

COMMERCIAL COMBINED POLICY

Effected through:

THIS IS TO CERTIFY that in accordance with the authorisation granted under Contract Number to the undersigned by certain Insurance Companies, whose names and the proportions underwritten by them appear below (all of whom are hereinafter referred to as "**Underwriters**") and in consideration of the premium specified herein, the said Underwriters are hereby bound, each for his own part and not for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

THE UNDERWRITERS hereby agree to the extent and in the manner hereinafter provided, to indemnify the **Assured** against loss or damage sustained or legal liability for accidents happening during the period stated in the **Schedule**, after such loss, damage or liability are proved.

PROVIDED always that:

- 1) the liability of the **Underwriters** shall not exceed the limits of liability expressed in the said **Schedule** or such other limits of liability as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the **Underwriters**;
- 2) this **Policy** insures in respect ONLY of such of the sections hereof as are so specified in the **Schedule**.

Continued Overleaf

IN WITNESS whereof this **Policy** has been signed as follows:
100% with Great Lakes Reinsurance (UK) PLC

The subscribing **Underwriters** obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions.
The subscribing **Underwriters** are not responsible for the subscription of any co-subscribing **Underwriters** that for any reason does not satisfy all or part of its obligations.

The **Assured** is requested to read this **Policy** and, if it is incorrect, return it immediately for alteration.

This **Policy** is made and accepted subject to all the provisions, conditions, warranties and exclusions set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

In Witness whereof, this **Policy** has been signed at the place stated and on the date specified in the **Schedule** on behalf of

Authorised signatory

Date

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GENERAL DEFINITIONS APPLICABLE TO SECTIONS A-F OF THIS INSURANCE

PROPOSAL

Any proposal and/or declaration and any information in addition to or in substitution of such proposal or declaration supplied to the Underwriters by or on behalf of the Assured.

THE UNDERWRITERS

Great Lakes Reinsurance (UK) PLC

BUSINESS

The business specified in the Schedule

THE ASSURED

The firm, company or individual named in the Schedule.

THE INSURANCE

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 Insurance 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.

THE SCHEDULE

The Schedule specifying the terms and extent of this Insurance

SUM INSURED/LIMIT OF INDEMNITY

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

THE PREMISES

The Address(es) specified in the Schedule

EXCESS

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

PERIOD OF INSURANCE

Any period for which the Underwriters may accept payment of a premium in respect of this Insurance.

PROPERTY INSURED

Save where expressly provided otherwise, the Buildings, Stock, Machinery, Plant and Equipment at the Premises, all as defined in these General Definitions, if and to the extent they are included as property insured in the Schedule

DAMAGE(D)

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

PERILS

The perils defined in the Material Loss or Damage section of this Insurance

BUILDING(S)

The building(s) situate at the address(es) specified in the schedule including landlords fixtures and fittings in or on the buildings. Unless more specifically insured, buildings include annexes and small outbuildings, and conveyors, trunks, lines, wires, service pipes and other equipment relating to the buildings, walls, gates, fences, yards and car parks the property of the Assured or for which the Assured is legally responsible at the Premises.

MACHINERY, PLANT AND EQUIPMENT

Machinery, plant, equipment, fixtures, fittings, office machines and furniture and all other contents the property of the Assured or for which the Assured is legally responsible in the Premises specified in the Schedule. All other contents includes:

- a) Documents, manuscripts and business books, but only for the value of the materials as stationery together with the cost of clerical labour actually expended in reinstatement and not for the value of the information contained therein, for an amount not exceeding £5,000 in total;
- b) Computer systems records but only for the value of the recording hardware or blank media together with the cost of clerical labour actually expended in copying such records from back up or from originals of a previous generation and not for the value of the information contained therein, for an amount not exceeding £10,000 in total. Copying costs will not include research or engineering or any costs of recreating, gathering or assembling data.
- c) Patterns, models, plans and designs, but only for the value of the materials together with the cost of labour expended in reinstatement and so far as the same are not otherwise insured, and not for the value of the information contained therein, for an amount not exceeding £5,000 in total.
- d) Directors', employees', visitors' and customers' personal effects, pedal cycles, tools, instruments and the like, for an amount not exceeding £500 in total in respect of any one person.

STOCK

Stock, merchandise and materials in trade, including work in progress and packing materials belonging to the Assured or held by the Assured in trust or on commission and for which the Assured is legally responsible or for which the Assured has accepted liability in the Premises shown in the Schedule.

RENT

Periodic payments made by or to the Assured for the lease of the buildings specified in the Schedule.

TENANTS IMPROVEMENTS

Improvements and decorations to the Building(s) specified in the Schedule for which the Assured is legally responsible.

GLASS

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

BODILY INJURY

Accidental bodily injury to an Assured Person solely and directly as a result of violent attack.

LOSS OF LIMB(S)

Bodily Injury which within 12 months from its occurrence is the sole and direct cause of physical severance or the total or permanent loss of use of one or both arms, hands, legs or feet.

LOSS OF SIGHT

Total and irrecoverable loss of sight in one or both eyes

PERMANENT TOTAL DISABLEMENT

Bodily Injury (not resulting in Loss of Limb(s) or Loss of Sight) which is the sole and direct cause of the Assured Person being totally disabled and prevented from attending to his usual business or occupation with proof satisfactory to the Underwriters that such disablement has continued for one year from the date of the occurrence of Bodily Injury and will in all probability continue for the remainder of the Assured Persons life.

TEMPORARY TOTAL DISABLEMENT

Bodily Injury which within 12 months from its occurrence is the sole and direct cause of the Assured Person being totally disabled and prevented from attending to his usual business or occupation.

DEATH

Bodily Injury which within 12 months from its occurrence is the sole and direct cause of death.

MEDICAL EXPENSES

Necessary medical, hospital, surgical, manipulative, therapeutic and x-ray fees and nursing treatment, emergency dental and emergency optical charges incurred as a direct result of Bodily Injury. This shall be deemed to include the costs of medical supplies and ambulance hire.

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.

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 overthrowing or influencing by force, destruction or violence or by the threat of force, destruction or violence, any government or political institution.

TERRITORIAL LIMITS

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

UNOCCUPIED

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

SECTION A - MATERIAL LOSS OR DAMAGE

COVER

Damage to the Property Insured which occurs during the Period of Insurance at the Premises by any of the following Perils which are applicable only if the letter set against them appears on the Schedule subject to the terms of this Section and all other applicable terms of this Insurance.

PERILS

1. FIRE, but excluding Damage caused by:
 - a. explosion resulting from fire;
 - b. earthquake or subterranean fire;
 - c. spontaneous fermentation or heating of Property Insured or its undergoing any heating process or any process involving the application of heat.or LIGHTNING
or EXPLOSION
 - a. of boilers used for domestic purposes only
 - b. of gas
but excluding Damage caused by earthquake or subterranean fire.
2. EXPLOSION excluding Damage:
 - a. caused by or consisting of the bursting of a boiler, 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 Assured;
 - b. to vessels, machinery or apparatus or their contents resulting from the explosion thereof
3. AIRCRAFT or other aerial devices or articles dropped therefrom.
4. RIOT, CIVIL COMMOTION, STRIKERS, LOCKED-OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding:
 - a. Damage arising from confiscation, requisition or destruction by order of the government or any public authority;
 - b. Damage arising from cessation of work;
 - c. as regards Damage (other than by fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation;
 - d. Damage by theft by malicious persons
 - e. Damage in respect of any Building which is empty or not in use.
5. EARTHQUAKE.
6. SUBTERRANEAN FIRE.
7. Fire only of or to any property or any part thereof caused by its own SPONTANEOUS FERMENTATION, HEATING OR COMBUSTION.
8. STORM OR FLOOD excluding:
 - a. Damage attributable solely to change in the water table level;
 - b. Damage caused by frost, subsidence, ground heave or landslip;
 - c. Damage in respect of movable property in the open, fences and gates;
 - d. Damage to Stock when stored at or below ground level unless stored on racking not less than 100mm (4inches) off the floor.
9. ESCAPE OF WATER FROM ANY TANK, APPARATUS OR PIPE excluding:
 - a. Damage caused by water discharged or leaking from any automatic sprinkler installation;
 - b. Damage in respect of any Building which is empty or not in use
10. IMPACT by any road vehicle or animal.
11. BREAKAGE OR COLLAPSE of television and radio aerials, satellite dishes, aerial fittings and masts.
12. LEAKAGE OF FUEL from any fixed oil heating installation.
13. THEFT involving entry to or exit from the Premises by forcible and violent means including Damage to the Premises for which the Assured is responsible arising from theft or attempt thereat.
In addition the Underwriters will pay the cost of replacing locks or lock mechanisms and keys necessary to maintain the security of the premises following Theft for an amount not exceeding £1000 in respect of any one occurrence but excluding the cost of replacing the locks of any safe or strong rooms if the keys are left on the Premises whilst closed for business.
Excluding:
 - a. Damage occasioned by fire or explosion;
 - b. Damage caused by or in collusion with the Assured or any partner, director or employee of the Assured or any member of the Assureds family or any other person lawfully on the Premises.
 - c. Property in the open or in vehicles
 - d. Money and the contents of amusement or gaming machines
 - e. Loss or Damage to any cash register or till when the premises are closed for business unless such cash register or till has been left open
 - f. Loss or Damage occurring when the Buildings are empty or disused.

14. **SPRINKLER LEAKAGE** Water accidentally discharged or leaking from any automatic sprinkler installation(s) in the Premises not occasioned by or happening through: -
- a. freezing whilst the Premises in the Assureds ownership and/or tenancy are empty or disused,
 - b. explosion (including the blowing up of buildings or blasting) or earthquake or subterranean fire or heat caused by fire.

This peril does not cover Damage to the automatic sprinkler installation(s) other than that caused by water accidentally discharged or leaking from the installation(s).

Subject to the conditions of the Fire Extinguishing Appliances/Automatic Sprinkler Systems Clause (See Standard Clauses).

15. **SUBSIDENCE or GROUND HEAVE** of any part of the site on which the property stands or **LANDSLIP** excluding:-
- a. Damage to yards, car-parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby
 - b. 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
 - c. Damage which originated prior to the inception of this cover
 - d. Damage resulting from demolition construction structural alteration or repair of any property or groundworks or excavation at the same premises.

SPECIAL CONDITIONS

In so far as this Insurance relates to damage caused by Subsidence Ground Heave or Landslip

- a. The Assured shall notify the Underwriters immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site;
- b. The Underwriters shall then have the right to vary the terms or cancel this cover.

SPECIFIC 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 Insurance be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Insurance not been effected.
 - a. Any property more specifically insured by or on behalf of the Assured.
 - b. Consequential loss of any kind or description, except loss of rent when such loss is included in the cover under this Section.
 - c. Such insurance as is capable of being provided for under the terms of Extensions 1 to 4 hereof, unless such Extension is shown as "INCLUDED" in the Schedule and then only to the extent provided for in such Extension.
 - d. Computers and data processing equipment unless specified in the Schedule
 - e. The amount of the Excess specified in the Schedule.

SECTION A - EXTENSION 1 - ACCIDENTAL DAMAGE COVER

The Underwriters 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 - ACCIDENTAL DAMAGE SPECIFIC EXCLUSIONS

1. The amount of the Excess specified in the Schedule.
2. Loss or 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. Loss or 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. Loss or 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. Loss or Damage which may be sustained whilst the Property Insured is being worked upon, or is under any process, and directly resulting therefrom.
9. Loss or Damage caused by climatic or atmospheric conditions or extremes of temperature.
10. Infidelity or dishonesty by the Assured or any employee(s) of the Assured.
11. Such insurance as is capable of being provided under the terms of Section A Extension 3.
12. Loss of or 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.
13. Loss or Damage insured more specifically under any other Section or Sections of this Insurance, or any other Insurance.

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. Destruction of or 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 –GLASS DEFINITIONS

BREAKAGE

Destruction of or damage, from any cause except as excluded below, occurring during the period of Insurance to glass but excluding superficial cracks, scratching or chipping.

SECTION A – EXTENSION 2 – GLASS SPECIFIC EXCLUSIONS

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. destruction of or 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 - EXTENSION 3 - SPECIFIED PROPERTY COVER

Accidental Loss of or Damage occurring during the Period of Insurance to such of the Property Insured as is specified in the Schedule as covered by this Extension whilst situated at the Premises or anywhere within the Territorial Limits.

**SECTION A - EXTENSION 3 - SPECIFIED PROPERTY
SPECIFIC EXCLUSIONS**

1. Damage arising from atmospheric conditions, gradual deterioration, any process of cleaning or restoring or from adjustment, repair or dismantling of any part of machinery or loss of or damage to any part of machinery whilst removed from its normal working position.
2. Loss or damage arising from mechanical or electrical breakdown of any machine or part thereof.
3. Loss or damage caused by counterfeit, substitute or foreign coins.
4. Loss of or damage to the contents of machines.
5. Depreciation, contamination, consequential loss or consequential damage of any kind or description.
6. Loss of or damage by theft or attempt thereof whilst property is left in any unattended vehicle, unless all doors have been securely locked, all windows and other openings securely and adequately fastened and any immobiliser and any alarm fitted to the said vehicle correctly set to operate and all keys removed, with all Property Insured being located out of plain sight.
7. The amount of the Excess specified in the Schedule.

