UNAUTHORISED USE OF ELECTRICITY GAS OR WATER

The insurance by each item on Buildings extends to include the cost of metered electricity gas or water for which the Insured is legally responsible arising from its unauthorised use by persons taking possession or occupying the Property Insured without the Insured's authority.

Provided that:

- a. the liability of the Insurers under this Extension for any one loss will not exceed £10,000.
- b. the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

WORKMEN

Workmen are allowed in and about any of the Premises for the purpose of making new erections or alterations, repair, decoration, plant installation general maintenance and the like without prejudice to the terms and conditions of this section.

SECTION A - SPECIAL CLAUSES

(Applicable only if the letter set against it appears on the Schedule)

A. LOCAL AUTHORITIES – UNDAMAGED PROPERTIES EXTENSION

Notwithstanding paragraph a. 4. of the European Union and Public Authorities Clause (See Standard Clauses in this Section), the Insurance by each item of the Schedule on Buildings extends to include the additional cost of Reinstatement as described in the said clause in respect of undamaged portions of property provided that:

1. the Insurers shall not be liable for such additional cost in respect of any Building which has not sustained Damage by a Defined Peril,
2. the amount recoverable shall not exceed:
 - i. in respect of undamaged portions of property other than foundations 15% of the total amount for which the Insurers would have been liable had the Building been totally destroyed,
 - ii. in respect of any item of this Material Loss or Damage Section the Sum Insured thereby;
3. all the conditions of the Local Authorities Clause including any condition of average shall apply except insofar as they are hereby expressly varied.

B. COLLUSION

Indemnity is provided as within described in the event of Damage by theft caused during the Period of Insurance by or in collusion with any director, partner or Employee of the Insured provided that the Insurers shall not be liable unless such Damage is accompanied by visible evidence of violent and forcible entry to or exit from the Premises.

C. FIRST LOSS AVERAGE CLAUSE

When the Sum Insured is shown FIRST LOSS in the Schedule - The applicable item of this Section is subject to the condition of average (First Loss), that is to say, if the total value of all property covered by the item shall at the time of any loss be greater than the value notified by the Insured, then the Insured shall be entitled to recover hereunder only such proportion of the said loss as the said notified value bears to the total value, up to but not exceeding the Sum Insured for the item.

D. OBSOLETE BUILDING CLAUSE

The basis of valuation for the purpose of average shall be: -

1. the cost of purchasing a similar building to the insured building plus an allowance for removal of debris costs, or
2. the cost of erecting a modern building providing comparable facilities to the insured building plus an allowance for professional fees, removal of debris costs and the additional expenditure which might arise out of local authorities' requirements.

E. SURVEY CLAUSE

Cover hereon is strictly subject to receipt by Insurers of a satisfactory survey carried out by an authorised surveyor within 45 days of the inception date of this insurance or by a date to be agreed by the Insurers and advised to the Insured.

The Insurers reserve the right to cancel this insurance with immediate effect or impose special terms and conditions and/or revise the premium rate upon receipt of the survey.

The Insured shall implement the survey requirement(s) or as otherwise agreed by the Insurers within a period to be agreed by the Insurers and advised to the Insured.

If the Insured fails to implement the requirement(s) within the period agreed by the Insurers then all coverage shall terminate at the end of said period.

F. SUBSIDENCE

The Defined Perils are deemed to include Subsidence or Ground Heave of any part of the site on which the property stands or Landslip excluding:-

1. Damage to yards, car-parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby
2. Damage caused by or consisting of
 - i the normal settlement or bedding down of new structures
 - ii the settlement or movement of made-up ground
 - iii coastal or river erosion
 - iv defective design or workmanship or the use of defective materials
 - v fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
3. Damage which originated prior to the inception of this cover
4. Damage resulting from demolition construction structural alteration or repair of any property or ground works or excavation at the same premises.

The Insured shall notify the Insurers immediately they become aware of any demolition, ground works, excavation or construction being carried out on any adjoining site. The Insurers shall then have the right to vary the terms or cancel this cover.

SECTION A - EXCLUSIONS

This Section (including all Extensions) does not cover: -.

1. property which at the time of the happening of Damage is insured by, or would, but for the existence of this Policy be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Policy not been effected.
2. any property more specifically insured by or on behalf of the Insured.
3. consequential loss of any kind
4. computers and data processing equipment unless specified in the Schedule
5. the amount of the Excess specified in the Schedule. Such amount will be deducted from each claim for Damage at each separate location after all other terms of the Policy have been applied, including any Condition of Average.
6. Damage caused by:
 - a. Theft or attempted theft other than such Damage caused by:
 - i. entry to or exit from the Premises by forcible and violent means; or
 - ii. actual or threatened assault or violence or use of force against the Insured or any director, partner or Employee of the Insured or any other person lawfully on the Premises, insofar as it is not otherwise excluded
 - iii. theft of moveable property in the open b. Theft or attempted theft:
 - i. by any person lawfully on the Premises
 - ii. with the collusion of the Insured, any member of the Insured's family or any director, partner or Employee of the Insured
 - c. disappearance, unexplained or inventory shortage, shortage in supply or delivery, misfiling or misplacing information or clerical error
 - d. wind, rain, hail, sleet, snow, flood or dust to fences, gates, hoar dings or to any movable property left in the open or in any building which does not have permanent foundations
 - e. subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
 - f. normal settlement or bedding down of new structures
7. Damage to:
 - a. property or structures in course of construction or erection including materials and supplies in connection with such property in course of construction, or erection,
 - b. dams, reservoirs, piers, jetties, bridges, culverts or excavations, c. growing crops, trees or animals,
 - d. computers, data carrying devices or software,
 - e. jewellery, watches, precious metals, bullion, precious stones, furs, collections of stamps, coins or medals or rare books;
 - f. curiosities or works of art (except insofar as such items are insured under the Residential Properties Extension) unless specified in the Schedule.
8. Damage to:
 - a. Money, Non-Negotiable Instruments, credit cards, securities, bonds, books of account or documents,
 - b. property in transit
9. Damage to:
 - a. vending, amusement or gaming machines or their contents,
 - b. china, earthenware, marble or other fragile or brittle objects, other than such Damage caused by a Defined Peril insofar as it is not otherwise excluded
10. Damage to a building or structure caused by its own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded
11. Damage caused by pollution or contamination except (unless otherwise excluded) Damage to Property Insured caused by:
 - a. pollution or contamination which itself results from a Defined Peril
 - b. a Defined Peril which itself results from pollution or contamination
12. Damage to property:
 - a. by fire resulting from its undergoing any process involving the application of heat
 - b. (other than by fire) resulting from its undergoing any process of cleaning, restoration, renovation, testing, servicing or repair
13. Damage caused by:
 - a. inherent vice, latent defect, gradual deterioration, wear and tear, frost or change in water table level,
 - b. faulty or defective design, materials or workmanship,
 - c. the bursting of a boiler (not being a boiler being used for domestic purposes only), economiser, or

other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured, but this will not exclude subsequent Damage which itself results from a cause not otherwise excluded

14. Damage caused by:
- a. variations in humidity or temperature, corrosion, rust, marring, scratching, vermin, insects, wet or dry rot, deformation or distortion, shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish or action of light,
 - b. nipple or joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, super heaters, pressure vessels or any range of steam and feed piping in connection therewith,
 - c. mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates, but this will not exclude:
 - i. such Damage not otherwise excluded which itself results from a Defined Peril or from any other accidental loss, destruction or Damage
 - ii. subsequent Damage which itself results from a cause not otherwise excluded
15. Damage caused by operational error or omission on the part of the Insured or any of his Employees, but this will not exclude loss resulting from:
- a. such Damage not otherwise excluded which itself results from a Defined Peril
 - b. subsequent Damage which itself results from a cause not otherwise excluded
16. Damage the cause of which cannot be explained
17. Damage caused by disturbance or failure of the power of fuel supply except where such disturbance or failure results directly from Damage to the electrical or fuel installation at the Premises by a Defined Peril insofar as it is not otherwise excluded