**SECTION A - EXTENSION 4 – FOOD SPOILAGE
COVER**

Loss of or damage to foodstuffs the property of the Assured or held by the Assured in trust or on commission or for which they are responsible whilst at the Premises contained in the refrigerating units specified in the Schedule, by deterioration, contamination or putrefaction caused by or arising from: -

1. rise or fall in temperatures as a result of: -
 - a) the breaking, distortion or burning out of any part of the unit (including its own wiring terminating at and including the plug and fuse) arising from mechanical or electrical defects in the unit occurring whilst the unit is being used under normal working conditions.
 - b) non-operation of the thermostatic or automatic controlling devices forming part of the unit.
 - c) accidental failure of the public supply of electricity not occasioned by the deliberate act of any supply authority.
2. Accidental leakage of refrigerant or refrigerant fumes from the unit; which occurs during the period of Insurance.

**SECTION A - EXTENSION 4 - FOOD SPOILAGE
SPECIAL CONDITIONS**

Any unit which at the commencement of any Period of Insurance is more than 5 years old must be the subject of a regular maintenance agreement with a suitably qualified engineer and there must be evidence of the unit having been maintained within the last 12 months.

It is a condition precedent to liability that the Damage shall be certified by the issue of a Condemnation Certificate by the relevant authority under current legislation.

**SECTION A – EXTENSION 4 - FOOD SPOILAGE
SPECIFIC EXCLUSIONS**

1. loss of or damage resulting from: -
 - a) failure of the public supply services which do not exceed thirty consecutive minutes.
 - b) failure of the public supply services due to any deliberate act of a public supply undertaking not performed for the sole purpose of safeguarding life or protecting any part of the public supply undertakings systems or any scheme of rationing not necessitated solely by accidental damage to the public supply undertaking's, generating or supply equipment.
 - c) wear and tear, deterioration or gradually developing flaws or defects in the refrigerating unit or incorrect setting of thermostats and automatic controls.
2. The amount of the Excess specified in the Schedule.

SECTION A - MATERIAL LOSS OR DAMAGE - STANDARD CLAUSES

(Applicable to this Section)

UNDERWRITERS LIABILITY

The liability of the Underwriters in any one Period of Insurance shall not exceed in respect of any one item its Sum Insured or in the whole the total **Sum Insured** or any other stated **Limit of Indemnity** at the time of the loss, destruction or damage.

LOCAL AUTHORITIES

The Insurance by each item of the Schedule on Buildings and Machinery extends to include such additional cost of reinstatement of the destroyed or damaged Property Insured as may be incurred solely by reason of the necessity to comply with Building or other regulations under or framed in pursuance of any Act of Government or Parliament or with bye laws of any municipal or local authority or European Community Legislation provided that:-

1. The amount recoverable under this clause shall not include: -
 - a. the cost incurred in complying with any of the aforesaid regulations or bye laws:
 - i) in respect of destruction or damage occurring prior to the granting of this clause.
 - ii) in respect of the destruction or damage not insured by this Material Loss or Damage Section.
 - iii) under which notice has been served upon the Assured prior to the happening of the destruction or damage.
 - iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the Insurance by this Material Loss or Damage Section) of that portion of the property destroyed or damaged.
 - b. the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new, had the necessity to comply with any of the aforesaid regulations or bye laws not arisen.
 - c. the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations or bye laws.
2. The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Underwriters may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid regulations or bye laws so necessitate) subject to the liability of the Underwriters under this clause not being thereby increased.
3. If the liability of the Underwriters under any item of the Schedule apart from this clause shall be reduced by the application of any of the terms of the Insurance applying to this Section, then the liability of the Underwriters under this clause in respect of any such item shall be reduced in like proportion.
4. The total amount recoverable under any item of the Schedule shall not exceed the Sum Insured thereby.
5. All the conditions of this Section and this Insurance, except in so far as they may be hereby expressly varied, shall apply as if they had been incorporated herein.

TEMPORARY REMOVAL

1. Subject to the following provisions the Property Insured by this Material Loss or Damage Section (other than Stock if insured hereby and property covered by paragraph (b) below) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other premises and in transit thereto and therefrom on land or inland waterway in Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.

The amount recoverable under this clause in respect of each item insured under this Section shall not exceed the amount which would have been recoverable had the loss or damage occurred in that part of the Premises from which the property is temporarily removed nor, in respect of any loss or damage occurring elsewhere than at the said Premises, ten per cent of the Sum Insured for the item after deducting therefrom the value of any Building (exclusive of fixtures and fittings), or Stock insured thereby.

This extension does not apply to Property Insured:

 - a. if and so far as it is otherwise insured;
 - b. as regards loss or damage occurring whilst the Property Insured is temporarily removed to motor vehicles or motor chassis not licensed for normal road use;
 - c. held by the Assured in trust, other than machinery and plant.
2. Documents and Computer Systems Records.

Any Insurance under this Section on computer systems records, deeds and other documents (including stamps thereon) manuscripts, plans and writings of every description and books (written and printed) is extended to include such property for an amount not exceeding ten per cent of the insured value thereof whilst temporarily removed to any premises not in the Assured's occupation or whilst in transit by road, rail or inland waterway all in Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.

REINSTATEMENT

It is hereby agreed unless stated herein to the contrary that in the event of the Property Insured under each item of the Schedule on Buildings and/or Machinery being destroyed or damaged by any Peril hereby insured against, the basis upon which the amount payable under each of the said items of the Schedule is to be calculated, shall be the reinstatement of the property destroyed or damaged subject to the following special provisions and subject also to the terms of the Section except insofar as the same may be varied hereby.

For the purposes of insurance under this clause "reinstatement" shall mean the carrying out of the after-mentioned work namely: -

- 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 and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

SPECIAL PROVISIONS APPLYING TO REINSTATEMENT

- a. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Assured subject to the liability of the Underwriters not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount which would have been payable under the Section if this clause had not been incorporated therein shall be made.
- b. When any Property Insured under this clause is damaged or destroyed in part only, the liability of the Underwriters shall not exceed the sum representing the cost, which the Underwriters could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- c. No payment beyond the amount which would have been payable under the Section if this clause had not been incorporated therein shall be made until the cost of reinstatement has been actually incurred.
- d. Each item insured under this clause is declared to be separately insured subject to the following condition of average namely: -
 - i) If at the time of the reinstatement, the sum representing 85% of the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed, exceeds the Sum Insured against, then the Assured shall be considered as being his own insurer for the difference between the sum representing the cost of reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly.
 - ii) No payment beyond the amount which would have been payable under the Section if this clause had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Assured which is not upon the identical basis of reinstatement set forth herein.
 - iii) Where, by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the Section if this clause had not been incorporated therein, the rights and liabilities of the Underwriters and the Assured in respect of the destruction or damage shall be subject to the terms of the Section including any condition of average as if this clause had not been incorporated therein.

NB The provisions of these Reinstatements Conditions do not apply to Directors', Employees', Visitors' or Customers' personal effects, pedal cycles, tools, instruments and the like.

DEBRIS REMOVAL (OTHER THAN STOCK)

Except where more specifically insured and subject to all other terms of this Insurance, it is understood that the Insurance by each item of the Schedule covering property other than Stock, extends to include costs and expenses necessarily incurred by the Assured with the consent of the Underwriters in: -

- a. removing debris;
- b. dismantling and/or demolishing;
- c. shoring up or propping; of the portion or portions of the Property Insured by the said item(s) destroyed or damaged by any Peril hereby insured against and the cost of clean up of the Premises made necessary as a result of such destruction or damage, excluding costs of decontamination or removal of water, soil or any other contaminated substance

The Underwriters will not pay for any costs or expenses: -

- i) incurred in removing debris elsewhere than from the site of such property destroyed or damaged and the area immediately adjacent to such site;
- ii) arising from pollution or contamination of property not insured by this Insurance.

The liability of the Underwriters under this clause in respect of any item shall in no case exceed the Sum Insured thereby or £25,000, whichever is lower

ARCHITECTS, SURVEYORS AND CONSULTANTS FEES

The Sum Insured by each item of the Schedule for Buildings and Machinery includes an amount in respect of Architects', Surveyors', Consulting Engineers' Legal and Other Fees necessarily and reasonably incurred in the reinstatement of the Property Insured consequent upon its destruction or damage by any Peril hereby insured against but not for preparing any claim, provided that the liability for such destruction or damage and fees shall not exceed in the aggregate the Sum Insured by each item.

NOTICE OF OCCUPANCY

Without prejudice to any other terms of this Insurance that may apply, notice is to be given to the Underwriters immediately any of the Buildings become unoccupied or when any unoccupied portion of such Buildings become tenanted and a suitable additional premium is to be paid if required by Underwriters.

FIRE EXTINGUISHING APPLIANCES / AUTOMATIC SPRINKLER SYSTEMS

1. The Assured warrants that all fire extinguishing appliances, in accordance with details lodged with the Underwriters, shall be maintained in efficient working order during the currency of this Insurance. Subject to the observance of this warranty this Insurance shall not be prejudiced or invalidated by any defect in the said appliances due to any circumstances unknown to or beyond the control of the Assured.
2. Where the Assured has an automatic sprinkler system the following clause shall apply instead of paragraph 1 above

In consideration of the reduced premium at which this Insurance is written the Assured warrants that all installation(s) of automatic sprinklers and fire extinguishing appliance(s) as per details lodged with the Underwriter shall be maintained in efficient working order during the currency of this Insurance and the Assured warrants that he will: -

- a. Make a test every week for the purpose of ascertaining that the alarm gong is in working order and that stop valves controlling the individual water supplies and the installation are fully open;
- b. Make quarterly or half-yearly tests if required by the Underwriters to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test;
- c. Make a test every weekday (holidays excepted) of
 - i) the Fire Brigade connection
 - ii) the circuit between the alarm switch and the control unit
 - iii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade.
- d. Remedy promptly any defect revealed by any test
- e. Notify the Underwriters before any installation is rendered inoperative or immediately in the event of any emergency.

Note 1: It is permissible for test c i) to be carried out by the Fire Brigade if the latter are prepared to give a written undertaking to perform the duty.

Note 2: Where the circuits in c i) and c ii) are continuously monitored tests need only to be made once per week. The Assured shall allow the Underwriters access to the premises at all reasonable times for the purpose of inspecting the sprinkler installation.

Subject to the observance of the above warranties this Insurance will not be prejudiced by defect in the said automatic sprinklers or fire extinguishing appliances due to any circumstances unknown to or beyond the control of the Assured.

DESIGNATION OF PROPERTY

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

TRANSFER OF INTEREST

If at the time of destruction or damage to any Building hereby insured, the Assured 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 Insurance 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 Assured or the Underwriters under this Material Loss or Damage Section up to the date of completion.

WORKMEN

Joiners and other tradesman may be employed effecting repairs and minor structural alterations in all or any of the Buildings referred to in the Schedule and this is allowed without prejudice to the Insurance hereby.

AUTOMATIC REINSTATEMENT OF SUM INSURED

In the event of loss under this Section, and in the absence of written notice by the Underwriters or the Assured to the contrary, the amount of such loss is to be automatically reinstated from the date thereof, the Assured undertaking hereby to pay such necessary premium as may be required for reinstatement for the remainder of the Period of Insurance.

MOTOR VEHICLES

Motor vehicles and their contents more specifically insured, are excluded from this Material Loss or Damage Section, except in respect of any amount in excess of that covered under the terms of such more specific Insurance.

SPONTANEOUS HEATING

Damage or destruction (by Fire or otherwise) of or to coal and wood blocks caused by their own spontaneous fermentation, heating or combustion is covered hereunder notwithstanding anything to the contrary contained in the conditions attached to this Material Loss or Damage Section, within the Sum(s) Insured on Stock And All Other Contents.

FOUNDATIONS

In respect of any Sum Insured on Buildings hereof subject to any condition of average, those portions of the foundations and incombustible floors of buildings (other than machinery foundations) more than 8 centimetres below the level of floors of the lowest storeys (whether such floors constitute the flooring of the basements or otherwise) are excluded from this Insurance except where such portions are within a radius of 60 centimetres around and below any structural column or similar superstructure support.

CAPITAL ADDITIONS

Without prejudice to all other terms of this Insurance, it is agreed that the Insurance by this Section shall, subject to its terms, extend to cover the following property: -

- a. any newly erected and/or newly acquired Building(s) and/or Machinery;
- b. alterations, additions and improvements to Buildings and/or Machinery but not in respect of any appreciation in value;

provided that the maximum liability of the Underwriters at any one situation under this clause shall not exceed 10% of the total Building and Machinery Sum Insured by this Section or £500,000 whichever is the lower.

The Assured undertake(s) to provide Underwriters with particulars of such extensions of cover as soon as practicable and, in any event, at intervals of not more than 6 months and to effect specific insurance thereon retrospective to the date of the commencement of the Assured's responsibility.

CUSTOMERS GOODS

If the Assured having intimated to their customers that they will accept responsibility for loss or damage to goods the property of such customers or for which the said customers may be legally responsible (whether manufactured by the Assured or not) upon which work is to be, is being or has been done on behalf of the customer by the Assured or which may be left in the Assured's hands for storage or dispatch or otherwise temporarily in the Assured's custody, it is hereby declared and agreed that all such goods shall be held to be insured by the items of the Schedule covering Stock except in so far as they shall be more specifically otherwise insured.

DRAINS

The Insurance by each item of the Schedule relating to Buildings extends to include expenses necessarily and reasonably incurred by the Assured with the consent of the Underwriters in cleaning and/or clearing drains, sewers or gutters the property of the Assured or for which they are responsible following destruction or damage to the Property Insured by any Peril hereby insured against.

NON-INVALIDATION

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

SUBROGATION WAIVER

In the event of a claim arising under this Material Loss or Damage Section, the Underwriters agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a. any company standing in the relation of parent to subsidiary or subsidiary to parent to the Assured as defined in Section 736 and 736A of the Companies Act 1985 (as from time to time amended) or equivalent.
- b. any company which is a subsidiary of a parent company of which the Assured 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.

HIRE AGREEMENTS

In consequence of certain property insured under this Section being the subject of Hire Agreements, it is understood and agreed that the interest of the owners is deemed to be included in the protection afforded by this Insurance, it being understood that the Assured shall declare the name of any other interested party in the event of loss or damage.

MACHINERY RE-ERECTION COSTS

The Insurance on Machinery and Plant by this Section extends to include, subject to the terms of this Material Loss or Damage Section, the cost of re-erection and of fixing of Machinery and Plant in consequence of destruction or damage by any Peril hereby insured against it being understood that the amount recoverable in respect of any destruction or damage shall not exceed the Sum Insured hereby.

APPLICATION OF AVERAGE

The Sum Insured under each item of property in the Schedule is subject to average - see General Conditions.

CONTRACT SALE PRICE

In respect only of goods sold but not delivered for which the Assured is responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of any Peril hereby insured against either wholly or to the extent of the loss or damage, the liability of the Underwriters shall be based on the contract price and for the purpose of average the value of goods to which this clause would in the event of loss or damage be applicable shall be ascertained on the same basis.

TRACE AND ACCESS

In the event of a valid claim under this Section for Damage at the Premises occasioned by or happening through

- a. bursting or overflowing of water tanks, apparatus or pipes
- b. leakage of oil from any fixed installation

the insurance by this Section shall extend to indemnify the Assured against the cost of tracing the leak, effecting repairs and making good provided that the Underwriters liability under this Section shall not exceed £15,000.

LOSS OF METERED WATER

In the event of a valid claim under this Section for Damage at the Premises the Underwriters will indemnify the Assured in respect of loss of metered water as a direct result of the Damage but only to the extent that

- a. such loss is determined by measurement from the Water Authority's meter or
- b. if the Water Authority demands excess water charges

Provided that the indemnity provided does not exceed £5,000

BRANDS AND LABELS

In the event of Damage to Property Insured hereby, any salvage of branded or labelled Stock and or merchandise, the Assureds own or held by them in trust or on commission, and goods sold but not delivered, shall not be disposed of by sale without the consent of the Assured. If such salvage is not disposed of by sale then the Damage will be assessed taking into account the reasonable sale value of the salvage, to be agreed between the Assured and the Company and taken into consideration at the settlement of the loss.

CONTRACT (RIGHTS OF THIRD PARTIES) ACT

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 (or any amending or replacement legislation) by any person who is not a party to this contract.

LANDSCAPED AREAS

The Underwriters 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.

REPLACEMENT OF LOCKS

The Underwriters will also pay the amount for which the Assured 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 keyholder.

Provided that the liability of the Underwriters under this Extension for any one loss will not exceed £1,000.

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 Assured is legally responsible arising from its unauthorised use by persons taking possession or occupying the property insured without the Assureds authority.

Provided that:

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

SECTION A - MATERIAL LOSS OR DAMAGE - SPECIAL CLAUSES

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

A. DAY ONE BASIS (ADJUSTABLE)

Day One Basis (Adjustable) Clause applicable to the Buildings and/or Machinery.

1. The Assured having stated in writing the Declared Value incorporated in each item to which this clause applies, the premium has been calculated accordingly:
"Declared Value" shall mean the Assureds assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement Clause (See Standard Clauses for this Section) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides due allowance for,:
 - i) the additional costs of reinstatement to comply with Local Authority requirements;
 - ii) professional fees;
 - iii) debris removal costs.The Declared Value incorporated in each item is as stated in the Schedule.
2. At the inception of each Period of Insurance the Assured shall notify the Underwriters of the Declared Value of the Property Insured by each of the said item(s). In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
3. The premium thereon is provisional. On expiry of each Period of Insurance the premium shall be adjusted by 50% of the difference between:
 4. the provisional premium at the commencement of the period,
and
 5. the premium calculated at the terms which have applied during the period under adjustment based on the Declared Value for the subsequent period of Insurance.
6. For the purpose of paragraph 3 of this clause only:
if the Section (or any item thereof) is cancelled or not renewed the Assured shall provide the Declared Value of the Property Insured by each of the said items(s) calculated in accordance with paragraph 1 of this clause but at the level of costs applying at the date of cancellation or non renewal;
7. where property had not been reinstated following loss the Assured shall provide the Declared Value as though the property had not been damaged or destroyed;
8. where a declaration of the Declared Value is not submitted to the Underwriters an additional premium not exceeding 3.5% of the provisional premium shall become payable.
9. Notwithstanding any general indication or endorsement to the contrary the following wordings in substitution of Special Provision d of the Reinstatement Clause (See Standard Clauses): -
Each item insured under this clause is declared to be separately subject to the following condition of average namely:
 - i) If at the time of loss the Declared Value of the property covered by such item be less than the Cost of Reinstatement (as defined in paragraph 1 of the Day One Basis (Adjustable Clause) at the inception of the period of Insurance then the Underwriters liability for any loss hereby Insured shall be limited to that proportion thereof which the Declared Value bears to the Cost of Reinstatement.
 - ii) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein, the rights and liabilities of the Underwriters and the Assured in respect of the destruction or damage shall be subject to the terms of this Section including any condition of average therein, as if this clause had not been incorporated therein except that the Sums Insured shall be limited to the percent up lift of Declared Values as stated on the Schedule.
10. The Insurance under each of the said item(s) includes in so far as the same are not otherwise insured:
 11. any newly acquired or newly erected Buildings and/or Machinery;
and
 12. alterations, additions and improvements to Buildings and/or Machinery;
for an amount not exceeding the limit as stated in the Schedule in respect of any one address.
13. In the event of loss the liability of the Underwriters in respect of property to which this clause applies shall not exceed its Sum Insured as stated in the Schedule.

B. DAY ONE BASIS (NON ADJUSTABLE)

Day One Basis (Non Adjustable) Clause applicable to the Buildings and/or Machinery.

- a. The Assured having stated in writing the Declared Value incorporated in each item to which this clause applies the premium has been calculated accordingly.

"Declared Value" shall mean the Assureds assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement Clause (See Standard Clauses for this Section) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the Insurance by the item provides due allowance for:

- i) the additional cost of reinstatement to comply with Local Authority requirements;
- ii) professional fees;
- iii) debris removal costs.

The Declared Value incorporated in each item is as stated on the Schedule.

- b. At the inception of each Period of Insurance the Assured shall notify the Underwriters of the Declared Value of the Property Insured by each of the said item(s). In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
- c. Notwithstanding any general indication or endorsement to the contrary, the following wordings in substitution of Special Provision d of the Reinstatement Clause (See Standard Clauses): -
Each item insured under this clause is declared to be separately subject to the following condition of average namely:
- i) If at the time of loss the Declared Value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph 1 of the Day One Basis (Non Adjustable) Clause) at the inception of the Period of Insurance, then the Underwriters liability for any loss hereby insured shall be limited to that proportion thereof which the Declared Value bears to the Cost of Reinstatement.
 - ii) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein, the rights and liabilities of the Underwriters and the Assured in respect of the destruction or damage shall be subject to the terms of this Section including any condition of average therein, as if this clause had not been incorporated therein except that the sums insured shall be limited to the percentage uplift of the Declared Values as stated on the Schedule.
- d. In the event of loss the liability of the Underwriters in respect of property to which this clause applies shall not exceed its Sum Insured as stated in the Schedule.

C. STOCK DECLARATION CONDITIONS

The Insurance on Stock as insured under the item(s) stated on the Schedule is subject to the following: -

1. The value of the property
 - i) on the last day of each month if the Schedule states that monthly declarations are required, or;
 - ii) on the last day of each of the months of March, June, September and December, if the Schedule states that quarterly declarations are required,
2. shall be declared in writing by the Assured to the Underwriters within thirty days thereafter and if a declaration were not so given the Assured shall be deemed to have declared the maximum Sum Insured as the value. Basis of valuation for declarations shall be the market value.
3. On the expiry of each Period of Insurance the actual premium shall be calculated at the rate per cent per annum applicable on the average amount declared i.e. the total of the sums declared divided by the number of declarations.
4. If the actual premium be greater than the provisional premium paid for the period the Assured shall pay the difference, if it be less the difference shall be repaid to the Assured, but such repayment shall not exceed 25% of the first or annual premium respectively.
5. In consideration of the Insurance not being reduced by the amount of any loss the Assured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.
6. It is warranted that every Insurance on Stock shall be identical in wording with this Insurance.

D. METAL WORKERS

In consideration of the payment of an additional premium, the Insurance on Stock as provided by this Material Loss or Damage Section extends to apply: -

1. whilst at any machine maker's, engineer's, founder's or other metal worker's premises;
2. whilst at any customer's and/or agent's premises;
3. whilst at any sub-contractor's premises;
4. whilst in transit by road, rail or inland waterway;

all in Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man but excluding any portion of premises occupied by the Assured subject to the maximum liability in respect of this clause and the item not exceeding its Sum Insured as stated on the Schedule.

E. LOCAL AUTHORITIES - UNDAMAGED PROPERTIES EXTENSION

Notwithstanding paragraph a. i) d) of the Local Authorities Clause (See Standard Clauses in this Section) the Insurance by each item of the Schedule on Buildings and/or Machinery 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 Underwriters shall not be liable for such additional cost in respect of any Building or Machinery which has not sustained Damage by an insured 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 Underwriters would have been liable had the Building or Machinery 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.

F. 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 Assured provided that the Underwriters shall not be liable unless such Damage is accompanied by visible evidence of violent and forcible entry to or exit from the premises.

G. 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 Assured, then the Assured 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.

H. 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.

SECTION A - MATERIAL LOSS OR DAMAGE - WARRANTIES

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

a. Waste Warranty

It is a condition precedent to liability that:

1. in Your 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.

b. Portable Heater Warranty

It is a condition precedent to liability 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 Underwriters prior to such use or storage.

c. Auditorium Warranty

It is a condition precedent to liability that It is a condition precedent to liability 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 in to a lidded metal bin and that the bin be removed from the Buildings at the close of business each day.

d. Deep Fat Frying and Cooking Equipment Warranty

It is a condition precedent to liability in respect of any deep fat frying range in the Premises that:

1. a flame failure device is fitted if the range is gas or oil fired
2. a thermostat is fitted which prevents the temperature of the fat or oil exceeding 205° centigrade or the supplier's recommended temperature if that is less
3. a high temperature limit control (of a non-self resetting type) be fitted to shut off the heat source if the temperature of the fat or oil exceeds 203° centigrade
4. extraction of heat, fumes and/or combustion products be via an integral duct, or an overhead canopy and duct system, vented direct to the open
5. all ducts be constructed of and supported by galvanised or stainless steel
6. the grease trap, filter and other grease removal devices be cleaned at least once each week
7. the grease extract ducting be cleaned at least once each year
8. a service of the range be carried out by the manufacturer or installer (or as recommended by them by a competent company or person) at least once each year
9. the fryers be attended, at all times, when the heat source is in operation
10. a fire blanket (of an adequate size) be kept, at all times, in the vicinity of the range
11. a minimum of two of the following fire extinguishing appliances be kept, at all times, in the vicinity of the range and be regularly maintained to ensure that they are in proper working order: CO₂, halogenated hydrocarbon, dry powder, foam.