Contract Works and Clauses Applicable

Alterations and Additions to the Premises

In the event that alterations or additions to any Premises insured hereby are effected during the Period of Insurance and are not more specifically insured the following increases in cover shall apply from practical completion of the work until the renewal date immediately following such completion

Item on Buildings

The Declared Value and Sum Insured shall each be increased by a percentage representing the value of the alterations or additional but not exceeding 20% or £250, 000 whichever is the less

Item on Rent

If the Rent receivable is to increase following completion of the alterations or additions the Sums Insured shall be increased by the anticipated amount of the additional Rent for the Indemnity Period insured but not exceeding either 20% or £10 0,000 whichever is the less

Automatic Cover – Newly Acquired/Constructed/Refurbished Properties

This insurance is extended to include cover for premises

[1] newly acquired by the Insured

[2] newly constructed or refurbished for the Insured and where practical completion has been achieved in the United Kingdom to the extent that the Insured's interest is not protected by any other more specific insurance

Provided that

[a] as soon as reasonable practicable the Insured shall notify the Insurers in writing of each premises acquired/constructed/refurbished and arrange specific cover with the Insurers

[b] this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the premises

[c] this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section of the Policy

[d] the Insurers' liability any one claim for Buildings and Rent shall not exceed £250,000 any one premises

[e] in respect of any premises undergoing or awaiting refurbishment redevelopment renovation or demolition the Alternative Basis or Settlement shall apply in respect of Buildings

Automatic Reinstatement of Sum Insured

In the absence of written notice by the Insurers or the Insured, to the contrary within 30 days of the notification of any Damage the Sums Insured by this insurance will not be reduced by the amount of any loss subject to the Insured paying any appropriate additional premium on the amount of the loss

Contracting Purchaser's Interest

If at the time of any insured Damage the Insured shall have contracted to sell their interest in any Premises insured and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of this Policy on Buildings and Rent in respect of such Damage to the extent that such Buildings are not otherwise insured by the purchaser or on their behalf without prejudice to the rights and liabilities of the Insured or the Insurers until completion.

In respect of insurance on Rent where Damage has occurred prior to exchange of contracts and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of the Rent insurance to the same extent as the Insured would have if the Premises had not been sold

Fire Protection Equipment

The insured shall take all reasonable measures to ensure that

[i] any sprinkler or alarm installation or other fire protection equipment for which a reduced rate is allowed is maintained in efficient working order

[ii] the routine tests prescribed by the Insurers are carried out and any defects revealed by such tests are promptly remedied

[iii] the Insurers' written consent is obtained to any proposed changes repairs or alterations to any sprinkler or alarm installation

General Interests

The interests of freeholders lessees under lessees assignees and/or mortgagees of Buildings insured by this Section of the Policy are noted in the insurance provided subject to their names being disclosed to the Insurers by the Insured in the event of any claim arising

Non-Invalidation

This insurance shall not be prejudiced

[a] by repairs structural and other alterations, all of a minor nature and general maintenance work being undertaken at the Premises

[b] by any increase in risk of Damage resulting from an alteration act or omission which occurs without the authority or knowledge of the freeholder mortgagee or lessor

but this shall only protect the interest of the freeholder mortgagee or lessor and shall only apply if the Insurers be notified immediately on the party becoming aware of the increase in risk and the payment of any reasonable additional premium.

SECTION A - CONDITIONS

If the letter set against them appears on the Schedule the following conditions will apply from the date of commencement of this Policy and throughout the Period of Insurance

A. Waste Condition

It is a condition precedent to the liability of the Insurers that all oily and/or greasy waste and used cleaning cloths which remain in the Buildings overnight will be kept in metal receptacles with metal lids and removed from the Building at least once a week

B. Daily Waste Condition

It is a condition precedent to the liability of the Insurers that all combustible trade waste and refuse will be removed from the Buildings every night.

C. Weekly Waste Condition

It is a condition precedent to the liability of the Insurers that all combustible trade waste and refuse will be swept up daily and kept in bags or bins and removed from the Buildings at least once a week.

D. Fire-Proof Doors Condition

It is a condition precedent to the liability of the Insurers that all fireproof doors and shutters will be kept closed except during working hours and will be kept in efficient working order,

E. Portable Heater Condition

It is a condition precedent to the liability of the Insurers that there will be no use or storage on the Premises of paraffin or portable electric or gas heaters or containers unless specifically agreed by the Insurers prior to such use or storage.

F. Premises Inspection Condition

It is a condition precedent to the liability of the Insurers that a thorough examination of the Buildings for smouldering matches, tobacco or other material will be carried out at the close of each day the Buildings are in use for Business purposes and that signed reports will be made daily by an Employee of the Insured detailed to make the examination and that such reports will be checked at least once a week by the Insured's management.

G. Frying and Cooking Equipment Condition

It is a condition precedent to the liability of the Insurers that: -

1. all frying and other cooking ranges, equipment, flues and exhaust ducting will be kept securely fixed and free from contact with combustible materials;
2. all extraction hoods, canopies, filters and grease traps will be cleaned at least every 2 weeks
3. all extraction ducts will be cleaned regularly and maintained and checked at least once every six months by a specialist contractor
4. The record of such cleaning and servicing of the extraction ducts will be kept elsewhere other than at the Premises and will be made available for inspection at any time
5. Frying equipment will be installed, used and maintained in accordance with the manufacturer's instructions.
6. Multi purpose fire extinguishers and at least one fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fires will be kept in close proximity to the working area of the range and maintained ready for use.
7. Frying ranges will not be left unattended whilst in use
8. All naked flames (other than pilot lights) and all electrical elements will be turned off at the close of the working day

H. Electrical Circuit Maintenance Condition

It is a condition precedent to the liability of the Insurers that a current and valid electrical certificate is issued for the Premises and that electrical installation will be inspected and tested once every three years by a contractor approved by the National Inspection Council for Electrical Installation Contractors (NICEIC) and that defects found will be remedied forthwith in accordance with regulations of the institute of electrical engineers.

I. Smoking Condition

It is a condition precedent to the liability of the Insurers that smoking will be prohibited throughout the Premises except in offices and/or canteens and for other specifically designated areas. Suitable notices to this effect will be displayed in prominent positions.

J. No Smoking Condition

It is a condition precedent to the liability of the Insurers that smoking will not be permitted on the Premises at any time and signs to this effect will be prominently displayed.

K. Unoccupancy Condition

It is a condition precedent to the liability of the Insurers that when any building (or part thereof) are untenanted or Unoccupied

1. all gas, water and electricity main supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)

2. all water tanks apparatus pipes and heating other than those connected to automatic sprinkler systems must be drained down
3. all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including
 - i. securely locking and fastening all doors and windows
 - ii. any letter boxes being sealed
 - iii. setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
4. all waste refuse and other disused combustible materials will be cleared from the building and removed from the Premises at least once a week.
5. tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the Buildings becoming unoccupied
6. the Buildings must be inspected at least once every 7 days by the Insured or the Insured's nominee in order to inspect the Premises both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
7. notice is to be given to Insurers when any untenanted or Unoccupied building (or part thereof) is again occupied

Insurers shall not be liable for any Damage or Injury arising out of or in connection with any works of alteration, demolition, refurbishment or renovation.

Defined Perils are hereby restricted to Fire, Lightning, Aircraft and Explosion only.