It is a condition precedent to liability that where present all cooking fume extraction canopies ductwork and the like be washed/wiped daily and cleaned at least once a year by independent contractors and that filter, traps and other grease removal devices therein be thoroughly cleaned at least once a month.

e. Electrical Circuit Maintenance Warranty

It is a condition precedent to liability that fixed electrical installations are tested by an NICEIC (National Inspection Council for Electrical Installation Contracting) or ECA (Electrical Contractors Association) registered contractor at least once in every three year period and an IEE test certificate is issued showing no deviations.

f. Smoking Warranty

It is a condition precedent to liability 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.

g. No Smoking Warranty

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

h. Flat Roof Maintenance Warranty

It is a condition precedent to liability in respect of damage by storm, tempest and flood, that any flat felted roof portion of the Premises shall have been inspected at least once every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

i. Protections Warranty (Fire & Security)

It is a condition precedent to liability that all protections provided for the safety of the insured property shall be maintained in good order throughout the currency of the Policy and shall not be withdrawn, altered or varied without Our prior consent and shall be in full and effective operation when the premises are closed for business or left unattended, and at all other appropriate times.

j. **Unoccupancy Warranty**

It is a condition precedent to liability that when any building (or part thereof) are untenanted or unoccupied all gas, water and electricity mains 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)

all water tanks apparatus pipes and heating other than those connected to automatic sprinkler systems must be drained down

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

all waste refuse and other disused combustible materials will be cleared from the building and removed from the premises at least once a week.

tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the buildings becoming unoccupied

the buildings must be inspected at least once every 7 days by the Assured or the Assured'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

notice is to be given to Underwriters when any untenanted or unoccupied building (or part thereof) is again occupied

Underwriters shall not be liable for any damage or injury arising out of or in connection with any works of alteration, demolition, refurbishment or renovation.

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

p. **Paint Spraying Warranty**

It is a condition precedent to liability 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 flameproof 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:

- i. only one days supply of flammables will be kept in the spraying area.
- ii. 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.
- iii. all lighting will also be flameproof.
- iv. smoking will be prohibited in the areas where processes are carried and signs to this effect will be prominently displayed.

l. **Alarm Warranty**

Where we require an intruder alarm system, loss or damage caused by theft or attempted theft is not covered unless:

the intruder alarm is installed in accordance with the specification or system record approved by Us 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 specification or system record provides for a telephone line, direct line or central monitoring station warning system and You have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn.

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 approved by Us

all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended. Where You or one of Your Employees occupy part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

m. **Fork Lift Truck Conditions**

It is a condition precedent to liability where fork lift trucks are recharged at the Premises that:

Combustible materials to be kept a minimum of five metres clear of the recharging area.

No recharging of fork lift trucks whilst the Premises are left unattended.

n. **Stillage Warranty**

It is a condition precedent to liability that all property insured stored on the premises is stored on racks, shelves or stillages, not less than 6 " (six inches) above floor level.

o. **Storage of Combustible Materials in the Open**

It is a condition precedent to liability that combustible materials stored in the open outside Business Hours are kept at least 10m away from the Buildings.

p. **Valley Gutter Warranty**

It is a condition precedent to liability that all valley gutters be inspected and cleared every six months.

q. **Composite Panel Warranty**

It is a condition precedent to liability 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 Assured 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 paneling or such paneling to be of a non-combustible core
6. no external storage of combustible stock, packaging pallets, waste or waste skips or bins within 10 metres of buildings
7. any work involving the application of heat must only be carried out by a qualified Contractor and the **Assured** 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 **Assured**. The following warranties 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.

r. **Alarm Warranty**

Where we require an intruder alarm system, loss or damage caused by theft or attempted theft is not covered unless:

- i. the intruder alarm is installed in accordance with the specification or system record approved by **Underwriters** 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 specification or system record provides for a telephone line, direct line or central monitoring station warning system and the **Assured** has had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn.
- ii. 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 approved by **Underwriters**
- iii. 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 **Assured** or an **Employee** occupies part of the **Premises** for residential purposes, the keys must be removed from the **Business** part of the **Premises**.

s. **Fork Lift Truck Conditions**

It is a condition precedent to liability where fork lift trucks are recharged at the Premises that:

Combustible materials to be kept a minimum of five metres clear of the recharging area.

No recharging of fork lift trucks whilst the Premises are left unattended.

t. **Stillage Warranty**

It is a condition precedent to liability that all property insured stored on the premises is stored on racks, shelves or stillages, not less than 6 " (six inches) above floor level.

u. **Storage of Combustible Materials in the Open**

It is a condition precedent to liability that combustible materials stored in the open outside Business Hours are kept at least 10m away from the Buildings.

v. **Valley Gutter Warranty**

It is a condition precedent to liability that all valley gutters be inspected and cleared every six months.

SECTION B - MONEY AND ASSAULT

SUB-SECTION 1 - MONEY AND NON NEGOTIABLE ITEMS

COVER

The Underwriters agree to the extent and in the manner provided herein to indemnify the Assured for amounts not exceeding the limits and Sum Insured stated in the Schedule against

1. Loss of Non Negotiable Items from any cause
2. Loss of Money from any cause whilst
 - a. in the Premises outside Business Hours not contained in locked safes or strongrooms
 - b. in the private residence of the Assured or any authorised partner, director or employee of the Assured
 - c. in the Premises outside Business Hours contained in locked safes or strongrooms described in the Schedule
 - d. on the Premises during Business Hours
 - e. whilst in transit or bank night safe
 - f. in a gaming, amusement or vending machine
3. Loss of or damage caused by thieves to safes and strongrooms (as described in the Schedule), stamp franking machines, approved security cases, bags or waistcoats containing the Non Negotiable Documents and Money insured hereby.
occurring during the Period of Insurance

SUB-SECTION 1 - MONEY AND NON NEGOTIABLE ITEMS - DEFINITIONS

MONEY

Current coinage, bank and currency notes, uncrossed cheques, giro cheques, bankers drafts, uncrossed postal and money orders, unexpired units in franking machines, unused postage and National Insurance stamps, business travel tickets, luncheon vouchers, trading stamps, holiday with pay stamps, gift vouchers and bills of exchange.

NON-NEGOTIABLE ITEMS

Money consisting of crossed cheques, crossed national giro payment orders, crossed bankers' drafts, VAT purchase invoices, crossed postal orders, crossed money orders, national savings certificates, premium bonds, credit card and debit card vouchers and unused franking machine units

BUSINESS HOURS

The Assured's usual office hours and the working hours (including overtime) during which the Assured or any person entrusted by the Assured with the Money and Non Negotiable Documents are on the Premises for the purpose of the Business.

SUB-SECTION 1 - MONEY AND NON NEGOTIABLE ITEMS - SPECIAL CONDITIONS

It is a condition precedent to liability that:

Any till or cash register on the premises shall be left open and unlocked outside of Business Hours; and
Daily record be kept of all Money in transit and on the premises and that such record shall be deposited in a safe place other than in the safes or place containing the Money; and

Outside of Business Hours the safes and strongrooms are kept locked and the keys of the safes and strongrooms are not left on the premises.

ACCOMPANIMENT WARRANTY

It is warranted that where Money in excess of £2500 are in transit the items will be escorted as follows:

<u>Amount in Transit</u>	<u>Minimum Escort</u>
£2500 - £5000	Two able bodied and responsible adults
£5,001 - £7,500	Three able bodied and responsible adults
£7,501 - £10,000	Four able bodied and responsible adults
£10,001 and over	Approved Security Company

SUB-SECTION 1 - MONEY AND NON NEGOTIABLE ITEMS - SPECIFIC EXCLUSIONS

Sub-Section 1 does not cover: -

1. Shortages due to clerical or accounting errors.
2. Loss due to the fraud or dishonesty of any person employed by the Assured
 - a. not discovered within seven working days of its occurrence; or
 - b. more specifically insured by any other insurance or insurances except in respect of any loss beyond the amount payable under such other insurance or insurances.
3. Loss of Money and or Non Negotiable Items from: -
 - a. vending or gaming machines unless specifically stated in the Schedule
 - b. unattended vehicles
 - c. any unattended room in the Premises during Business Hours for an amount exceeding £500 unless in a locked desk or cupboard, strong box or safe with keys removed from the room.
4. Loss or damage arising elsewhere than in Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man
5. The amount of any applicable Excess specified in the Schedule

SUB-SECTION 2 - ASSAULT

COVER

In the event of Bodily Injury to the Assured Person as a direct result of assault, robbery or hold up or any attempt thereof at the Premises or whilst carrying Money relating to the Business, then the Underwriters will pay the Compensation specified in the Schedule in respect of the following:

- a. Death
- b. Loss of Sight
- c. Loss of Limb(s)
- d. Permanent Total Disablement
- e. Medical Expenses
- f. Damage to clothing and personal effects belonging to the Person Insured
- g. Temporary Total Disablement (up to the maximum number of weeks specified in the Schedule)

SUB-SECTION 2 – ASSAULT - DEFINITIONS

ASSURED PERSON

Any director, manager or partner of the Assured or any Employee aged not less than 16 years nor more than 70 years.

COMPENSATION

The amount payable under the appropriate item specified in the Schedule

EMPLOYEE

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

SUB-SECTION 2 – ASSAULT - SPECIAL CONDITIONS

1. In the event of any Bodily Injury, the Assured Person must place themselves under the care of a fully qualified medical practitioner and act upon such medical or surgical advice as is given as soon as practicable.
2. The Assured shall notify the Underwriters within 7 days of the incident giving rise to the claim providing all necessary details and obtain at his or her own expense any medical report(s) as may be required by the Underwriters.
3. The Assured Person shall at the Underwriters request submit themselves to medical examination at the Underwriters expense as often as they deem necessary.
4. No Compensation shall be payable until the period of Disablement has been determined and (where Temporary) ceased.
5. Notwithstanding anything to the contrary in Special Condition 4 above, Underwriters may at their discretion pay any Compensation due at intervals in arrears.
6. Compensation will only be paid by Underwriters on production of a medical certificate or other such written evidence from a qualified medical practitioner.

SUB-SECTION 2 – ASSAULT - SPECIFIC EXCLUSIONS

Under more than one item of a) to d) above in connection with the same incident, except that if any personal Injury is payable under item d) it shall be deducted from any amount subsequently paid under items a),b) or c).

For death, injury or disablement caused or contributed to or arising from any pre-existing defect, infirmity, illness or disease.

SECTION C - GOODS IN TRANSIT

COVER

The Underwriters will by payment or at their option by reinstatement, replacement or repair, indemnify the Assured against Damage from any cause not specifically excluded which occurs during the Period of Insurance to the Property Insured whilst:-

1. conveyed by or in charge of a carrier for the purpose of transportation by him
2. conveyed by or temporarily housed upon a vehicle or trailer owned or operated by the Assured
3. loaded on to or unloaded from the means of conveyance as described in 1. or 2. above
4. delivered to or collected from the carrier
5. conveyed by any vehicle or trailer (whether belonging to the Assured or otherwise) to which goods or merchandise are transferred in order to complete a journey following breakdown of or accident to the original carrying vehicle

Provided that the liability of the Underwriters shall not exceed the Limits of Liability stated in the Schedule.

The Underwriters will also pay:

1. Additional costs necessarily incurred in
 - a. transferring the Property Insured to another conveyance and/or delivering / returning such property to its original destination / place of dispatch if any vehicle is disabled as a result of an accident;
 - b. re-loading on to any vehicle any of the Property Insured fallen from such vehicle;
 - c. removing debris consequent upon damage to any of the Property Insured;

up to an amount not exceeding £1,000 for any one event.

2. For Damage which occurs to: -

- a. sheets, tarpaulins, ropes, toggles, chocks, chains, skips and trolleys whilst carried in the course of transit by any vehicle up to an amount not exceeding £1,000 any one loss.
- b. personal property belonging to the driver and/or mate whilst carried in any vehicle conveying Property Insured in the course of their employment up to an amount not exceeding £250 any one person.

SECTION C - GOODS IN TRANSIT - DEFINITIONS

TERRITORIAL LIMITS

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

PROPERTY INSURED

For the purposes of this Section only, "Property Insured" shall be defined goods whether contained in one or a number of parcels, packages or containers or in bulk sent at one time in one load from one address to another, such goods being the property of the Assured or for which the Assured is legally responsible.

SECTION C - GOODS IN TRANSIT - SPECIAL CONDITIONS

It is a condition precedent to liability that:

The Assured must take all reasonable precautions to prevent loss, destruction or damage by: -

- a. maintaining vehicles in an efficient and roadworthy condition and ensuring that they are suitable for the purpose for which they are to be used; and
- b. exercising reasonable care in the selection of employees obtaining references and in providing instruction to and supervision of employees, packaging and labelling and addressing of the Property Insured; and
- c. complying with regulations imposed by any lawful authority.

SECTION C - GOODS IN TRANSIT - SPECIFIC EXCLUSIONS

The Insurance by this Section does not cover: -

1. Loss or destruction of or damage resulting from theft or attempted theft from any unattended vehicle or trailer unless: -

- a. all doors, windows and other points of access have been closed and locked and any security devices correctly set to operate and all keys to doors, ignition or other services removed.
- b. After last business transit of the day until collected by the driver for the next business transit, the vehicle is housed in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates.

2. Loss or destruction of or damage to: -

- a. coins, bank notes, treasury notes, stamps and cheques, securities, bills of exchange, promissory notes.
- b. deeds, bonds, documents, manuscripts, business books, computer system records.
- c. patterns, models, moulds, plans or designs.
- d. furs, jewellery, precious stones, precious metals or bullion.
- e. livestock.
- f. explosives or goods of a dangerous nature.
- g. property dispatched on FOB terms.
- h. property conveyed in a refrigerated, frozen, chilled or insulated condition as a result of deterioration due to any variation in temperature unless as a result of an accident to the vehicle or trailer.

unless otherwise stated in the Schedule to this Section.

3. Loss or destruction of or damage due to: -

- a. wear and tear, gradual deterioration, contamination, depreciation, inherent vice or nature of the Property Insured.
- b. normal atmospheric conditions where the Property Insured is on an open vehicle or trailer unless such property shall have been adequately and properly protected.
- c. mechanical / electrical breakdown, failure or derangement unless exterior damage first occurred to the Property Insured.
- d. delay, loss of market inventory shortages, mysterious or unexplained disappearances or any consequential loss of any kind.
- e. Packing which was inadequate to withstand normal handling during transit.
- f. Theft or attempted theft of goods from open backed, soft sided or soft topped vehicles or trailers.
- g. The dishonesty of any person to whom goods have been entrusted.

4. The amount of the Excess specified in the Schedule.

SECTION D - BOOK DEBTS

COVER

1. In the event of the Assured's books of account or other business books or records at the Premises: -
 - a. being destroyed or damaged by an accidental cause;
 - b. being lost due to theft involving entry into or exit from the Premises by forcible and violent means or any attempt thereat;
 - c. being lost due to hold-up namely theft consequent upon and in connection with assault or violence or threat thereof to the Assured or any employee of the Assured;

during the period of Insurance;

(such loss, destruction or damage so caused being termed Damage in this Section) and the Assured in consequence thereof being unable to trace or establish the outstanding debit balances in whole or in part due to them, then the Underwriters will pay to the Assured: -

In Respect of Outstanding Debit Balances

the amount of loss resulting from such Damage but not exceeding

2. the difference between
 - a. the outstanding debit balances, and
 - b. the total of the amounts received or traced in respect thereof,
3. the additional expenditure incurred with the previous consent of the Underwriters in tracing and establishing customers debit balances after the Damage,

In addition the Underwriters will indemnify the Assured in respect of Auditors' Fees

If the Sum Insured by this Section be less than the outstanding debit balances the amount payable shall be proportionately reduced.

SECTION D – BOOK DEBTS - DEFINITIONS

AUDITORS FEES

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

OUTSTANDING DEBIT BALANCES

The total last recorded by the Assured under the provisions of Standard Clause 1 of this Section adjusted for: -

- a. bad debts
- b. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Damage) to customers' accounts in the period between the date to which the said last statement relates and the date of the Damage; and
- c. any abnormal condition of trade which had or could have had a material effect on the Business so that the figures thus adjusted shall represent as nearly as reasonable practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

SECTION D – BOOK DEBTS -STANDARD CLAUSES

AUTOMATIC REINSTATEMENT

In consideration of the insurance not being reduced by the amount of any loss the Assured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the period of Insurance.

TEMPORARY REMOVAL

This Insurance extends to include loss ascertained in accordance with the provisions of this Section resulting from Damage: -

- a. in any premises in Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man, occupied by persons acting on behalf of the Assured to which the Assured's books of account or other business books or records are temporarily removed;
- b. to the Assured's books of account or other business books or records whilst in transit within Great Britain, Northern Ireland, the Channel Islands, or the Isle of Man.

FIRE RESISTING SAFES

It is warranted that the Assured's books of account or other business books or records in which outstanding debit balances are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use. This clause shall not apply to books of account or other business books or records, which have been removed from the Premises.

SECTION D – BOOK DEBTS -SPECIAL CONDITIONS

1. The Assured shall maintain an up to date monthly record of the outstanding debit balances and keep a copy of the total of such balances at premises other than those to which this Section applies
2. The Insurance under this Section shall be avoided if:
the Business be wound up or carried on by a liquidator, receiver, creditor appointed body, administrator, put into receivership or discontinued
the Assured's interest cease otherwise than by death or operation of law
any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased
Unless its continuance be admitted by the Underwriters and the amendment endorsed hereon
3. In the event of Damage which may give rise to a claim under this Section the Assured shall with due diligence take all steps which are reasonably practicable to avoid or minimise any interruption or interference to the Business. No claim shall be paid until the Assured has complied with this Special Condition

SECTION D – BOOK DEBTS - SPECIFIC EXCLUSIONS

The Insurance by this Section does not cover loss occasioned by or happening through: -

Erasure or distortion of information on computer systems or other records
due to the presence of a magnetic flux or whilst mounted in or on any machine or data processing apparatus
unless caused by Damage to the said machine or apparatus;
due to defects in such records.

Deliberate falsification of business records by any person.

Mislaying or misfiling of tapes and records.

The deliberate act of a public supply undertaking in restricting or withholding electricity supply.

Wear and tear and gradual deterioration, vermin, rust, damp or mildew.

The dishonesty or connivance of any employee of the Assured.

SECTION E - LOSS OF LICENCE

COVER

In the event of a Licence granted in respect of the Premises for the sale by retail of excisable liquors (the Licence) becoming suspended or forfeited under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority at any time during the Period of Insurance such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Assured, the Underwriters will pay or make good to the Assured all loss that the Assured shall sustain in respect of:

1. The depreciation in value of the interest of the Assured in the Premises and loss of Revenue by the suspension, forfeiture of or refusal to renew the Licence up to an amount not exceeding the Sum Insured stated in the Schedule.
2. In addition, the costs and expenses incurred by the Assured with the written consent of the Underwriters in connection with any appeal against the suspension, forfeiture of or refusal to renew the Licence.

SECTION E – LOSS OF LICENCE - DEFINITIONS: for the purposes of this Section

LICENCE

The Licence granted for the retail sale of excisable Liquor at the Premises

THE ASSURED

In this Section includes the Licence holder

SECTION E – LOSS OF LICENCE - SPECIAL CONDITIONS

1. If the Assured shall be entitled to obtain the payment of compensation under the provisions of any statute or statutory instrument or regulation in respect of the suspension of, forfeiture of or refusal to renew the Licence, no claim shall arise under this Section.
2. In the event of the death, bankruptcy, incapacity, desertion of the premises or conviction (for any offence where such conviction affects the character or reputation of the convicted person with respect of his honesty, moral standing or sobriety) of the tenant, manager, occupier or Licence holder, the Assured shall where practicable and at the request of the Underwriters procure a suitable person to replace him and one to whom the Justices will transfer the Licence or grant the Licence by way of renewal.
3. If the suspension of, forfeiture of or refusal to renew the Licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Assured or by any omission of the Assured to take any step necessary for keeping the Licence in force, no claim shall arise under this Insurance unless the Assured or any other claimant hereunder shall prove to the reasonable satisfaction of the Underwriters that such matter was beyond his or their power or control.
4. The Assured shall on becoming aware of any:
 - a. complaint against the Premises or the control thereof;
 - b. proceedings against or conviction of the Licence holder, manager, tenant or occupier of the Premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with respect of his honesty, moral standing or sobriety;
 - c. transfer or proposed transfer of the License;
 - d. alteration in the purpose for which the Premises are used;
 - e. objection to renewal or other circumstances which may endanger the Licence or renewal thereof;immediately give notice thereof in writing to the Underwriters and supply such additional information and give such assistance as the Underwriters may reasonably require.
5. If the suspension of, forfeiture of or refusal to renew the Licence be occasioned wholly or partly by a criminal act of the owner, manager or Assured's employees, no claim shall arise under this Insurance.
6. It is warranted that the Assured will not use any reference to the Underwriters hereon to promote his/her business.

SECTION E – LOSS OF LICENCE - SPECIFIC EXCLUSION

This Section does not cover the refused renewal, suspension or forfeiture of the Licence arising directly or indirectly from any scheme of town or country planning, improvement or redevelopment, compulsory purchase or from any alteration of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licenses.

SECTION F1 - BUSINESS INTERRUPTION – GROSS PROFIT

COVER

In the event of the Business being interrupted or interfered with in consequence of Damage to the Property Insured for which liability has been admitted, the Underwriters will indemnify the Assured in respect of Loss of Gross Profit in the manner and to the extent stated below, subject to the following Special Conditions and any other applicable terms of this Insurance. The Indemnity is limited to the loss of Gross Profit due to Reduction in Turnover and Increased Costs of Working and the amount payable shall be:

- a. in respect of Reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of Damage fall short of the Standard Turnover
- b. in respect of Increased Costs of Working: the additional expenditure necessarily and reasonably incurred for the sole purposes of avoiding or diminishing the reduction of Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

Less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Damage

In addition, the Underwriters will indemnify the Assured in respect of Auditors' Fees as defined.

SECTION F1 - BUSINESS INTERRUPTION – GROSS PROFIT - DEFINITIONS

AUDITORS FEES

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

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

ESTIMATED GROSS PROFIT

The amount declared by the Assured representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (and specified in the Schedule as the Sum Insured). If the maximum Indemnity Period exceeds twelve months the Estimated Gross Profit declared increases proportionately

INDEMNITY PERIOD

The period beginning with the occurrence of Damage and ending when the results of the Business cease to be affected in consequence of the Damage but not exceeding the maximum Indemnity Period specified in the Schedule

MAXIMUM INDEMNITY PERIOD

The number of months stated in the Schedule.

TURNOVER

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

GROSS PROFIT

The amount by which in respect of any period specified: -

- a. the sum of the amount of the Turnover during the period and the amounts of the closing stock and closing work in progress at the end of the period shall exceed;
- b. the sum of the amounts of the opening stock and opening work in progress at the beginning of the period and the amount of the Specified Working Expenses incurred during the period.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Assureds normal accountancy methods, due provisions being made for depreciation.

SPECIFIED WORKING EXPENSES

- a. Purchases (less discounts received).
- b. Discounts allowed.
- c. Carriage, Packing & Freight.
- d. Bad Debts.
- e. Any other additional expenses specified in the Schedule.

STANDARD GROSS PROFIT

The amount declared by the Assured to the Underwriters as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year, most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months).

RATE OF GROSS PROFIT

The rate of Gross Profit earned)	
on the Turnover during the)	
financial year immediately before)	
the date of the Damage	)	to which such adjustments shall be made
	)	as may be necessary to provide for the
	)	trend of the Business and for variations
	)	in, or other circumstances, affecting the
	)	Business either before or after the Damage or
	)	which would have affected the Business had
	)	the Damage not occurred so that the figures
	)	thus adjusted shall represent as nearly

STANDARD TURNOVER

The Turnover during that period)	
in the twelve months immediately)	
before the date of the Damage, adjusted	)	as may be reasonably practicable the
to correspond with the	)	results which, but for the Damage, would
Indemnity Period	)	have been obtained during the relative
	)	period after the Damage.

Note 1: The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Assured).

Note 2: To the extent that the Assured is accountable to the tax authorities for Value Added Tax, all terms in this Insurance shall be exclusive of such tax.

Note 3: For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

SECTION F1 - BUSINESS INTERRUPTION –GROSS PROFIT - SPECIAL CONDITIONS

1. The first and annual premiums are provisional and are based on the Estimated Gross Profit.
 The Assured shall provide to the Underwriters, not later than six months after the expiry of each Period of Insurance, a declaration confirmed by the Assured’s auditors or professional accountants of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance.
 If any Damage shall have occurred giving rise to a claim for loss of Gross Profit, the above mentioned declaration shall be increased by the Underwriters for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Damage.
 If the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds 12 months): -
 - i) is less than the Estimated Gross Profit for the relative period of Insurance, the Underwriters will allow a pro-rata return of premium paid on the Estimated Gross Profit (but not exceeding 25% of such premium);
 - ii) is greater than the Estimated Gross Profit for the relative period of Insurance, the Assured shall pay a pro-rata addition to the premium paid on the Estimated Gross Profit.
2. The Assured shall, prior to each renewal, provide the Underwriters with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing year of Insurance.

SECTION F1 - BUSINESS INTERRUPTION – GROSS PROFIT - STANDARD CLAUSES

SALVAGE SALE

If, following Damage giving rise to a claim under this Section, the Assured shall hold a salvage sale during the Indemnity Period in respect of the Property Insured which was subject to the Damage, clause (a) of the cover for Loss of Gross Profit shall, for the purpose of such claim, read as follows: -
 In respect of Reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover attributable to the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually attributable to the salvage sale.

DEPARTMENTAL

If the Business be conducted in departments the independent trading results of which are ascertainable, the provisions of paragraphs (a) and (b) of the cover for Loss of Gross Profit shall apply separately to each department affected by the Damage except that, if the Insurance is not on a declaration-linked basis, if the Sum Insured by this Section be less than the aggregate of the sums produced by applying the rate of Gross Profit for each department of the Business (whether affected by the Damage or not) to its relative annual turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

SUBROGATION RIGHTS WAIVER

In the event of a claim arising under this Section, the Underwriters 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 Assured, 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 Assured 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).