L. Composite Panel Condition

It is a condition precedent to the liability of the Insurers that in respect of any building containing composite panels that:

1. suitable fire extinguisher appliances to be supplied in all cooking areas
2. ducting, conduit wiring and hot flues be adequately protected within fire resistant sleeves where passing through composite panels
3. at least weekly inspections to be undertaken by the Insured to check for Damage to composite panels or panel joints. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 days
4. no repairs to be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
5. all heat sources to be kept at least 2 metres from any composite panelling or such panelling to be of a non-combustible core
6. no external storage of combustible stock, packing pallets, waste or waste skips or bins within 10 metres of the Buildings
7. any work involving the application of heat must only be carried out by a qualified Contractor and the Insured is to ensure the Contractor has adequate Public Liability Insurance in force and shall confirm same through sight of certificate of insurance. Subrogation rights against such Contractor shall not be waived by the Insured. The following conditions apply:
 - i. the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 metres from the area of proposed work
 - ii. if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
 - iii. suitable fire extinguisher with a capacity of not less than 9 litres shall be kept available for immediate use
 - iv. blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
 - v. lighted blow lamps and torches shall not be left unattended
 - vi. half an hour after each period of work a thorough examination shall be made of and in the area in which works has been undertaken
 - vii. if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets, drapes or screens.

M. Spray Painting Condition

It is a condition precedent to the liability of the Insurers that all spraying of paints or varnishes with a flash point below 32 degrees centigrade will be carried out in an area enclosed by non-combustible materials and extraction to the open air and any electrical installation including that for extraction will be of flame proof design and any heating will be of the black-heat type and with fully enclosed elements.

It is also a condition precedent to liability that:

1. only one days supply of flammables will be kept in the spraying area.
2. all other flammables will be kept in a designated enclosed steel bin or if the stocks of same are substantial, they will be kept in a store with high and low level vents to the open air or forced flameproof extractor at floor level.
3. all lighting will also be flameproof.
4. smoking will be prohibited in the areas where processes are carried and signs to this effect will be prominently displayed.

N. ATM Condition

It is a condition precedent to the liability of the Insurers that NO ATM and/or Cash Dispensing Machine(s) are on the insured premises at any time during the policy period.

O. Minimum Security Requirements (Bells only Alarm) Condition

It is a condition precedent to the liability of Insurers that Damage caused by theft or attempted theft is not covered unless:

1. the Minimum Security condition as stated in the General Conditions is complied with
2. the intruder alarm is installed in accordance with the specification or system record approved by Insurers and is put into full and effective operation at night and whenever the Premises are closed for business or left unattended.
3. the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS), or the Security System and Alarm Inspections Board (SSAIB) or approved by Insurers
4. all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended. Where the Insured or an Employee occupies part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

P. Minimum Security Requirements (Central Station/Redcare) Condition

It is a condition precedent to the liability of Insurers that Damage caused by theft or attempted theft is not covered unless:

1. the Minimum Security condition as stated in the General Conditions is complied with
2. the intruder alarm provides for a police, telephone line, direct line or central monitoring station warning system installed in accordance with the specification or system record approved by Insurers and is put into full and effective operation at night and whenever the Premises are closed for business or left unattended. We will not regard the intruder alarm as effective if the Insured have had notice of the withdrawal of such service and such service has actually been withdrawn
3. the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS), or the Security System and Alarm Inspections Board (SSAIB) or approved by Insurers
4. all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended. Where the Insured or an Employee occupies part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

Q. Auditorium Condition

It is a condition precedent to the liability of Insurers that the provision be made for the carrying out of an examination of the Buildings for smouldering matches, tobacco or other material at the close of business each day and for signed reports to be made thereon daily by the Employee detailed to make the examination and for such reports to be checked at least weekly by the Management. It is further understood and agreed that all ashtrays and the like be emptied into a lidded metal bin and that the bin be removed from the Buildings at the close of business each day.

R. Waste Condition

It is a condition precedent to the liability of Insurers that:

1. in the Insured's portion(s) of the Premises, all oily rags and greasy cloths be deposited in metal receptacles fitted with lids when not in use and removed from the buildings at the end of each working day;
2. all other combustible trade waste and refuse be removed from Your portion(s) of the Premises at

the end of each working day.

S. Felt on Roof Maintenance Condition

It is a condition precedent to the liability of Insurers that any felted roof or part thereof of the premises is of excellent repair and a further condition precedent to liability that any felted roof portion of the within described Premises shall have been inspected every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

Any guttering is checked for blockages or defects by a competent person at the inception or renewal and at six monthly intervals thereafter and any remedial action required is to be implemented immediately.

A record of all inspections shall be made and retained by the insured as they will be required in the event of a claim.

SECTION B - BUSINESS INTERRUPTION – LOSS OF GROSS RENTALS

COVER AND AMOUNT PAYABLE

In the event of the Business of the Insured at the Premises being interrupted or interfered with as a direct result of accidental Damage during the Period of Insurance to:

- a. any building or
- b. any other property

for which payment has been made or liability admitted under Section A of this Policy the Insurers will pay in respect of each item in the Schedule the amount of the loss resulting from such interruption or interference with the Basis of Cover shown as applicable to such item in the Schedule.

Provided that the liability of the Insurers will not exceed the individual Sum Insured set against such item in the Schedule plus any payment under the Automatic Rent Review Extension in any one Period of Insurance.

BASIS OF COVER

The Insurers will pay in respect of any item on Gross Rentals :

- a. reduction in Gross Rentals , being the amount by which the Gross Rentals earned during the Indemnity Period will, in consequence of the Damage, fall short of the Gross Rentals ,
- b. additional expenditure (including the cost of re letting) necessarily and reasonably incurred for the sole purpose of avoiding or minimising the reduction of Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of Damage, but not exceeding the amount of the reduction avoided by such expenditure.

Special Provisions

- 1. If any charge or expense payable out of Gross Rentals ceases or reduces during the Indemnity Period in consequence of the Damage the sum saved will be deducted from the amount otherwise payable under this section before the application of Special Provision 2
- 2. If the Sum Insured on any item on Gross Rentals is less than the annual Gross Rentals (or a proportionately increased multiple of it where the Indemnity Period exceeds twelve months) the amount payable will be proportionately reduced.

SECTION B - DEFINITIONS

AUDITORS FEES

Necessary and reasonable fees payable by the Insured to their Auditors or Professional Accountants (being Auditors or Professional Accountants regularly acting as such for the Insured at the time the Property Insured was Damaged) for producing such particulars or details contained in the Insured's book of accounts or other business documents or such other proofs, information or evidence as may be required by the Insurers

DAMAGE

In this Section is limited to Damage to the Property Insured for which an Indemnity is provided under Section A (or as otherwise specified in the Schedule) and for which liability has been admitted.

DEFINED PERILS

The Perils defined in the Material Loss or Damage section of this Policy.

INDEMNITY PERIOD

The period beginning with the occurrence of Damage and ending not later than the last day of the period specified in the Schedule as Maximum Indemnity Period during which the results of the Business will be affected in consequence of the Damage.

MAXIMUM INDEMNITY PERIOD

The number of months stated in the Schedule.

GROSS RENTALS

The money paid or payable to the Insured in respect of accommodation and services provided in the course of the Business.

STANDARD CLAUSES APPLICABLE TO SECTION B

ALTERATION

The Insurance by this Section shall be avoided if: -

1. the Business be wound up or carried on by a liquidator, receiver, administrator, creditor appointed body or permanently discontinued; or
2. the Insured's interest ceases, otherwise than by death, at any time after the commencement of this Policy, unless its continuance be admitted by memorandum signed by or on behalf of the Insurers.

ALTERNATIVE ACCOMMODATION

If following Damage the Insured uses other buildings to accommodate tenants, the rent received from them during the Indemnity Period will be taken into account in assessing the Gross Rentals earned against the Indemnity Period.

AUDITORS OR PROFESSIONAL ACCOUNTANTS

Any particulars or details contained in the Insured's books of account or other Business books or documents which may be required by the Insurers under this Section for the purpose of investigating or verifying any claim hereunder may be produced by audit ors or professional account ants, if at the time they are regularly acting as such for the Insured, and their report s hall be prima facie evidence of the particulars and details to which such report relates.