PAYMENT ON ACCOUNT

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

REINSTATEMENT OF LOSS

In the event of loss under this Section, and in the absence of written notice by the Underwriters or the Assured to the contrary, the amount of such loss is to be automatically reinstated from the date thereof, the Assured undertaking hereby to pay such necessary premium as may be required for reinstatement for the remainder of the Period of Insurance.

ACCUMULATED STOCKS

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on the Assured's premises.

FINES, DAMAGES AND LIABILITIES

The Underwriters shall not be liable for any loss due to fines, penalties, damages or liabilities incurred by the Assured.

AUDITORS OR PROFESSIONAL ACCOUNTANTS

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

LIMIT OF LIABILITY

The liability of the Underwriters under this section in any one Period of Insurance shall in no case exceed 133% of the Sum Insured in respect of Loss of Gross Profit as shown in the schedule If 133 percent of this Sum Insured be less than the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance, the amount payable shall be proportionately reduced.

ALTERNATIVE TRADING CLAUSE

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business, either by the Assured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

UNINSURED STANDING CHARGES CLAUSE

If there are any standing charges or expenses of the Business other than Specified Working Expenses then, in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit during the financial year immediately before the date of the Damage bears to the sum of such Gross Profit and such standing charges or expenses expended during that financial year

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 Assured's interest ceases, otherwise than by death, at any time after the commencement of this Insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Underwriters.

CLAIMS

It is a condition precedent to liability under the Insurance that:

- a. on the happening of any Damage in consequence of which a claim is, or may be, made under this Section, the Assured shall give notice in writing to the Underwriters 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 Underwriters may in writing allow, at their own expense deliver to the Underwriters 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 Assured shall, at his own expense, produce and furnish to the Underwriters 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 Underwriters 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 Underwriters forthwith.

MATERIAL DAMAGE PROVISIO

The Underwriters liability under this Section is conditional on cover being in force under this Insurance at the time of the happening of the Damage covering the interest of the Assured 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 Insurance excluding liability for losses below a specified amount.

SECTION F2 - BUSINESS INTERRUPTION – GROSS REVENUE

COVER

In the event of the Business being interrupted or interfered with in consequence of Damage to the Property Insured for which liability has been admitted, the Underwriters will indemnify the Assured in respect of Loss of Gross Revenue in the manner and to the extent stated below, subject to the following Special Conditions and any other applicable terms of this Insurance.

The Indemnity is limited to:

- a. the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Revenue
- b. in respect of Increased Costs of Working: the additional expenditure necessarily and reasonably incurred for the sole purposes of avoiding or diminishing the reduction Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the reduction in Gross Revenue thereby avoided

Less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Damage

In addition, the Underwriters will indemnify the Assured in respect of Auditors Fees as defined

SECTION F2 - BUSINESS INTERRUPTION – GROSS REVENUE - DEFINITIONS

AUDITORS FEES

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

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.

ESTIMATED GROSS REVENUE

The amount declared by the Assured representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (and specified in the Schedule as the Sum Insured). If the maximum Indemnity Period exceeds twelve months the Estimated Gross Revenue declared increases proportionately.

INDEMNITY PERIOD

The period beginning with the occurrence of Damage and ending when the results of the Business cease to be affected in consequence of the Damage but not exceeding the maximum Indemnity Period specified in the Schedule.

MAXIMUM INDEMNITY PERIOD

The number of months stated in the Schedule.

GROSS REVENUE

The money paid or payable to the Assured for services rendered in course of the Business at the Premises.

STANDARD GROSS REVENUE

The Gross Revenue during that period in twelve months immediately before the date of the Damage adjusted to correspond with the Indemnity Period, to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business, either before or after the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Note 1: The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Assured).

Note 2: To the extent that the Assured is accountable to the tax authorities for Value Added Tax, all terms in this Insurance shall be exclusive of such tax.

Note 3: For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

SECTION F2 - BUSINESS INTERRUPTION – GROSS REVENUE - SPECIAL CONDITIONS

1. The first and annual premiums are provisional and are based on the Estimated Gross Revenue. The Assured shall provide to the Underwriters, not later than six months after the expiry of each Period of Insurance, a declaration confirmed by the Assureds auditors or professional accountants of the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance.
If any Damage shall have occurred giving rise to a claim for loss of Gross Revenue, the above mentioned declaration shall be increased by the Underwriters for the purpose of premium adjustment by the amount by which the Gross Revenue was reduced during the financial year solely in consequence of the Damage.
If the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds 12 months): -
 - a. is less than the Estimated Gross Revenue for the relative period of Insurance, the Underwriters will allow a pro-rata return of premium paid on the Estimated Gross Revenue (but not exceeding 25% of such premium);
 - b. is greater than the Estimated Gross Revenue for the relative period of Insurance, the Assured shall pay a pro-rata addition to the premium paid on the Estimated Gross Revenue
2. The Assured shall, prior to each renewal, provide the Underwriters with the Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing year of Insurance.

SECTION F2 - BUSINESS INTERRUPTION – GROSS REVENUE - STANDARD CLAUSES

SUBROGATION RIGHTS WAIVER

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

Any Company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to the Assured, as defined in Section 736 and 736A of the Companies Act 1985 (as from time to time amended) or equivalent.
Any Company which is a Subsidiary of a Parent Company of which the Assured 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).

PAYMENT ON ACCOUNT

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

REINSTATEMENT OF LOSS

In the event of loss under this Section, and in the absence of written notice by the Underwriters or the Assured to the contrary, the amount of such loss is to be automatically reinstated from the date thereof, the Assured hereby undertaking to pay such necessary premium as may be required for reinstatement for the remainder of the Period of Insurance.

LIMIT OF LIABILITY

The Underwriters total liability shall not exceed 133 percent of the Sum Insured in respect of Loss of Gross Revenue in any one period of Insurance. If 133 percent of this Sum Insured be less than the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance, the amount payable shall be proportionately reduced.

ALTERATIONS

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 Assureds interest ceases, otherwise than by death, at any time after the commencement of this Insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Underwriters.

FINES, DAMAGES AND LIABILITIES

The Underwriters shall not be liable for any loss due to fines, penalties, damages or liabilities incurred by the Assured.

AUDITORS OR PROFESSIONAL ACCOUNTANTS

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

ALTERNATIVE TRADING CLAUSE

If during the Indemnity Period services shall be rendered elsewhere than at the Premises for the benefit of the Business, either by the Assured or by others on his behalf, the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

CLAIMS

It is a condition precedent to liability under the Insurance that:

1. on the happening of any Damage in consequence of which a claim is, or may be, made under this Section, the Assured shall give notice in writing to the Underwriters 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
2. 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 Underwriters may in writing allow, at their own expense deliver to the Underwriters 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
3. The Assured shall, at his own expense, produce and furnish to the Underwriters 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 Underwriters 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 Underwriters forthwith.

MATERIAL DAMAGE PROVISIO

The Underwriters liability under this Section is conditional on cover being in force under this Insurance at the time of the happening of the Damage covering the interest of the Assured 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 Insurance excluding liability for losses below a specified amount.

SECTION F2 - BUSINESS INTERRUPTION – GROSS REVENUE - EXTENSIONS

The undernoted extensions are operative only if specifically mentioned in the Schedule, and are subject otherwise to the terms of this Section and all other applicable terms of this Insurance.

For the purposes of this Section only, damage at the situations or to property specified in the undernoted Extensions shall be deemed to be loss resulting from Damage to property used by the Assured at the premises.

A. PROPERTY STORED

Property of the Assured whilst stored anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises in the occupation of the Assured.

Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

B. PATTERNS

Patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, the property of the Assured or held by them in trust or on commission for which they are responsible whilst at the premises situate Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, of any machine makers, engineers, founders or other metal workers, but excluding any premises wholly or partly occupied by the Assured and whilst in transit thereto and therefrom by road, rail or inland waterway in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

C. TRANSIT

Property of the Assured whilst in transit by road, rail or inland waterway in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, but it is understood that damage arising from impact to, or collision with, the conveying road or rail vehicle, or waterborne craft is specifically excluded from this extension.

Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

D. MOTOR VEHICLES

Motor Vehicles, the property of the Assured, whilst in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, elsewhere than at any premises in the occupation of the Assured.

Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

E. CONTRACT SITES

Any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in the occupation of the Assured, where the Assured is carrying out a contract. Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

F. EXHIBITION SITES

Any situation in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, not in the occupation of the Assured, where the Assured is exhibiting his goods for sale. Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

G. FAILURE OF PUBLIC SUPPLY

Cover is extended to include interruption of or interference with the Business caused by damage giving rise to destruction or damage to property at any generating station or sub station of the public electricity supply undertaking land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith water works and pumping stations of the public water supply undertaking land based premises of the public telecommunications undertaking from which the Assured obtains electricity gas water or telecommunications services within Great Britain Northern Ireland the Channel Islands or the Isle of Man and not caused by

1. The deliberate act of any supply authority or by the exercise by any such authority of its power to withhold or restrict supply
2. any industrial action
3. drought or any scheme of rationing unless necessitated solely by physical damage to a part of the authority's property

Provided that there is no liability under this Extension for loss arising from any cause within the control of the Assured in respect of Public Utilities unless the duration of the failure exceeds 4 hours

This extension shall apply solely in respect of locations or property within the Territorial Limits and the Underwriters liability under this extension shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 which ever is the lesser amount.

H. PREVENTION OF ACCESS

Property in the vicinity of the Premises, destruction of or damage to which shall prevent or hinder use of the Premises or access thereto, whether the Premises or property of the Assured shall be damaged or not. Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

J. DAMAGE IN THE VICINITY

Property in the vicinity of the Premises, destruction of or damage to which shall cause loss of custom of the Assured, directly due to loss of amenities in the immediate vicinity of the Premises, whether the Premises or property of the Assured therein shall be damaged or not. Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

K. SPECIFIED SUPPLIERS

The premises of those suppliers which are detailed in the Schedule.

L. UNSPECIFIED SUPPLIERS AND STORAGE SITES

The premises of any of the Assureds suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any supply undertaking from which the Assured obtains electricity, gas or water or telecommunication services and premises not in the occupation of the Assured where property of the Assured is stored, all in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

M. SPECIFIED CUSTOMERS

The premises of those customers which are detailed in the Schedule.

N. UNSPECIFIED CUSTOMERS

The premises of any of the Assureds customers in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man. Provided that the maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 whichever is the lesser amount

O. INFECTIOUS DISEASES

The Insurance by this Section is extended to include loss as insured hereunder directly resulting from interruption of or interference with the Business carried on by the Assured at the Premises in consequence of:

1. Notifiable Disease manifested by any person whilst at the Premises;
2. an outbreak of a Notifiable Disease within 25 miles of the Premises;
3. murder or suicide occurring at the Premises;
4. injury or illness sustained by any guest arising from, or traceable to, foreign or injurious matter in food or drink provided on the Premises;
5. closing of the whole or part of the Premises by the order or on the advice of a competent Public Authority as a result of: -
 - defects in the drains or other sanitary arrangements in the Premises
 - the Premises becoming infested with vermin or pests.

Special Provisions

Notifiable Disease means illness sustained by any person resulting from any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS-related condition) an outbreak of which the competent local authority has stipulated shall be notified to them;

for the purpose of this clause, Indemnity Period means the period during which the results of the Business shall be affected in consequence of the Damage beginning: -

in the case of 1,2,3 and 4 above, with the occurrence or discovery of the incident;

in the case of 5 above, with the date from which the restrictions on the Premises are applied and ending not later three months thereafter.

The maximum amount payable shall not exceed in respect of any one event 10% of the Sum Insured or £100,000 which ever is the lesser amount

SECTION F3 - BUSINESS INTERRUPTION - INCREASE IN COST OF WORKING

COVER

Cover is limited to Increase in Cost of Working, and the amount payable, as indemnity thereunder shall be the additional expenditure necessarily and reasonably incurred in consequence of the Damage in order to continue the Business during the Indemnity Period. Provided that the indemnity shall be limited to the additional expenditure which is necessarily incurred to maintain the Business as existing immediately before the Damage. The liability of the Underwriters shall be no more than 50% of the Sum Insured for such additional expenditure arising in the first 3 months following the date of the Damage or 10% of the Sum Insured for the additional expenditure in any one month thereafter.

In addition the Underwriters will indemnify the Assured in respect of Auditors Fees as defined. Underwriters total liability shall not exceed the Sum Insured as stated in the Schedule.

SECTION F - DEFINITIONS

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

AUDITORS FEES

Necessary and reasonable fees payable by the Assured to their Auditors or Professional Accountants for producing such particulars or details contained in the Assureds book of accounts or other business documents or such other proofs, information or evidence as may be required by the Underwriters

INDEMNITY PERIOD

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

MAXIMUM INDEMNITY PERIOD

The number of months as stated in the Schedule.