AUTOMATIC RENT REVIEW

Where the Gross Rentals are subject to a rent review during the Period of Insurance the relevant Sum Insured will be automatically increased to reflect the revised Gross Rentals earned up to a maximum increase of 100% of the Sum Insured on Gross Rentals stated in the Schedule.

No additional premium will be charged for this increase in cover during the Period of Insurance provided that the Insured advises Insurers, prior to renewal, of t he revised Gross Rentals for the ensuing Period of Insurance.

BUILDINGS AWAITING SALE

If at the time of the Damage the Insured has contracted to sell his interest in t he Buildings and the sale is cancelled or delayed solely in consequence of the Damage the amount pay able under the Gross Rentals Basis of Cover may at the Insured's option be amended as follows:

- a. during the period prior to the date upon which but f or the Damage the Buildings would have been sold: reduction in Gross Rentals, being t he amount by which the Gross Rentals earned during t he Indemnity Period will in consequence of the Damage fall short of the Standard Gross Rentals,
- b. during the period commencing with the date upon which but for the Damage the Buildings would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier: the loss of interest, being:
 - i. reasonable interest actually incurred on capital borrowed in connection with the Business solely to replace (in whole or in part) the loss of use of the sale proceeds
 - ii. reasonable investment interest lost on any balance of the sale proceeds (after deduction of any capital borrowed as provided f or under i above,
- c. additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or minimising the loss payable under paragraphs a or b above, but not exceeding the amount of the reduction avoided by such expenditure.

Provided that:

1. the insurance provided under this Extension will be subject to Special Provisions 1 and 2 of the Gross Rentals Basis of Cover.
2. the liability of the Insurers under this Extension and the section will not exceed the Sum Insured set against the item on Gross Rentals in t he Schedule plus any payment under the Automatic Rent Review Extension in any one Period of Insurance.

DENIAL OF ACCESS

Loss as insured by this section includes loss resulting from interruption of or interference with the Business in consequence of Damage to property in the vicinity of the Premises, Damage to which prevents or hinders the use of the Premises or access thereto whether the Premises or property of the Insured therein sustains Damage or not, all within the Territorial Limits but excluding Damage to property of any supply undertaking from which the Insured obtains electricity, gas or water, or telecommunications services which prevents or hinders the supply of such services to the Premises.

PAYMENT ON ACCOUNT

Claim payments on account, on any basis the Insurers deem appropriate, will be made to the Insured during the Indemnity Period, if requested. Such payments shall be repaid by the Insured if subsequently found not to be due to the Insured under the terms of this Section.

CLAIMS CONDITION

1. It is a condition precedent to the liability of Insurers under the Policy that:

- a. on the happening of any Damage in consequence of which a claim is, or may be, made under this Section, the Insured shall give notice in writing to the Insurers and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss; and
- b. in the event of a claim being made under this Section shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the Insurers may in writing allow, at their own expense deliver to the Insurers in writing a statement setting forth particulars of this claim, together with details of all other insurance's covering the Damage or any part of it or consequential loss of any kind resulting therefrom; and
- c. the Insured shall, at his own expense, produce and furnish to the Insurers such books of account and other Business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurers for the purpose of investigating or verifying the claim, together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

In the event of non-compliance with any of these conditions precedent in any respect any payment on account of the claim already made shall be repaid to the Insurers forthwith.

FAILURE OF UTILITIES

Loss as insured by this section includes loss resulting from interruption or interference with the Business in consequence of the accidental failure at the terminal ends of the supply of electricity, gas or water.

Excluding:

- i. any failure lasting less than 30 minutes
- ii. failure caused by industrial dispute
- iii. any failure of telecommunications services.

MATERIAL DAMAGE PROVISIO

The Insurers liability under this Section is conditional on cover being in force under this Policy at the time of the happening of the Damage covering the interest of the Insured in the property at the Premises against such Damage and that payment shall have been made or liability admitted therefore,

Or

that payment would have been made or liability would have been admitted therefore but for the operation of a proviso in the Policy excluding liability for losses below a specified amount.

SUBROGATION RIGHTS WAIVER

In the event of a claim arising under this Section, the Insurers agree to waive any rights, remedies or relief to which they are entitled by subrogation against: -

1. Any Company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to the Insured, as defined in Section 736 and 736A of the Companies Act 1985 (as from time to time amended) or equivalent.
2. Any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary, in each case within the meaning of Section 736 and 736A of the Companies Act 1985 (as from time to time amended).
3. any tenant of the building s unless the Damage:
 - i. has been occasioned or contributed to by the fraudulent or criminal or malicious act of such tenant
 - ii. has been caused by impact of any road vehicle belonging to or under the control of the tenant or one of his Employees
 - iii. has occurred to parts of the Premises not leased or rented by such tenant (other than common parts which may be used by all tenants).

TELECOMMUNICATIONS BREAKDOWN

Loss as insured by this section includes accidental failure of telecommunications services to your Premises for a continuous period of not less than 8 hours, excluding:

1. the exercise by any telecommunications supplier of its power to withhold or restrict operation of the system
2. the inability of any such supplier to maintain the system due to industrial action by any of its Employees
3. your use of machinery and equipment which is not acceptable to the telecommunications supplier as properly installed and compatible with the telecommunications system.

UNLAWFUL OCCUPATION

Subject to the conditions of the Policy, loss as insured by this Section is extended to include loss resulting from interruption of or interference with the Business in consequence of access to or use of the Premises being hindered or prevented due to the Premises or property in the vicinity of the Premises or any rights of way being:

- a. occupied by terrorists or persons thought to be terrorists
- b. unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers
- c. thought to contain or actually containing a harmful device provided that the police are immediately informed.

It is understood that Insurers will not be liable for:

- i. Damage arising from any cause within the control of the Insured
- ii. Damage to property
- iii. Damage the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear
- iv. any incident involving prevention or hindrance of access to or use of the Premises for less than 12 hours duration.

Provided that the liability of the Insurers under this Extension in any one Period of Insurance will not exceed £10,000.

EXCLUSIONS APPLICABLE TO SECTION B

1. any penalties of whatever nature
2. Pollution or Contamination except (unless otherwise excluded) loss resulting from destruction of or Damage to property used or owned by the Insured at the Premises for the purpose of the Business caused by:
 - a. Pollution or Contamination which itself results from a Defined Peril
 - b. a Defined Peril which itself results from Pollution or Contamination
3. erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons
or
other erasure, loss, distortion, or corruption of information on computer systems or other records, programs or software unless resulting from a Defined Peril in so far as it is not otherwise excluded
4. Damage
to:
 - a. property or structures in course of construction or erection including materials and supplies in connection with such property in course of construction or erection,
 - b. dams, reservoirs, piers, jetties, bridges, culverts or excavations,
 - c. growing crops, trees or animals,
 - d. computers, data carrying devices or software,
 - e. china, earthenware, marble or other fragile or brittle objects, other than such Damage caused by a Defined Peril in so far as it is not otherwise excluded
5. Damage to a building or structure caused by its own collapse or cracking unless resulting from a Defined Peril in so far as it is not otherwise excluded
6. Damage caused
by:
 - a. theft or attempted theft other than such Damage caused by:
 - i. entry to or exit from the Premises by forcible and violent means; or
 - ii. actual threatened assault or violence or use of force against the Insured or any director, partner or Employee of the Insured or any person lawfully on the Premises, in so far as it is not otherwise excluded
 - b. theft or attempted theft:
 - i. by any person lawfully on the Premises
 - ii. with the collusion of the Insured, any member of the Insured's family or any director or Employee

of the Insured

- c. disappearance unexplained or inventory shortage, shortage in supply or delivery, misfiling or misplacing information or clerical error
- d. wind, rain, hail, sleet, snow, flood or dust to fences, gates, hoar dings or to any movable property left in the open or in any building which does not have permanent foundations
- e. subsidence, ground heave, or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- f. normal settlement or bedding down of new structures

7. Damage to property:

- a. by fire resulting from its undergoing any process involving the application of heat
- b. (other than by fire) resulting from its undergoing any process of cleaning, restoration, renovation, testing, servicing or repair

8. Damage:

- a. caused by freezing,
 - b. caused by escape of water from any tank, apparatus or pipe, or escape of oil from any fixed domestic heating installation,
 - c. caused (other than by fire or explosion) by malicious persons,
 - d. caused by theft or attempted theft,
- in respect of any building (or part thereof) which has not been occupied or utilised for a period of more than thirty consecutive days

9. Damage caused by:

- a. inherent vice, latent defect, gradual deterioration, wear and tear, frost or change in the water table level,
- b. faulty or defective design, materials or workmanship,
- c. the bursting or a boiler (not being a boiler used for domestic purposes only), economiser, or other vessel, machine or apparatus in which internal pressure is due to steam only to or under the control of the Insured, but this will not exclude subsequent Damage which itself results from a cause not otherwise excluded

10. Damage caused by:

- a. variations in humidity or temperature, corrosion, rust, marring, scratching, vermin, insects, wet or dry rot, deformation or distortion, shrinkage, evaporation, loss of weight, change in flavour, colour, texture, finish, or action of light,
 - b. nipple or joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, super heaters, pressure vessels or any range of steam and feed piping in connection herewith,
 - c. mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates,
 - d. the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services,
- but, this will not exclude:
- i. such Damage not otherwise excluded which itself results from a Defined Peril or from any other accidental loss, destruction or Damage
 - ii. subsequent Damage which itself results from a cause not otherwise excluded

11. Damage caused by operational error or omission on the part of the Insured or any of his Employees, but this will not exclude loss resulting from:

- a. such Damage not otherwise excluded which itself results from a Defined Peril
- b. subsequent Damage which itself results from a cause not otherwise excluded

12. Damage the cause of which cannot be explained

13. Damage caused by disturbance or failure of the power or fuel supply except where such disturbance or failure results directly from Damage to the electrical or fuel installation at the Premises by a Defined Peril in so far as it is not otherwise excluded.

SECTION C – BOOK DEBTS

COVER AND AMOUNT PAYABLE

In the event of loss, destruction of, or Damage to, the Insured's books of account or other Business books or records at the Premises during the Period of Insurance by any Cover insured hereby (loss, destruction or Damage so caused being hereinafter termed Damage) and the Insured be in consequence thereof unable to trace or establish the Outstanding Debit Balances in whole or in part due to them then the Insurers will pay to the Insured the amount of loss resulting from such Damage in accordance with the provisions herein contained.

Provided that the liability of Insurers shall not exceed:

- a) the Total Sum Insured stated in the Schedule at the time of the Damage, or
- b) the Sum Insured remaining after deduction for any other Damage during the same Period of Insurance, unless the Insurers shall have agreed to reinstate any such Sum Insured.

The insurance hereunder is limited to the loss sustained by the Insured in respect of Outstanding Debit Balances directly due to the Damage and the amount payable in respect of any one occurrence of Damage shall be:

1. the amount of such loss from the Damage but not exceeding the difference between the Outstanding Debit Balances and the expenditure incurred with the Insurers in tracing and establishing Customers' Debit Balances after the Damage; provided that if the Sum Insured by this Item is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

SECTION C – DEFINITIONS CUSTOMERS' ACCOUNTS

as stated in the Schedule

OUTSTANDING DEBIT BALANCES

The total amount due to the Insured at the date of the Damage less bad debts.

SECTION C – CLAUSES

AUTOMATIC REINSTATEMENT OF LOSS

In the absence of instructions from the Insured or the Insurers to the contrary, in consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of expiry of the Period of Insurance.

PROFESSIONAL ACCOUNTANTS' CHARGES

The Insurers will pay the reasonable charges payable by the Insured to their Professional Accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the Insurers under the terms of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other Business books or documents provided that the sum of the amount payable under this clause and that amount otherwise payable under this Section shall in no case exceed the Total Sum Insured hereby.

SECTION D - PROPERTY OWNERS LIABILITY

COVER AND AMOUNT PAYABLE

The Insurers will indemnify the Insured against all sums which the Insured becomes legally liable to pay as damages for:

- a. accidental Injury to any person other than an Employee where such Injury arises out of and in the course of the employment
- b. Wrongful arrest, detention or false imprisonment
- c. Damage to Property
- d. accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or water borne traffic, accidental invasion of the right of privacy or accidental interference with any right of air, light, water or way occurring in connection with the Business, within the Territorial Limits, during the Period of Insurance.

The total liability of the Insurers under this section (including any cover extensions) for all claims arising out of one occurrence or number of occurrences arising directly or indirectly from one source, original cause or incident will not exceed the Limit of Indemnity stated in the Schedule.

In addition Insurers will pay Costs.

SECTION D DEFINITIONS

(Unless restated hereunder Definitions are deemed to be as stated in the General Definitions of the Policy)

BUSINESS

shall mean the description shown in the Schedule including:

- a. the provision and management of canteen, sports and social, educational, training and welfare organisations for the benefit of Employees and first aid, fire, security and ambulance services;
- b. maintenance, decoration, minor alteration or repair of Premises owned or occupied by the Insured in connection with the Business;
- c. repair or maintenance of vehicles or plant owned or used by the Insured;
- d. participation in trade shows or exhibitions;
- e. private work undertaken with the consent of the Insured by Employees for the Insured or any director or Employee of the Insured.

COSTS

1. Legal Costs and expenses:

- a. recoverable from the Insured by any claimant which have been incurred before the Insurers have paid or offered to pay the full amount of the claim, or the Limit of Indemnity stated in the Schedule.
- b. incurred with the written consent of the Insurers for representation at:
 - i. any coroner's inquest or fatal accident enquiry;
 - ii. proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty.

2. Other Costs and expenses incurred by the Insured with the written consent of the Insurers.

EMPLOYEE

- a. any person under a contract of service or apprenticeship with the Insured
- b. any labour master or labour only sub-contractor or person supplied by any of them
- c. any self-employed person providing labour only
- d. any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured
- e. any person participating in any Government or otherwise authorised work experience or similar scheme, in all cases whilst working for the Insured in connection with the Business

INJURY

Bodily Injury, death, illness, disease, mental injury or nervous shock.

POLLUTION OR CONTAMINATION

1. all pollution and contamination of buildings or other structures or of water or land or the atmosphere; and
2. all loss or Damage or Injury directly or indirectly caused by such pollution or contamination.

PRODUCTS

Goods (including containers, packaging, labels or instructions for use) manufactured, sold, supplied, repaired, altered, installed, erected, processed, tested, cleaned or treated by the Insured.