SECTION F3 - BUSINESS INTERRUPTION - INCREASE IN COST OF WORKING – STANDARD CLAUSES

SUBROGATION RIGHTS WAIVER

In the event of a claim arising under this Section, the Underwriters 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 Assured, 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 Assured 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).

PAYMENT ON ACCOUNT

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

REINSTATEMENT OF LOSS

In the event of loss under this Section, and in the absence of written notice by the Underwriters or the Assured to the contrary, the amount of such loss is to be automatically reinstated from the date thereof, the Assured undertaking hereby to pay such necessary premium as may be required for reinstatement for the remainder of the Period of Insurance.

ALTERATIONS

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 Assureds interest ceases, otherwise than by death, at any time after the commencement of this Insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Underwriters.

FINES, DAMAGES AND LIABILITIES

The Underwriters shall not be liable for any loss due to fines, penalties, damages or liabilities incurred by the Assured.

AUDITORS OR PROFESSIONAL ACCOUNTANTS

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

CLAIMS

It is a condition precedent to liability under the Insurance that:

- a. on the happening of any Damage in consequence of which a claim is, or may be, made under this Section, the Assured shall give notice in writing to the Underwriters 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 Underwriters may in writing allow, at their own expense deliver to the Underwriters 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 Assured shall, at his own expense, produce and furnish to the Underwriters 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 Underwriters 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 Underwriters forthwith.

MATERIAL DAMAGE PROVISIO

The Underwriters liability under this Section is conditional on cover being in force under this Insurance at the time of the happening of the Damage covering the interest of the Assured 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 Insurance excluding liability for losses below a specified amount.

GENERAL CONDITIONS APPLICABLE TO SECTIONS A - F OF THIS INSURANCE

These General Conditions apply to the entirety of Sections A – F of this **Policy**, unless expressly disappplied.

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 Insurance shall bear the same meaning wherever it may appear.

2. MISREPRESENTATION

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

3. ALTERATIONS

If after the commencement of this Insurance there is any material alteration to the risks insured by this Insurance which is subject in any respect to the power or control of the Assured (whether directly or indirectly), Underwriters shall not be liable for any claim under this Insurance that arises out of, relates to, results from or is connected with any such materially altered risk unless the Underwriters 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 Assured shall notify the Underwriters immediately, and pay an additional premium if required.

4. WARRANTIES

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole currency of this Insurance and non-compliance with any such warranty whether it increases the risk or not shall be a bar to any claim.

5. CANCELLATION

This Insurance may be cancelled at any time at the request of the Assured in writing to the Intermediary who effected the Insurance, and the premium hereon shall be adjusted on the basis of the Underwriters receiving or retaining the premium calculated at the Underwriters' then current rates for short term insurance. This certificate may also be cancelled by or on behalf of the Underwriters by 14 days notice given in writing to the Assured at his last known address, and the premium hereon shall be adjusted on the basis of the Underwriters 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.

6. REASONABLE CARE

The Assured shall: -

- a. maintain the premises, machinery, plant and equipment 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 loss, destruction, damage, accident 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.

7. ARBITRATION

If any difference should arise as the amount to be paid under this Insurance (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 Underwriters.

8. 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 Assured shall be considered as being his own insurer for the difference and shall bear a rateable share of any claim accordingly.

9. REINSTATEMENT

Except as stated herein to the contrary if the Underwriters elect or become bound to reinstate or replace any Property Insured, the Assured shall at the expense of the Assured, produce and give to the Underwriters all such plans, documents, books and information as the Underwriters may reasonably require.

The Underwriters 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.

10. PREMIUM ADJUSTMENT

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

11. PROTECTIONS CONDITION

- a. It is a condition precedent to liability under this Insurance 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 Underwriters 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 liability under this Insurance 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 Assured 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 Insurance that the Assured shall notify the Underwriter as soon as possible, at which time the Underwriter shall reserve the right to vary terms or cancel cover provided under this Insurance;
 - v) the Assured 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 Insurance that the Assured shall comply with any requirements that the Underwriters impose in response to such notice.

12. CLAIMS CONDITIONS

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

- a. On the happening of any loss, destruction, damage, accident or injury which may give rise to a claim the Assured shall give immediate notice thereof in writing to the Underwriters.
- b. In respect of loss, destruction or damage caused by malicious persons or by theft it is a condition precedent to liability under this Insurance that immediate notice of the loss, destruction or damage shall have been given by the Assured to the Police Authority.
- c. It is a condition precedent to liability under the Insurance that:
 - i) the Assured 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 Underwriters may in writing expressly allow, at the expense of the Assured deliver to the Underwriters a claim in writing containing as particular an account as may be reasonably practicable of the accident, injury or any articles or portions of property lost, destroyed or 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 Assured shall give to the Underwriters 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 Assured shall send to the Underwriters immediately on receipt any writ, summons or other legal process issued or commenced against the Assured.
- e. The Assured shall not negotiate, pay, settle, admit or repudiate any claim without the written consent of the Underwriters.
- f. If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Insurance shall become void and all claims(s) hereunder shall be forfeited.

13. SUBROGATION

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

14. DISCHARGE OF LIABILITY

The Underwriters 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 Insurance there shall be in existence any other insurance of any nature providing indemnity to the Assured for such loss, destruction or damage, legal costs and expenses or liability whether effected by the Assured or not then the liability of the Underwriters 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 Insurance, 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 Assured is expressed to cover any of the Property Insured but is subject to any provision whereby it is excluded from ranking concurrently with this Insurance, either in whole or in part, or from contributing rateably to the loss or destruction or damage, the liability of the Underwriters 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 Insurance, the Underwriters and every person authorised by the Underwriters may without thereby incurring any liability and without diminishing the right of the Underwriters to rely upon any term of this Insurance enter, take or keep possession of the building or premises where the loss, destruction or 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 Assured to the Underwriters so to do. It is a condition precedent to liability under this Insurance that the Assured shall comply immediately with the requirements of the Underwriters under this condition. The Assured shall not in any case be entitled to abandon any property to Underwriters whether taken possession of by Underwriters or not.

17. LONG TERM AGREEMENT CLAUSE

Where indicated on the Schedule, a discount has been allowed in arriving at the premium shown in consideration of the Assured having undertaken to offer to renew this Insurance on the same terms for the period stated and to pay the premium annually in advance, provided however that:

- a. The Sum Insured may be reduced/increased proportionately at any time to correspond with any reduction/increase in:
 - i. Value, if this Insurance covers property damage;
 - ii. The business, if this Insurance covers consequential loss;

The undertaking shall be held to apply to any insurance or insurances issued in substitution hereof; The premium shall be subject to revision at any time following any alteration in physical hazard and/or increase in liabilities;

At any renewal date the Underwriters may require the terms of this Insurance to be revised and, if the Assured does not accept such revised terms the agreement set out in this clause shall lapse; The Underwriters shall be under no obligation to accept an offer made under this clause.

18. LAW APPLICABLE TO CONTRACT

It is a condition precedent to liability under this Insurance that in the event of a dispute relating to the validity or avoidance of this Insurance or to the interpretation of any of its terms or to the recoverability of any sums pursuant to this Insurance, such dispute shall be interpreted according to English law and courts of England and Wales only shall have jurisdiction. The premium for this insurance 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.

19. **SURVEY CLAUSE**

Cover hereon is strictly subject to receipt by **Underwriters** of a satisfactory survey carried out by an authorised surveyor within 60 days of the inception date of this insurance or by a date to be agreed by the **Underwriter** and advised to the **Assured**.

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

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

GENERAL EXCLUSIONS APPLICABLE TO SECTIONS A-F OF THIS INSURANCE

Notwithstanding anything to the contrary, Sections A – F of this Insurance do not cover:

1. Loss or destruction of or 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 or contributed to by or arising from:
 - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
 - 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. Loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom 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 Underwriters allege that by reason of the provisions of this exclusion any loss destruction or damage is not covered by this Insurance the burden of proving the contrary shall be upon the Assured.

3. Loss, destruction or damage directly caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
4. Loss, destruction or damage attributable solely to the change in the water table level.
5. Loss, 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 Insurance and a fire arises directly or indirectly from seepage and/or pollution and/or contamination, any loss or damage otherwise insured under this Insurance arising directly from that fire shall (subject to all other terms of this Insurance) be covered.

b. if Property Insured is the subject of direct physical loss or damage for which Underwriters have paid or agreed to pay then this Insurance (subject to all other terms of this Insurance) 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 Underwriters' liability under paragraph (b) above that the Assured shall give written notice to the Underwriters 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 Assured or imposed on the Assured 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 Insurance.
8. Loss, 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 loss, 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 Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Insurance the burden of proving the contrary shall be upon the Assured.

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. Loss, 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 therefrom, 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 useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

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 Peril A or B listed in the Material Loss or Damage Section of this Insurance (Fire or Explosion) results from any of the matters described in this exclusion, then this Insurance, subject to all its terms, will cover physical loss or damage to Property Insured directly caused by such a Peril.
- b. (b) if computer systems records are Property Insured and are the subject of direct physical loss or damage by a Peril covered by the Material Loss or Damage Section of this Insurance, then this Insurance, subject to all its terms, will cover physical loss or damage to such computer systems records directly caused by such a Peril.

10. Contingent Business Interruption (CBI) Terrorism Exclusion Clause

It is agreed that, regardless of any contributory causes, this insurance does not cover

- a. Any business interruption losses resulting from customers and suppliers extension or denial of access,
- b. Loss, 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 Underwriters allege that by reason of this exclusion any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

Asbestos Endorsement

- A) This Insurance only insures asbestos physically incorporated in an insured building or structure, and then only provides indemnity in respect of that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

Fire, Lightning, Explosion, Aircraft, Riot or Civil Commotion, Earthquake, Subterranean Fire, Storm or Flood, Escape of Water, Impact, Sprinkler Leakage, Subsidence.

This coverage is subject to all limitations in the policy to which this endorsement is attached and in addition to each of the following specific limitations:

- i) The said building or structure must be insured under this Insurance for damage by a Listed Peril.
- ii) The Listed Peril must be the immediate sole cause of the damage to the asbestos.
- iii) The Assured must report to the Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this Insurance does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
- iv) This Insurance shall provide no cover (whether for physical damage, business interruption, delay of repair or other consequential loss) in respect of:
 1. wear and tear or inherent defect, quality or vice in or of any asbestos;
 2. any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design, manufacture, installation, use, retention, treatment, management, repair, replacement or removal of any asbestos (damaged or otherwise); or
 3. any asbestos which the Listed Peril has not physically damaged.

Except as set forth in the foregoing Part A of this endorsement, this Insurance does not insure asbestos or any interest relating thereto

SECTION G – EMPLOYERS', PUBLIC AND PRODUCTS LIABILITY

This Section of the Policy is subject to its own terms and not to the General Definitions, General Exclusions and General Conditions applying to Sections A-F.

SECTION G – OPERATIVE CLAUSE

The **Underwriters** will indemnify the **Assured** against their legal liability to pay damages (including claimants' costs, fees and expenses) in accordance with the law of the United Kingdom.

This indemnity applies only to such legal liability as defined by each insured Section of this **Policy** arising out of the **Business** specified in the **Schedule**, subject always to the terms, conditions and exclusions of such Section and of the **Policy** as a whole.

SECTION G - DEFINITIONS

ASSURED

1. the person, persons or corporate body named in the **Schedule**
2. subsidiary companies of the **Assured** notified to and accepted in writing by the **Underwriters**.

BUSINESS

means the business conducted at or from premises in Great Britain, Northern Ireland, The Channel Islands or the Isle of Man and shall include:

1. the ownership, repair and maintenance of the **Assureds** own property
2. provision and management of canteen, social, sports and welfare organisations for the benefit of any **Person Employed** and medical, firefighting, and security services
3. private work undertaken by any **Person Employed** for any director or partner of the Insured with the prior consent of the **Assured**.

INJURY

means death, bodily injury, illness or disease of or to any person.

DAMAGE

means loss of possession of or damage to tangible property.

PERSON EMPLOYED

means any:

1. Employee being a person under a contract of service or apprenticeship with the **Assured**
2. labour master and persons supplied by him
3. person employed by labour only sub-contractors
4. self employed person under the control of the **Assured**
5. person hired to or borrowed by the **Assured**
6. person undertaking study or work experience or youth training scheme with the **Assured** working for the **Assured** in connection with the **Business**.

PRODUCT

means any tangible property after it has left the custody or control of the **Assured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the **Assured**.

POLLUTION

means pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.

DEFENCE COSTS

mean costs, fees and expenses incurred by the **Assured** with the written consent of the **Underwriters** in the defence or settlement of any claim under this **Policy**.

TERRORISM

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

INDEMNITY TO OTHERS

The indemnity granted extends to:

1. managerial or supervisory Employees of the **Assured** in their business capacity for legal liabilities arising out of the performance of the **Business** and any director or partner of the **Assured** in respect of private work undertaken by any **Person Employed** for such director or partner with the prior consent of the **Assured**
2. the officers, committees and members of the **Assureds** canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such
3. any person or firm for legal liabilities arising out of the performance of a contract with the **Assured** constituting the provision of labour only
4. any principal for legal liabilities arising out of work carried out by the **Assured** under a contract or agreement in respect of which the **Assured** would have been entitled to indemnity under this **Policy** if the claim had been made against the **Assured**
5. the personal representatives of any person or party indemnified by reason of this Clause 3 in respect of legal liability incurred by such person or party.