PROPERTY
Material property

SUBSIDIARY COMPANY

A Subsidiary Company as defined in Section 736 and 73 6A of the Companies Act 1985 (as from time to time amended)

TERRITORIAL LIMITS

1. Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
2. elsewhere in the world for commercial visits undertaken by the Insured or any director or Employee of the Insured normally resident in 1 above, not involving the supervision or performance of manual work

SECTION D EXTENSIONS

CONSUMER PROTECTION ACT 19 87 AND FOOD SAFETY ACT 1990 – LEGAL DEFENCE COSTS

The Insurers will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or Food Safety Act 1990 or any regulations made there under committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with the consent of the Insurers in an appeal against conviction arising from such proceedings

Provided always that:

1. The criminal proceedings relate to an offence committed in the course of the Business
2. This extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
3. The Insurers shall not be liable under this Extension:
 - i) where the Insured or any director, partner or Employee of the Insured is insured by any other Policy of Insurance
 - ii) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of the Insured or any director, partner or Employee of the Insured
 - iii) in respect of legal costs and expenses which the Insured or any director partner or Employee of the Insured may be ordered to pay by a Court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of the Insured or any director partner or Employee of the Insured
 - iv) in respect of fines or damages
 - v) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
 - vi) unless the Insurers have the sole conduct and control of all claims
4. The Insured, director or Employee shall give to the Insurers immediate notice of any summons or other process served upon the Insured, director or Employee and of any event that may give rise to proceedings against the Insured, director or Employee

CONTRACTUAL LIABILITY AND INDEMNITY TO PRINCIPAL

The Insurers will subject otherwise to the terms of this Policy indemnify the Insured under against liability in respect of Bodily Injury or loss of or Damage to Property as follows:-

To the extent that any contract or agreement entered into by the Insured with any principal so requires the Insurers will

- a. indemnify the Insured against liability assumed by the Insured
- b. indemnify the principal in like manner to the Insured in respect of the liability of the principal arising out of the performance by the Insured of such contract or agreement, provided that
 - i) the conduct and control of claims is vested in the Insurers
 - ii) the principal shall observe fulfil and be subject to the terms of this Policy so far as they can apply
 - iii) the indemnity shall not apply to liability in respect of liquidated damages or under any penalty clause
 - iv) the indemnity granted under Sub-Section 1 shall only apply in respect of liability to any person who is an Employee of the Insured

Where any indemnity is provided to any principal the Insurers will treat each principal and the Insured as though a separate insurance had been issued to each of them provided that nothing in this clause shall increase the liability of the Insurers to pay any amount in respect of any one claim or during any one Period of Insurance in excess of the amount stated in the Limits of Indemnity.

COURT ATTENDANCE COSTS

If at the request of the Insurers any of the under mentioned persons attend court as a witness in connection with a claim for which the Insured is entitled to indemnity under this section, the Insurers will provide compensation to the Insured at the under noted daily rates for each day on which attendance is required:

- a. the Insured or any director of the Insured £150
- b. any Employee £100

CROSS LIABILITIES

If more than one party is named in the Schedule as the Insured, this section applies separately to each provided that the total liability of the Insurers will not exceed the Limit of Indemnity stated in the Schedule.

DATA PROTECTION ACT

The Insurers will indemnify the Insured against legal liability to pay compensation for damage or distress arising out of any claim under Sections 22 and 23 of Data Protection Act 1984, provided that:

- a. the process of registration under the above Act has been commenced or completed by the Insured and the application has not been refused or withdrawn;
- b. no liability arises as a result of the provision by the Insured of the services of a computer bureau.

The Insurers will not indemnify the Insured for:

- i. the recording or provision of data for reward or for determining the financial status of any person;
- ii. any liability which arises as a result of a deliberate act or omission of the Insured;
- iii. legal fees and expenses incurred by any other Policy;
- iv. the costs of replacing, rectifying or erasing any personal data;
- v. the first 10% or £500 of each and every claim whichever is the greater.

The total liability of the Insurers during any one Period of Insurance will not exceed £100,000.

DEFECTIVE PREMISES ACT 1972

The Insurers will indemnify the Insured against liability at law incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with Premises which have been disposed of by the Insured.

Provided always that the Insurers shall not be liable under this Extension for the cost of remedying any defect or alleged defect in the said premises in respect of liability more specifically insured under any other insurance.

HEALTH & SAFETY AT WORK

With the Insurers written consent, cover will extend to include legal fees and expenses incurred by the Insured (or, at the Insured's request, by any director or Employee) in defending any prosecution or appealing any judgement given, under the Health and Safety at Work etc Act 1974, or the Health and Safety (Northern Ireland) Order 1978, provided that:

- a. the offence relates to an activity involving the health, safety or welfare of any person other than an Employee and was committed in connection with the Business during the Period of Insurance;
- b. indemnity does not apply to any deliberate act or omission.

INDEMNITY TO OTHER PERSONS

The Insurers will indemnify in the terms of this section:

- a. if the Insured so requests:
 - i. any director or Employee for liability for which the Insured would have been entitled to indemnity if the claim had been made against him;
 - ii. any officer or member of the Insured's canteen, sports and social, educational, training or welfare organisations and first aid, fire, security and ambulance services;
- b. any principal to the extent that the contract between the Insured and such principal so requires for or liability arising from the performance of work on behalf of such principal.
- c. The legal personal representatives of any person entitled to indemnity under this section for liability incurred by that person.

If the Insurers are liable to indemnify more than one party the total amount of indemnity to all such parties, including the Insured, will not exceed the Limit of Indemnity stated in the Schedule.

LEASED OR RENTED PREMISES

Despite exclusion 11 this section indemnifies the Insured for liability for loss or Damage to any building (including fixtures and fittings) leased, let, rented, hired or lent to the Insured.

Provided that the Insurers will not indemnify the Insured for:

- a. the first £100 of each and every claim caused other than by fire or explosion;
- b. liability arising solely because of a contract.

SECTION D - EXCLUSIONS

The Insurers will not indemnify the Insured for:

1. Injury to any Employee
2. any liability which is assumed by the Insured by agreement (other than liability arising out of a condition or warranty of Goods implied by statute) unless such liability would have attached in the absence of such agreement
3. any liability of whatsoever nature directly or indirectly caused by, or contributed to by, or arising from
 - a. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereofbut as far as concerns Injury to any Employee which arises out of and in the course of his employment or engagement by the Insured this exception shall apply only in respect of
 - i. liability of any principal
 - ii. liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement
4. fines, penalties, aggravated, liquidated, punitive or exemplary Damages or multiplication of Damages
5. Injury or Damage to Property caused by Products (except whilst remaining in the custody or control of the Insured) other than:
 - a. food or beverages sold or supplied by the Insured to Employees or visitors for consumption on the Insured's Premises;
 - b. plant, machinery, vehicles, furniture, fixtures and fittings which have been disposed of by the insured, and not remaining in the ownership or under the control of the Insured and which prior to such disposal were used by the Insured for the purpose of conducting or administering the Business
6. Injury or loss of or Damage arising from Products used with the Insured's knowledge in connection with aircraft, watercraft or offshore structures
7. any expenditure incurred in recalling or making any refund on the price paid for any Products or of replacing, repairing, reinstating or making good defective workmanship or defective Products
8. any liability in respect of Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during the Period of Insurance. Any damages payable in respect of Pollution and Contamination deemed to have occurred during the Period of Insurance will not exceed the Limit of Indemnity stated in the Schedule and in any event, will not exceed £2 million in the aggregate.
9. liability for damages, direct or consequential, on account of Injury, or loss or Damage to Property:
 - a. arising out of, resulting from, caused by, contributed to, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
 - b. associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens.Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.
10. liability of whatsoever nature directly or indirectly caused by, resulting from or in connection with any component or building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.
11. Damage to Property or any consequential loss as a result of such Damage to Property:
 - a. owned or hired by the Insured;
 - b. held in trust by or in the custody or control of the Insured other than Employee or visitors personal effects and motor vehicles
12. any liability arising from or in connection with the ownership or occupation of any Premises other than those insured under Section A of this Policy

13. Injury or Damage to Property caused by, or in connection with the ownership, possession or use by or on behalf of the Insured of any:
- a. craft designed to travel through air or space, hovercraft or watercraft other than barges, motor launches and non-powered craft used on inland waterways.
 - b. mechanically-propelled vehicle (including attached trailers) provided that there is no indemnity afforded by any other insurance, then in so far as such liability is not the subject of compulsory insurance or security requirements under any Road Traffic Act, this exclusion will not apply to:
 - i. any vehicle not licensed for road use;
 - ii. any vehicle licensed for road use, where liability arises solely from use of such vehicle as a tool of trade;
 - iii. the loading or unloading of any vehicle.
14. any liability arising directly or indirectly from or in connection with site clearance, excavation, construction or structural alteration, extension or demolition work or any operation incidental thereto.

SECTION D - CONDITIONS

1. The Insured shall provide the Insurers with such particulars and information as the Insurers may require and shall forward to the Insurers immediately on receipt every letter writ summons and process.

The Insurers shall be entitled at their discretion to take over and conduct in the name of the Insured the defence or settlement of any claim and to prosecute at their own expense and for their benefit any claim for indemnity or damages against any other persons and the Insured shall give all information and assistance required. No admission of liability or offer promise or payment shall be made without the written consent of the Insurers.

2. The Insurers may at any time at their sole discretion pay to the Insured the maximum sum payable under this Policy or any lesser sums for which any claim or claims can be settled and the Insurers shall not be under any further liability except for the payment of Costs and expenses of litigation incurred prior to such payment. Provided that in the event of a claim for such Costs and expenses shall not exceed an amount being in the same proportion as the Insurers payment to the Insured bears to the total payment made by or on behalf of the Insured in settlement of the claim or claims

3. The Insured shall take all reasonable care to prevent accidents and to maintain his Premises plant and everything used in the Business in proper repair and to employ only competent Employees and to act in accordance with all statutory obligations and regulations. The Insured shall forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require

4. If at the time of any claim there is, or, but for the existence of this Policy would be any other Policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such claim the Insurers shall not be liable under this Policy to indemnify the Insured in respect of such claim except beyond the amount which would be payable under such indemnity or insurance had this Policy not been effected

5. All the terms of the Policy shall be read together as one contract. Unless otherwise stated or required by the context any word or expression to which a specific meaning has been attached in any part of this Policy shall bear that meaning wherever it may appear.

6. Where the premium is calculated on the statements and estimates furnished by the Insured, the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Insurers to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Insurers such information as the Insurers require for such expired period and the premium for such period shall thereupon be adjusted by the Insurers and the difference be paid by or allowed to the Insured as the case may be subject to any agreed minimum premium

7. The Insured shall give the Insurers immediate notice in writing of any alteration which materially affects the risks insured by this Policy. The due observance of the terms of this Policy by the Insured in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers and information supplied or in connection with the Proposal shall be a condition precedent to any liability of the Insurers to make any payment under this Policy

8. The parties are free to choose the law applicable to this Policy. Unless specifically agreed to the contrary this Policy shall be subject to English Law.

9. The total liability of the Insurers for all Damages payable (including Costs) will not exceed the Limit of Indemnity as stated in the Schedule for legal liability arising in any country not a member of the European Union or any action for damages brought there, or if any subsequent action in connection with non-member countries is brought elsewhere in the world.

GENERAL CONDITIONS APPLICABLE TO SECTIONS A - D OF THIS POLICY

These General Conditions apply to the entirety of Sections A – D of this Policy, unless expressly not applied.

1. IDENTIFICATION

Unless otherwise stated or required by the context any word or expression to which a specific meaning has been attached in any part of this Policy shall bear the same meaning wherever it may appear.

2. MISREPRESENTATION

This Policy is VOIDABLE in the event of misrepresentation or non-disclosure of any material fact.

3. ALTERATIONS

If after the commencement of this Policy there is any material alteration to the risks insured by this Policy which is subject in any respect to the power or control of the Insured (whether directly or indirectly), Insurers shall not be liable for any claim under this Policy that arises out of, relates to, results from or is connected with any such materially altered risk unless the Insurers have been notified of such alteration and have agreed in writing to accept liability for the materially altered risk subject to such terms as they see fit.

In respect of any other material alteration to the risks insured, the Insured shall notify the Insurers immediately, and pay an additional premium if required.

4. CANCELLATION

This Policy may be cancelled at any time at the request of the Insured in writing to the Intermediary, who effected the Policy, and the premium hereon shall be adjusted on the basis of the Insurers receiving or retaining the premium calculated at the Insurers' then current rates for short term insurance. This certificate may also be cancelled by or on behalf of the Insurers by 14 days notice given in writing to the Insured at his last known address and the premium hereon shall be adjusted on the basis of the Insurers receiving or retaining pro rata premium. Notice shall be deemed to be duly received in the course of the post if sent by pre paid letter -post properly addressed.

5. REASONABLE CARE

The Insured shall: -

- a. maintains the Premises and Landlords Contents in a satisfactory state of repair;
- b. take all reasonable precautions for the safety of the Property Insured
- c. take all reasonable precautions to prevent Damage or Injury
- d. comply with all statutory requirements and other safety regulations imposed by any authority
- e. keep books with a complete record of purchases and sales
- f. take all precautions to minimise the costs of claims or legal proceedings.

6. ARBITRATION

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

7. AVERAGE

Wherever the Sum Insured or Limit of Indemnity, is declared to be subject to average if the Property Insured shall at the time of any event giving rise to a claim be collectively of greater value than such Sum Insured or Limit of Indemnity, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of any claim accordingly.

8. REINSTATEMENT

Except as stated herein to the contrary if the Insurers elect or become bound to reinstate or replace any Property Insured, the Insured shall at the expense of the Insured, produce and give to the Insurers all such plans, documents, books and information as the Insurers may reasonably require. The Insurers shall not be bound to reinstate exactly or completely but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one item of the items insured more than the Sum Insured thereon.

9. PREMIUM ADJUSTMENT

Except as stated herein to the contrary, if any part of the premium for any section of this Policy is calculated on estimates based on information provided in good faith (without material misrepresentation or non-disclosure) by the Insured, the Insured shall within one month from the expiry of each Period of Insurance furnish such details as the Insurers may require and the premium for such period shall be adjusted subject to any minimum premium.

10. PROTECTIONS CONDITION

a. It is a condition precedent to the liability of Insurers under this Policy that all protections provided for the safety of the Premises shall be maintained in good order and shall not be withdrawn, altered or varied without the prior consent of the Insurers and shall be in full and effective operation when the Premises are closed for Business or left unattended, and at all other appropriate times.

b. It is a condition precedent to the liability of Insurers under this Policy that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations.

c. In the event of the Insured receiving any notification

i. that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed; or

ii. from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system; or

iii. that any alarm system cannot be returned to or maintained in full working order;

then with immediate effect

iv. it shall be a condition precedent to liability under this Policy that the Insured shall notify the Insurers as soon as possible, at which time the Insurers shall reserve the right to vary terms or cancel cover provided under this Policy;

v. the Insured shall be responsible for the first 20% of any loss, destruction or Damage by theft or attempted theft subject to a minimum contribution of £2500;

vi. it shall be a condition precedent to liability under this Policy that the Insured shall comply with any requirements that the Insurers impose in response to such notice.

11. CLAIMS CONDITIONS

Save to extent that it is expressly provided to the contrary in each of the Sections the Insured shall comply with the following:-

a. On the happening of any Damage or Injury which may give rise to a claim the Insured shall give immediate notice thereof in writing to the Insurers.

b. In respect of Damage caused by malicious persons or by theft It is a condition precedent to the liability of Insurers under this Policy that immediate notice of the Damage shall have been given by the Insured to the Police Authority.

c. It is a condition precedent to the liability of Insurers under the Policy that:

i. the Insured shall within 30 days after any loss, destruction, Damage, accident or Injury (7 days in the case of loss, destruction or Damage caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances), or such further time as the Insurers may in writing expressly allow, at the expense of the Insured deliver to the Insurers a claim in writing containing as particular an account as may be reasonably practicable of the Injury or any articles or portions of property Damaged and of the amount of Damage thereto, together with details of all other insurances on the Property Insured or in respect of any other risks hereby insured; and

ii. the Insured shall give to the Insurers all such proofs and information with respect to the claim as may reasonably be required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

d. The Insured shall send to the Insurers immediately on receipt any writ, summons or other legal process issued or commenced against the Insured.

e. The Insured shall not negotiate, pay, settle, admit or repudiate any claim without the written consent of the Insurers.

f. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims(s) hereunder shall be forfeited.

12. SUBROGATION

Any claimant under this Policy shall at the request and at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurers, for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties, to which the Insurers shall be or would become entitled or subrogated upon them paying for or making good any Damage or Injury under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Insurers.

13. MINIMUM SECURITY

Damage caused by theft or attempted theft is not covered unless devices for the security of the Premises are installed in accordance with the following specification and all such devices are put into full and effective operation at night and whenever the Premises are closed for Business or left unoccupied.

1. All external doors of the Premises occupied by the Insured and any internal doors which give access to any part of the Premises not occupied by the Insured must be fitted and secured with one of the following:
 - a. a mortice deadlock with matching boxed striking plate or a rim lock, which in either case conforms to BS3621: 1980 Specification for Thief Resistant Locks
 - b. a five (or more) lever close shackle padlock and locking bar
 - c. in the case of aluminium or UPVC framed doors, an integral cylinder operated swingbolt mortice lock
 - d. an alternative form of lock or locking system of at least similar quality and strength to BS3621: 1980 which is approved by Insurers in writing.
2. Any outward opening external doors of the Premises occupied by the Insured and internal doors which give access to any part of the Premises not occupied by the Insured must be fitted and secured with hinge bolts and the first closing leaf of any double leaf doors be fitted with internal flush or mortice rack bolts top and bottom in addition to the above requirements.
3. All accessible opening windows, fanlights and skylights including those accessible from decks, roofs, fire escapes or downpipes must be fitted and secured with key operated window locks except those opening windows protected by solid steel bars, grilles, expanded metal or weld mesh securely fixed to surrounding brickwork or masonry.

Notes:

 - i. Any door or window officially designated a fire exit by the Fire Authority will require consultation with the Fire Authority so that the interests of both safety and security can be met.
 - ii. The above measures comprise Insurers minimum security requirements. Where additional protections are required by Insurers, or where Insurers agree to accept alternative security measures, Insurers will specifically advise the Insured in writing.

14. DISCHARGE OF LIABILITY

The Insurers may at any time pay the Limit of Indemnity or the Sum Insured (after the deduction of any sum already paid) or any lesser amount for which a claim can be settled and shall be under no further liability except for payment of costs or expenses incurred prior to the date of payment.

15. CONTRIBUTION

If in respect of any loss, destruction or Damage, legal costs and expenses or liability covered by this Policy there shall be in existence any other insurance of any nature providing indemnity to the Insured for such Damage, legal costs and expenses or liability whether effected by the Insured or not then the liability of the Insurers shall be limited to their rateable proportion thereof, except as stated herein to the contrary. If any such other Insurance shall be subject to any condition of average this Policy, if not already subject to any condition of average, shall be subject to average in like manner. If any other insurance effected by or on behalf of the Insured 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 the Damage, the liability of the Insurers hereunder shall be limited to such proportion of the loss or destruction or Damage as the sum hereby insured bears to the value of the Property Insured.

16. RIGHTS OF THE UNDERWRITERS

On the happening of any loss, destruction or Damage in respect of which a claim is or may be made under this Policy, the Insurers and every person authorised by the Insurers may without thereby incurring any liability and without diminishing the right of the Insurers to rely upon any term of this Policy enter, take or keep possession of the building or Premises where the Damage has happened and may take possession of or require to be delivered to them any of the Property Insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured to the Insurers so to do. It is a condition precedent to the liability of Insurers under this Policy that the Insured shall comply immediately with the requirements of the Insurers under this condition. The Insured shall not in any case be entitled to abandon any property to Insurers whether taken possession of by Insurers or not.

17. LAW APPLICABLE TO CONTRACT

under this Policy that in the event of a dispute relating to the validity or avoidance of this Policy or to the interpretation of any of its terms or to the recoverability of any sums pursuant to this Policy, such dispute shall be interpreted according to English law and courts of England and Wales only shall have jurisdiction. The premium for this Policy has been calculated accordingly and no consideration has been paid in respect of sums payable as a result of interpretation outside the jurisdiction of such courts.

GENERAL EXCLUSIONS APPLICABLE TO SECTIONS A - D OF THIS POLICY

Notwithstanding anything to the contrary, Sections A – D of this Policy do not cover:

1. Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss of whatsoever nature directly or indirectly caused by, 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.
 - c. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or Damage to property by or under the order of any government or public or local authority.
 2. Damage to any property in Northern Ireland or loss resulting there from caused by or happening through or in consequence of
 - a. civil commotion;
 - b. any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any Unlawful Association.If the Insurers allege that by reason of the provisions of this exclusion, any Damage is not covered by this Policy the burden of proof shall be upon the Insured.
 3. Damage directly caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
 4. Damage attributable solely to the change in the water table level.
 5. Damage, Costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless:

 - a. if fire is not excluded from this Policy and a fire arises directly or indirectly from seepage and/or pollution and/or contamination, any loss or Damage otherwise insured under this Policy arising directly from that fire shall (subject to all other terms of this Policy) be covered.
 - b. if Property Insured is the subject of direct physical loss or Damage for which Insurers have paid or agreed to pay then this Policy (subject to all other terms of this Policy) insures against direct physical loss or Damage to the Property Insured hereunder caused by seepage and/or pollution and/or contamination resulting from the original physical loss or Damage.PROVIDED that neither paragraph (a) or (b) above shall include the Costs of decontamination or removal of water, soil or any other contaminated substance.
- It is a condition precedent to Insurers' liability under paragraph (b) above that the Insured shall give written notice to the Insurers of intent to claim loss or Damage under paragraph (b) NO LATER THAN 12 MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.
6. Expenses, fines, penalties or costs incurred or sustained by the Insured or imposed on the Insured which result from the order of any government agency, court or any other authority, in connection with any kind or description of environmental impairment including seepage or Pollution or Contamination from any cause.
 7. Loss of or Damage to:
 - a. Money, cheques, stamps, bonds credit cards or securities of any description;
 - b. jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
 - c. goods held in trust or on commission, documents, manuscripts, business books, computer systems records, explosives or video tapes or cassettes for sale or hire;
 - d. property in transit;unless specifically provided for in this Policy.
 8. Damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, arising out of or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss. Including Damage, cost or expense of whatsoever nature directly or indirectly caused, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

If Insurers allege that by reason of this exclusion, any Damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured.

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

9. Damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) and loss of use, Business interruption, reduction in functionality or productivity, cost, or expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. ELECTRONIC DATA means facts, concepts and information converted to a form use able for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'Worms' and 'Zombies'.

Nevertheless:

- a. in the event that Fire or Explosion) results from any of the matters described in this exclusion, then this Policy, subject to all its terms, will cover physical loss or damage to Property Insured directly caused by such a Defined Peril .
 - b. if computer systems records are Property Insured and are the subject of direct physical loss or damage by a Defined Peril covered by the Material Loss or Damage Section of this Policy, then this Policy, subject to all its terms, will cover physical loss or damage to such computer systems records directly caused by such a Defined Peril.
10. Contingent Business Interruption (CBI) Terrorism Exclusion Clause
- It is agreed that, regardless of any contributory causes, this Policy does not cover
- a. any Business interruption losses resulting from customers and suppliers extension or denial of access,
 - b. Damage, cost or expense directly or indirectly arising out of any service interruption (e.g. power, gas, water, communications) due to any act of Terrorism.

If the Insurers allege that by reason of this exclusion any Damage, cost or expense is not covered by this Policy the burden of proof shall be upon the Insured.