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exclusions of this **Policy** as though they were the **Assured**.

CROSS LIABILITIES

Each person or party granted indemnity by this **Policy** is separately indemnified in respect of claims made against any of them by any other subject to the **Underwriters** total liability not exceeding the stated **Limits of Indemnity**.

LIMITS OF INDEMNITY

SUB SECTION 1

The **Underwriters** total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the **Schedule** in respect of any one claim against the **Assured** or series of claims against the **Assured** arising out of one occurrence.

SUB SECTIONS 2 AND 3

The **Underwriters** total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the **Schedule** against each Section in respect of any one occurrence or series of occurrences arising from one originating cause

Provided always that the **Limit of Indemnity**:

1. under Section 2 in respect of liability arising out of **Pollution** applies to the total amount of damages (including claimants' costs, fees and expenses) payable in respect of all occurrences during the **Period of Insurance**
2. under Section 3 applies to the total amount of damages (including claimants' costs, fees and expenses) payable in respect of all occurrences during the **Period of Insurance**.

DEFENCE COSTS

The **Underwriters** will also pay all **Defence Costs**.

Defence Costs include legal expenses:

1. incurred by or awarded against the **Assured** arising out of any prosecution of the **Assured**:
2. for breach or alleged breach of Part 1 of the United Kingdom Health & Safety at Work Act 1974 (and/or legislation of similar effect)
3. for any offence under Part II of the Consumer Protection Act 1987 and/or Part II of the Food Safety Act 1990 (and/or legislation of similar effect)

Provided that **Underwriters** shall not be liable for any fines or penalties imposed as a consequence of such prosecution

- a. arising out of representation at any Coroner's Inquest or Fatal Accident Inquiry
- b. arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this **Policy**

Defence Costs will be payable in addition to the **Limits of Indemnity** except in respect of Sub Section 1 when the **Limit of Indemnity** will be inclusive of **Defence Costs** unless this **Policy** is specifically endorsed to the contrary.

COMPENSATION FOR COURT ATTENDANCE

In the event of any director, partner or Employee of the **Assured** attending court as a witness at the request of the **Underwriters** in connection with a claim which is the subject of indemnity under this **Policy** the **Underwriters** will provide compensation to the **Assured** at the following rates for each day on which attendance is required:

- a. any director or partner £250
- b. any Employee £100

SUB SECTION 1 – EMPLOYERS’ LIABILITY

SUB SECTION 1 – INDEMNITY

The **Assured** is indemnified by this Section in accordance with the Operative Clause in respect of **Injury** to any **Person Employed** arising out of and in the course of employment by the **Assured** and occurring during the **Period of Insurance**.

SUB SECTION 1 – EXCLUSIONS

This Section does not apply to or include legal liability:

1. arising outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands except in respect of temporary non-manual visits by **Persons Employed**
2. incurred in circumstances where any road traffic legislation requires compulsory insurance or security and an indemnity is afforded to the **Assured** by any such insurance or security
3. arising out of work on and/or visits to any offshore rig and/or installation and/or platform from the time of embarkation onto a conveyance at the point of final departure to such offshore rig and/or installation and/or platform until disembarkation from the conveyance from such offshore rig and/or installation and/or platform onto land.
4. arising out of **Terrorism** except to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to employees, in which case a sub-limit of £5,000,000 shall apply.
5. arising out of or related to the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos, except to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to employees, in which case a sub-Limit of Indemnity of £5,000,000 shall apply.

It is a condition precedent to the liability of **Underwriters** that the **Assured** do not manufacture mine process distribute test remediate remove store dispose sell or use asbestos or materials or products containing asbestos.

SUB SECTION 1 – COMPULSORY INSURANCE CLAUSE

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law enacted in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands relating to compulsory insurance of liability to employees.

If however, there has been non-observance of any **Policy** conditions by the **Assured**, and the **Underwriters** shall have paid any sum which would not have been paid but for the provisions of such law then the Insured shall forthwith repay such sum to the **Underwriters**.

SUB SECTION 2 – PUBLIC LIABILITY

SUB SECTION 2 – INDEMNITY

The **Assured** is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental **Injury** and/or **Damage** occurring during the **Period of Insurance**.

SUB SECTION 2 – EXCLUSIONS

This Section does not apply to or include legal liability:

1. in respect of **Injury** to any **Person Employed** arising out of and in the course of employment by the **Assured**.
2. arising out of or in connection with any **Product**.
3. arising out of the ownership, possession or use by or on behalf of the **Assured**, or any person or party entitled to indemnity, of any motor vehicle or trailer for which compulsory insurance or security is required by legislation, other than legal liability:
 - a. caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer in circumstances where compulsory insurance or security is not required by any legislation
 - b. arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer except where indemnity is provided by any motor insurance contract
 - c. arising out of any motor vehicle or trailer temporarily in the **Assureds** custody or control for the purpose of parking except liability for which compulsory insurance or security is required by any legislation
4. arising out of the ownership, possession or use by or on behalf of the **Assured** of any aircraft, hovercraft, offshore installation and/or rig and/or platform or watercraft (other than watercraft not exceeding 10 metres in length whilst on inland waterways)
5. for **Damage** to property owned, leased to, hired by, under hire purchase, on loan to, held in trust by or otherwise in the **Assureds** care, custody or control other than:
 - a. clothing and personal effects (including vehicles and their contents) of Employees and visitors
 - b. premises (including contents therein) temporarily occupied by the **Assured** for work therein or thereon but no indemnity shall be granted for **Damage** to that part of the property on which the **Assured** is or has been working and which arises out of such work
 - c. premises tenanted by the **Assured** provided always that liability for such **Damage** is not assumed by the **Assured** under agreement where liability would not have existed in the absence of the agreement
6. arising out of breach of professional duty, or wrongful or inadequate advice given separately for a fee or in circumstances where a fee would normally be charged.

SUB SECTION 3 – PRODUCTS LIABILITY

SUB SECTION 3 – INDEMNITY

The **Assured** is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental **Injury** and/or **Damage** occurring during the **Period of Insurance** and arising out of or in connection with any **Product**.

SUB SECTION 3 – EXCLUSIONS

This Section does not apply to or include legal liability:

1. in respect of **Injury** to any **Person Employed** arising out of and in the course of employment by the **Assured**.
2. for costs incurred in the repair, reconditioning or replacement of any **Product** or part thereof which is alleged to be defective
3. arising out of the recall of any **Product** or part thereof
4. arising out of any **Product** which with the **Assureds** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, hovercraft or waterborne craft
5. arising by virtue of a contract or agreement but which would not have arisen in the absence of such contract or agreement
6. arising from circumstances known to the **Assured** prior to the inception date of this Insurance.

GENERAL EXCLUSIONS APPLICABLE ONLY TO SUB SECTIONS 2 AND 3

Sub Sections 2 and 3 do not apply to or include legal liability:

1. arising out of the deliberate, conscious or intentional disregard by the **Assureds** technical or administrative management of the need to take all reasonable steps to prevent **Injury or Damage**
2. arising out of liquidated damages clauses, penalty clauses or performance warranties unless proven that liability would have attached in the absence of such clauses or warranties
3. arising out of **Pollution** of the atmosphere or of any water, land, buildings or other tangible property except to the extent that the **Assured** demonstrates that such **Pollution**;
 - a. was the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the **Period of this Insurance**
 - b. was not the direct result of the **Assured** failing to take reasonable precautions to prevent such **Pollution** Provided always that all such **Pollution** which arises out of one incident shall be considered for the purposes of this **Policy** to have occurred at the time such incident takes place and that **Underwriters** total liability to pay damages (including claimants' costs, fees and expenses) under this clause shall not exceed the **Limit of Indemnity** stated in the **Schedule** in the aggregate in respect of the **Period of this Insurance**.
4. directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
5. directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with an act of **Terrorism**. These Sections also exclude legal liability directly or indirectly occasioned by, happening through, in consequence of, arising out of, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of **Terrorism**.
6.
 - a. directly or indirectly occasioned by, happening through, arising out of, resulting from or In connection with any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
 - b. any costs or expenses 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; or
 - c. any obligation or duty to defend any actions directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with 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.
For the purpose of this exclusion, **Injury** shall include mental anguish, mental injury and/ or emotional distress.
7. directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.
8. arising from the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in consequence of a loss.

EXCLUSIONS APPLICABLE TO SECTION G

This **Policy** does not apply to or include legal liability:

1. directly or indirectly caused by or contributed to by or arising from:
 - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Provided that in respect of claims arising out of **Injury** which form the subject of Indemnity under Sub Section 1 this Exclusion shall only apply to liability:

- i. of any party to whom Indemnity is granted under part 4 of the *Indemnity to Others* clause (or their personal representatives)
 - ii. assumed by the **Assured** by agreement which would not have attached in the absence of such agreement
2. for any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever
 3. for the **Excess** stated in the **Schedule** in respect of the first amount of each claim arising out of **Damage**
 4. which forms the subject of insurance by any other Policy and this **Policy** shall not be drawn into contribution with such other insurance.

GENERAL CONDITIONS APPLICABLE TO SECTION G

(Conditions 1 to 5. are precedent to **Underwriters** liability to provide Indemnity under this **Policy**)

1. The **Assured** shall give immediate notice in writing to the **Underwriters** of any occurrence that may give rise to a claim under this **Policy** and shall give all such additional information as the **Underwriters** may require. Every claim, writ, summons, notice of adjudication, referral notice or process and all documents relating thereto shall be forwarded to the **Underwriters** immediately they are received.
2. No admission, offer, promise or payment shall be made or given by or on behalf of the **Assured** without the written consent of the **Underwriters** who shall be entitled to take over and conduct in the name of the **Assured** the defence or settlement of any claim or to prosecute in the name of the **Assured** for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the **Assured** shall give all such information and assistance as the **Underwriters** may reasonably require.
3. The **Underwriters** may at any time pay to the **Assured** in connection with any claim or series of claims under this **Policy** to which a **Limit of Indemnity** applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the **Underwriters** shall relinquish the conduct and control of and be under no further liability in connection with such claims except for the payment of **Defence Costs** incurred prior to the date of such payment (unless the **Limit of Indemnity** is stated to be inclusive of **Defence Costs**).

Provided that if the **Underwriters** exercise the above option and the amount required to dispose of any claim or series of claims exceeds the **Limit of Indemnity** and such excess amount is insured either in whole or in part, with **Defence Costs** payable in addition to the **Limit of Indemnity** under this **Policy** then the **Underwriters** will also contribute their proportion of subsequent **Defence Costs** incurred with their consent as the **Limit of Indemnity** bears to the amount paid to dispose of a claim.

4. The **Assured** shall give notice to the **Underwriters** of any alteration or circumstance which materially affects the risks insured under this **Policy** and until the **Underwriters** be advised of such alteration or circumstance and shall have expressly agreed in writing to accept liability for such altered risk and the **Assured** has paid or agreed to pay the additional premium (if any) the **Underwriters** shall not be liable in respect of any claim or claims due wholly or partially to any such alteration or circumstance.
5. Where the premium is provisionally based on the **Assureds** estimates, the **Assured** shall keep accurate records and within 90 days of expiry of the **Period** of this Insurance declare such particulars as the **Underwriters** require. The premium shall then be adjusted and any difference paid or allowed to the **Assured** as the case may be subject to any minimum premium that may apply. Where such estimates include remuneration to employees, the required declaration shall also include remuneration to all persons defined as **Persons Employed** by this **Policy**. Failure to declare such particulars to the **Underwriters** shall entitle the **Underwriters** to estimate if they so wish such particulars and to assess the further premium payment due calculated on such estimated particulars.
6. Any written proposal and/or declaration made by the **Assured** shall form the basis of this contract of insurance and is deemed to be incorporated herein.
7. The **Underwriters** may cancel this **Policy** by giving 30 days' notice in writing of such cancellation to the **Assureds** last known address.
8. Any phrase or word in this **Policy** and the **Schedule** will be interpreted in accordance with the law of England. The **Policy** and the **Schedule** shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this **Policy** or the **Schedule** shall bear such specific meaning wherever it may appear.
9. All disputes concerning the interpretation of this **Policy** are understood and agreed by both the **Assured** and the **Underwriters** to be subject to English Law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.

10. Contract (Rights of Third Parties) Act 1999 Clarification Clause

11. A person who is not party to this contract of insurance has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this contract of insurance, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

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 should refer your case to:

Compliance Officer
Great Lakes Reinsurance (UK) PLC
1 Minster Court
Mincing Lane
London
EC3R 7YH

If you follow the procedure shown above, it will not affect your right to take legal action.

If the Assured is a small business the Assured may have the right of referral to the Financial Ombudsman Service at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR