



Policy

Sport & Leisure Combined – Enterprise

Form S&LC 07/15 – CIC(UK)L

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1 Introduction

This policy consists of the Policy Definitions, Exclusions and Conditions, the **Schedule**, the coverage Sections stated as operative in the **Schedule** and **Endorsements**, if any, all of which are a single document and are to be read as one contract. In deciding to accept this policy and in setting the terms and premium **We** have relied on the information which **You** have provided to **Us**.

We will, in consideration of the payment of the premium, insure **You**, subject to the terms and conditions of this policy, against the events set out in the operative Sections and occurring in connection with the **Business** during the **Period of Insurance** or any subsequent period for which **We** agree to accept payment of premium.

Please read this policy carefully and make sure that it meets **Your** needs. If any corrections are necessary **You** should contact **Your** broker through whom this policy was arranged.

Please keep this policy in a safe place – **You** may need to refer to it if **You** have to make a **Claim**.

1.1 Policy Format

Upon request **We** can provide Braille, audio or large print versions of the policy and the associated documentation including the Key Facts document. If **You** require an alternative format **You** should contact **Your** broker through whom this policy was arranged.

1.2 Data Protection Act

Any information provided to **Us** regarding **You**, any person insured or any **Employee** will be processed by **Us**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling **Claims** or complaints, if any. This may necessitate providing such information to third parties.

1.3 Third Party Rights

A person who is not a party to this contract of insurance has no right under the Contracts (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 that exists or is available apart from that Act.

1.4 Law and Jurisdiction

The parties are free to choose the law applicable to this contract of insurance. Unless specifically agreed to the contrary this contract of insurance shall be governed by English law and subject to the exclusive jurisdiction of the courts of England and Wales.

The language of this contract of insurance and all communications relating to it will be in English.

1.5 Cancellation and Cooling-Off Period

(a) Your Right to Cancel during the Cooling-Off Period

You are entitled to cancel this policy by notifying **Us** in writing within fourteen (14) days of either:

- (i) the date **You** receive this policy; or
- (ii) the start of **Your Period of Insurance**;

whichever is the later.

A full refund of any premium paid will be made unless **You** have made a **Claim** in which case the full annual premium is due.

(b) **Your Right to Cancel after the Cooling-Off Period**

You are entitled to cancel this policy after the cooling-off period by notifying **Us** in writing. Any return of premium due to **You** will be calculated at a proportional daily rate depending on how long the policy has been in force unless **You** have made a **Claim** in which case the full annual premium is due.

(c) **Our Right to Cancel**

We are entitled to cancel this policy, if there is a valid reason to do so, including:

- (i) any failure by **You** to pay the premium; or
- (ii) a change in risk which means **We** can no longer provide **You** with insurance cover; or
- (iii) non-cooperation or failure to supply any information or documentation **We** request, such as details of a claim:

by giving **You** fourteen (14) days' notice in writing. Any return of premium due to **You** will be calculated at a proportional daily rate depending on how long the policy has been in force unless **You** have made a **Claim** in which case the full annual premium is due.

1.6 Information You Have Given Us

In deciding to accept this policy and in setting the terms including premium **We** have relied on the information which **You** have provided to **Us**. **You** must take care when answering any questions **We** ask by ensuring that any information provided is accurate and complete.

If **We** establish that **You** deliberately or recklessly provided **Us** with untrue or misleading information **We** will have the right to:

- (a) treat this policy as if it never existed;
- (b) decline all **Claims**; and
- (c) retain the premium.

If **We** establish that **You** carelessly provided **Us** with untrue or misleading information **We** will have the right to:

- (i) treat this policy as if it never existed, refuse to pay any **Claim** and return the premium **You** have paid, if **We** would not have provided **You** with cover;
- (ii) treat this policy as if it had been entered into on different terms from those agreed, if **We** would have provided **You** with cover on different terms;
- (iii) reduce the amount **We** pay on any **Claim** in the proportion that the premium **You** have paid bears to the premium **We** would have charged **You**, if **We** would have charged **You** more.

We will notify **You** in writing if (i), (ii) and/or (iii) apply.

If there is no outstanding **Claim** and (ii) and/or (iii) apply, **We** will have the right to:

- (1) give **You** thirty (30) days' notice that **We** are terminating this policy; or
- (2) give **You** notice that **We** will treat this policy and any future **Claim** in accordance with (ii) and/or (iii), in which case **You** may then give **Us** thirty (30) days' notice that **You** are terminating this policy.

If this policy is terminated in accordance with (1) or (2), **We** will refund any premium due to **You** in respect of the balance of the **Period of Insurance**.

1.7 Change in Circumstance

You must tell **Us** within fourteen (14) days of **Your** becoming aware of any changes in the information **You** have provided to **Us** which happen before or during any **Period of Insurance**.

When **We** are notified of a change **We** will tell **You** if this affects **Your** policy. For example **We** may cancel **Your** policy in accordance with the Cancellation and Cooling-Off provisions, amend the terms of **Your** policy or require **You** to pay more for **Your** insurance. If **You** do not inform **Us** about a change it may affect any **Claim You** make or could result in **Your** insurance being invalid.

1.8 Fraud

If **You**, or anyone acting for **You**, makes a **Claim** which is fraudulent and/or intentionally exaggerated and/or supported by a fraudulent statement or other device, **We** will not pay any part of **Your Claim** or any other **Claim You** have made or may make under this policy. In addition, **We** will have the right to:

- (a) treat this policy as if it never existed, or at **Our** option terminate this policy, without returning any premium that **You** have paid; and
- (b) recover from **You** any amounts that **We** have paid in respect of any **Claim**, whether such **Claim** was made before or after the fraudulent **Claim**; and
- (c) refuse any other benefit under this policy.

1.9 Questions and Complaints Procedure

We are dedicated to providing a high quality service and **We** want to ensure that **We** maintain this at all times.

If **You** have any questions or concerns about this policy or the handling of a claim, please contact the broker through whom this policy was arranged.

If **You** wish to make a complaint, **You** can do so at any time by referring the matter to:

XL Catlin Complaints Manager
Catlin Insurance Company (UK) Ltd.
20 Gracechurch Street
London
EC3V 0BG

Telephone Number: +44(0)20 7743 8487
E-mail: catlinukcomplaints@catlin.com

If **You** remain dissatisfied after the Complaints Manager has considered **Your** complaint, or **You** have not received a final decision within eight (8) weeks, **You** can refer **Your** complaint to the Financial Ombudsman Service at:

Exchange Tower
London
E14 9SR

E-mail: complaint.info@financial-ombudsman.org.uk



From within the United Kingdom

Telephone Number: 0800 0234 567 (free for people phoning from a “fixed line”, for example, a landline at home)

Telephone Number: 0300 1239 123 (free for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02)

From outside the United Kingdom

Telephone Number: +44(0)20 7964 1000

Fax Number: +44(0)20 7964 1001

The Financial Ombudsman Service can look into most complaints from consumers and small businesses. For more information contact them on the above number or address, or view their website: www.financial-ombudsman.org.uk

1.10 Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if **We** are unable to meet **Our** obligations under this contract of insurance. If **You** were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract of insurance. Further information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU) and on their website: www.fscs.org.uk.

2 Policy Definitions

All the individual policy Sections are subject to the following definitions except where stated below.

- 2.1 "**Accident**" means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place.
- 2.2 "**Benefit**" means the financial benefits set out in the **Schedule**
- 2.3 "**Business**" means the business and/or activities stated in the **Schedule** conducted by the **Insured** at or from premises of the **Insured**, and extends to include under the Liability Section:
- (a) the ownership, repair and maintenance of the **Insured's** own property including vehicles and plant owned and used by the **Insured**;
 - (b) provision and management of canteen, social, sports, medical and welfare organisations and fire fighting and security services principally for the benefit of **Employees** and for the protection and promotion of the **Business** as stated in the **Schedule**;
 - (c) the participation by the **Insured** in exhibitions.

For the purposes of the Professional Liability Sub-Section of the Liability Section **Business** means only the professional services performed or the advice given by the **Insured** in relation to those activities stated in the **Schedule**.

- 2.4 "**Business Hours**" means the period or periods during which the **Premises** are occupied for **Business** purposes and the **Insured** or any partner, director or **Employee** of the **Insured** is actually on the **Premises**.
- 2.5 "**Claim**" means:
- (a) under the Material Damage, Business Interruption and Trustees Personal Accident Sections a written demand for payment of an amount due under the terms of this policy; and
 - (b) under the Liability Section:
 - (i) a written demand for damages or other remedy made by a third party in accordance with the laws of the **United Kingdom**; or
 - (ii) where applicable, proceedings brought under the jurisdiction of a competent court or tribunal within the **United Kingdom**; or
 - (iii) an award made by a competent court or tribunal anywhere in the world to enforce a judgement, award or settlement made in accordance with the laws of or under the jurisdiction of the **United Kingdom**.
- 2.6 "**Claim Time Limit**" means the period of time stated in the **Schedule** which a **Trustee** has to make a claim under the Trustees Personal Accident Section following an **Accident**.
- 2.7 "**Damage**" means accidental loss of or physical damage to tangible property and, in respect of the Liability Section only, the accidental loss of possession of tangible property.
- 2.8 "**Death**" means death and shall include disappearance provided that the person concerned is not found within twelve (12) months of disappearing and all evidence shows that it is more likely than not that the person has died.

2.9 "**Defence Costs**" means costs, fees and expenses incurred by or on behalf of the **Insured** with the written consent of the **Insurer** in the investigation, defence or settlement of any **Claim**, suit or proceedings which are or would, if successful, be covered under this policy. **Defence Costs** also includes legal expenses in respect of representation at any coroner's inquest or inquiry arising out of matters covered by this policy.

Defence Costs do not include:

- (a) the **Insured's** own costs, fees or expenses or value attributable to the time spent in dealing with a **Claim** or a circumstance; or
- (b) legal costs and expenses incurred in the defence of any criminal proceedings brought against the **Insured** or in an appeal against conviction by the **Insured**.

2.10 "**Document**" means records arising from the **Business**, whether kept in paper, magnetic or electronic form, for which the **Insured** is legally responsible, whilst in the custody of the **Insured** or in the custody of any person other than the owner to or with whom they have been entrusted, lodged or deposited by the **Insured** in the ordinary course of the **Business**.

2.11 "**Employee**" means any:

- (a) person under a contract of service or apprenticeship with the **Insured**;
- (b) labour only sub-contractor and persons supplied by them;
- (c) person employed by labour only sub-contractors;
- (d) self-employed person;
- (e) person hired to or borrowed by the **Insured**; or
- (f) person undertaking study or work experience, voluntary work or a youth training scheme with the **Insured**;

working for and under the control of the **Insured** in connection with the **Business**.

For the purposes of the Professional Liability Sub-Section of the Liability Section **Employee** does not include any partner, principal, director or (in the case of limited liability partnerships) member of the **Insured**.

2.12 "**Endorsement**" means a change in the terms and conditions of this policy that can extend or restrict cover.

2.13 "**Excess**" means the first part of each and every **Claim**, for which the **Insured** is responsible as stated in the **Schedule**.

2.14 "**Extranet**" means a restricted-access group of inter-connected networks accessible via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.

2.15 "**Gross Profit**" means the sum produced by adding to the **Net Profit** the amount of the **Standing Charges** or, if there is no **Net Profit**, the amount of the **Standing Charges** less such a proportion of any net trading loss as the amount of the **Standing Charges** bears to all the standing charges of the **Business**.

2.16 "**Heave**" means the upward movement of the ground beneath the buildings as a result of the soil expanding.

2.17 "**Indemnity Period**" means the period beginning with the happening of the loss and ending not later than the last day of the period specified in the **Schedule**, during which the results of the **Business** shall be affected in consequence of the **Damage**.

2.18 "**Injury**" means:

- (a) under the Material Damage Section:
 - (i) visible bodily injury to the **Insured Person** caused solely and directly by an assault for the purposes of theft or attempted theft;
 - (ii) disease or infection directly resulting from such bodily injury or from medical or surgical treatment given as a result of the bodily injury;
 - (iii) dehydration, starvation or exposure to the elements resulting from a mishap to a conveyance in which the **Insured Person** is travelling in connection with a theft or attempted theft.

Injury shall not include illness, sickness, disease, shock or mental illness unless directly caused by any medical or surgical treatment given as a result of (i), (ii) or (iii) above.

- (b) under the Liability Section:
 - (i) accidental:
 - (1) death, bodily injury, illness, disease or medically recognised psychiatric injury of or to a person;
 - (2) trespass, nuisance, invasion of the right of privacy or interference with any right of way, air, light, water or other easement;
 - (ii) wrongful arrest, wrongful detention, false imprisonment or malicious prosecution.
- (c) under the Trustees Personal Accident Section, physical injury which is diagnosed by a **Medical Practitioner** and which occurs independently of any illness, sickness or disease.

2.19 "**Insured / You / Your**" means:

- (a) in respect of the Professional Liability Sub-Section of the Liability Section, any firm, company or limited liability partnership named in the **Schedule**, including any of their predecessors in business; their principals, partners, directors or (in the case of limited liability partnerships) members (including any former principal, partner, director or member) and their legal representatives, estate or heirs in the event of their bankruptcy, incapacity or death;
- (b) in respect of all other Sections and Sub-Sections:
 - (i) the person, persons or corporate body or other entity named in the **Schedule**;
 - (ii) subsidiary companies of the **Insured** notified to and accepted in writing by the **Insurer**.

2.20 "**Insured Person**" means the **Insured** or any partner, director or **Employee**.

2.21 "**Insurer / We / Us / Our**" means Catlin Insurance Company (UK) Ltd.

2.22 "**Internet**" means the worldwide group of inter-connected networks accessible via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.

2.23 "**Intranet**" means one or more inter-connected networks with restricted access to the **Insured** via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.

2.24 "**Landslip**" means the downward movement of sloping ground.

- 2.25 "**Loss of Hearing**" means total and irreversible loss of hearing.
- 2.26 "**Loss of Limb**" means total loss of use or loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.
- 2.27 "**Loss of Sight**" means total and irreversible loss of sight such that:
- (a) visual acuity is 6/60 or less, or visual field is reduced to 10 degrees of arc or less, irrespective of corrected visual acuity; or
 - (b) the person's name is added to the Register of Blind Persons under the authority of a qualified ophthalmic specialist.
- 2.28 "**Loss of Speech**" means total and irreversible loss of speech.
- 2.29 "**Medical Expenses**" means expenses incurred at the recommendation of a **Medical Practitioner** for medical, hospital, surgical, manipulative, massage, physiotherapeutic, X-ray or nursing treatment, including the cost of medical supplies and ambulance hire.
- 2.30 "**Medical Practitioner**" means an individual who is qualified to perform or prescribe surgical or manipulative treatment and has the necessary knowledge and expertise to render a diagnosis. The individual must be licensed by the country in which he or she is practicing, cannot be a relative of the person claiming benefit under this policy and, in respect of any diagnosis rendered, must be acting within the scope of his or her licence.
- 2.31 "**Member**" means an official member of the **Insured** and recorded as such in the **Insured's** membership records.
- 2.32 "**Money**" means anything having the value of money, including currency, crossed or uncrossed cheques, crossed or uncrossed Giro cheques, Giro drafts, travellers' cheques, crossed or uncrossed money orders, crossed or uncrossed postal orders, crossed or uncrossed bankers' drafts, bearer bonds, current postage stamps, current revenue stamps, unused units in postage stamp franking machines, bills of exchange, consumer redemption vouchers, travel tickets, trading stamps, gift vouchers, telephone cards and VAT purchase invoices.
- 2.33 "**Net Profit**" means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the **Business** of the **Insured** at the **Premises** after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- 2.34 "**Notifiable Disease**" means:
- (a) food or drink poisoning; or
 - (b) any human infectious or human contagious disease (other than Acquired Immune Deficiency Syndrome (AIDS), the Ebola Virus Disease or SARS), an outbreak of which the competent local authority has stipulated shall be notified to them;
- being sustained by any person on the **Insured's Premises**.
- 2.35 "**Occurrence**" means an event or series of events having a common originating cause, including continuous or repeated exposure to substantially the same general harmful conditions.
- 2.36 "**Occurrence Aggregate Limit**" means the maximum amount as stated in the **Schedule** for which the **Insurer** will be liable in respect of all claims under the Trustees Personal Accident Section for **Injury** arising out of any one **Occurrence** regardless of the number of **Trustees** involved.
- 2.37 "**Period of Insurance**" means the period stated in the **Schedule**.

- 2.38 "**Permanent Partial Disablement**" means **Loss of Sight, Loss of Limb, Loss of Hearing or Loss of Speech** diagnosed by a **Medical Practitioner**.
- 2.39 "**Permanent Total Disablement**" means disablement of a person which in the opinion of a **Medical Practitioner** will in all probability prevent the person from engaging in or attending to his or her usual business or occupation for the remainder of his or her life.
- 2.40 "**Pollution**" means any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including for example smoke, vapours, soot, dust, fibres, fungi, mould, fumes, acids, alkalis, chemicals and waste (including for example material to be recycled, reconditioned or reclaimed) or contamination of any kind of the atmosphere or of any water, land, buildings or other tangible property.
- 2.41 "**Premises**" means in respect of the Material Damage and Business Interruption Sections, the **Insured's** premises specified in the **Schedule**.
- 2.42 "**Product**" means any tangible property after it has left the custody or control of the **Insured** which has been sold, supplied, distributed, leased, loaned or free issued by or on behalf of the **Insured**. **Product** does not include food and drink provided mainly for consumption by **Employees**.
- 2.43 "**Rate of Gross Profit**" means the rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Damage**.
- 2.44 "**Rent Receivable**" means the **Money** paid or payable to the **Insured** for rent of the **Premises**, including service charges, rendered in the course of the **Business** at the **Premises**.
- 2.45 "**Revenue**" means the receipts of the **Business** from all sources.
- 2.46 "**Schedule**" means the document entitled **Schedule** that relates to and forms part of this policy.
- 2.47 "**Settlement**" means the downward movement as a result of the soil being compressed by the weight of the building within ten (10) years of construction.
- 2.48 "**Standard Rent Receivable**" means the **Rent Receivable** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.49 "**Standard Revenue**" means the **Revenue** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.50 "**Standard Turnover**" means the **Turnover** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.51 "**Standing Charges**" (which the **Insured** elects to insure as part of **Gross Profit**) means the interest on debentures, mortgages, loans and bank overdrafts; rent, rates and taxes; salaries of **Employees** who cannot be economically laid off given the nature of the **Business**; directors' fees; auditors' fees; travelling expenses; insurance premiums; advertising; miscellaneous standing charges not exceeding 5 per cent of the **Standing Charges** detailed above.

Note: Taxes shall not include taxes which form part of **Net Profit**.

- 2.52 "**Subsidence**" means the downward movement of the ground beneath the buildings where the movement is unconnected with the weight of the buildings.

- 2.53 "**Temporary Total Disablement**" means temporary disablement of a person over the age of sixteen (16) and in gainful employment which in the opinion of a **Medical Practitioner** will in all probability prevent the person from engaging in or attending to his or her usual business or occupation.
- 2.54 "**Terrorism**" means an act, including 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.
- 2.55 "**Travel Accumulation Limit**" means the maximum amount as stated in the **Schedule** for which the **Insurer** will be liable under the Trustees Personal Accident Section in respect of all **Trustees** travelling in the same coach, aircraft, watercraft or other vehicle.
- 2.56 "**Trustee**" means a duly appointed trustee or committee member of the **Insured**.
- 2.57 "**Turnover**" means the **Money** paid or payable to the **Insured** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**.
- 2.58 "**United Kingdom**" means England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands.
- 2.59 "**Waiting Period**" means the period of time as stated in the **Schedule** before which no **Benefit** for **Temporary Total Disablement** will be paid.
- 2.60 "**Wrongful Act**" means any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by a **Trustee** in their capacity as such in connection with the **Business**.

3 Policy Exclusions

All the Sections of this policy are subject to the following exclusions.

This policy does not apply to or include cover for or arising out of or relating to:

3.1 Asbestos

the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of 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 any sequence to a loss or in respect of that part of any property insured by this policy which consists of asbestos.

3.2 Punitive Damages

any award of punitive or exemplary damages including fines, penalties, multiplication of compensatory awards or damages or in any other form whatsoever.

3.3 Radioactive Contamination

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3.4 Terrorism

any act of **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also applies to any action taken in controlling, preventing, suppressing or in any way relating to any act of **Terrorism**.

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.

3.5 War

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

3.6 Cyber

any electronic means including the failure or impairment of any computer or other electronic device, computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

4 Policy Conditions

All the individual policy Sections are subject to the following conditions.

4.1 Insured's Obligations

The **Insured** must throughout the **Period of Insurance**:

- (a) comply with all legal requirements, regulations, rules and guidelines imposed on the **Insured** by any competent authority (including for example the Health & Safety Executive, the Department for Environment, Food & Rural Affairs, and any sporting or industry governing body);
- (b) take all practical steps to prevent and minimise accidents, loss, injury and damage;
- (c) take all practical steps to maintain property in a good state of repair;
- (d) take care in the selection and supervision of **Employees**; and
- (e) maintain accounts with a complete record of purchases and sales.

The **Insurer** shall be entitled to refuse to pay any **Claim** under this policy in its entirety if the **Insured** or any person insured fails to comply with the provisions stated above.

4.2 Automatic Cancellation

The **Insured** shall give notice as soon as practicably possible to the **Insurer** and, unless otherwise agreed in writing by the **Insurer**, all sections of this policy will automatically be cancelled, in the event of any of the following:

- (a) the presentation of a petition seeking the appointment of a receiver or the making of a winding up order or the appointment of an administrator over the **Insured** or the making of any court order to that effect;
- (b) the passing of a resolution for the appointment of a liquidator, receiver or administrator or on the appointment of a liquidator, receiver or administrator over any of the **Insured's** assets;
- (c) the suspension by the **Insured** of payment of its debts or any threat by the **Insured** to do so or the entering into of a voluntary arrangement or other scheme of composition with its creditors by the **Insured**; or
- (d) any similar court application, order, appointment or arrangement in any jurisdiction outside the **United Kingdom**.

For the purpose of this condition, the **Insured** shall mean only the firm or company named in the **Schedule**.

In such cases, the **Insured** shall be entitled to the return of a proportionate part of the premium in respect of the unexpired **Period of Insurance**, unless the **Insured** has made a **Claim** under any section of this policy in which case the full annual premium shall be due and no return of premium will be made.

4.3 Premium Adjustment

In respect of the Liability Sub-Sections where the premium is provisionally based on the **Insured's** estimates, the **Insured** shall keep accurate records and within ninety (90) days of expiry of the **Period of Insurance** declare such details as the **Insurer** requires. The premium shall then be adjusted and any difference paid or allowed to the **Insured** as the case may be. Failure to declare such details to the **Insurer** will entitle the **Insurer** to make its own estimate and adjust the premium accordingly.

4.4 Sanctions

The **Insurer** shall not provide any benefit under this policy to the extent of providing cover, payment of any **Claim** or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

4.5 Subrogation

In the event of any payment by the **Insurer** under this policy, the **Insurer** shall be entitled, up to the amount of such payment, to exercise all the rights of recovery of the **Insured** or any person insured against any third party, provided always that they shall not exercise any such rights against any **Employee** or former **Employee** unless the loss was caused or contributed to by a fraudulent, dishonest or malicious act or omission by said person.

The **Insured** and any person insured shall, without charge, provide such assistance as the **Insurer** may require for the purpose of exercising any rights of recovery and shall at all times protect and preserve any such rights for the benefit of the **Insurer**. The **Insurer**, at its option, may have the conduct of any proceedings to recover monies paid or payable by them, whether or not the **Insured** or person insured has an interest in such proceedings by reason of any uninsured losses.

5 Material Damage Section

5.1 Operative Clause

The **Insurer** will make good the **Insured's** loss in respect of certain kinds of **Damage** to tangible property as stated in the **Schedule** belonging to the **Insured** or for which the **Insured** is responsible occurring during the **Period of Insurance**. The types of **Damage** covered for each Material Damage Specification are as stated under Clause 5.4 – Basis of Cover except where a different basis of cover is stated in the relevant Material Damage Specification.

The amount the **Insurer** will pay under this Section shall be determined by the relevant basis of valuation stated in Clause 5.3 – Basis of Valuation, which shall apply to all property except where a different basis of valuation is stated in the relevant Material Damage Specification.

In respect of each and every **Claim** under this Section, the **Insurer** will not cover the **Excess** stated in the **Schedule**.

The **Insurer** will not pay more than the Sum Insured stated in the **Schedule** in total for the relevant Material Damage Specification during the whole of the **Period of Insurance**. The Sums Insured in the **Schedule** should represent the full value of the relevant property when assessed by the relevant basis of valuation (N.B. in respect of buildings covered under the Buildings Specification, the Sum Insured should represent the full reinstatement value calculated in accordance with RICS standards, including professional fees as per Clause 5.3.1 – Property Repaired, Replaced, Rebuilt or Reinstated). Consequently, the Sum Insured will be reduced whenever there is a loss by the amount of that loss. Notwithstanding the foregoing, the Sum Insured will be reinstated in the following circumstances and subject to the following conditions:

- (a) where the amount of loss, regardless of any applicable **Excess**, does not exceed GBP 20,000 the Sum Insured will be reinstated automatically and immediately without additional premium;
- (b) where the amount of loss, regardless of any applicable **Excess**, exceeds GBP 20,000 the **Insurer** will automatically reinstate the Sum Insured but only until such time as they propose in writing a reinstatement premium or formally decline to offer any reinstatement. If the **Insurer** does not formally confirm either within ninety (90) days of the date of first advice of loss by the **Insured** to the **Insurer**, then the reinstatement will become permanent and free. If within the ninety (90) day period the **Insurer** formally declines to offer reinstatement, the Sum Insured will be reduced by the amount of loss thirty (30) days after the formal notice by the **Insurer**. If the **Insurer** offers a reinstatement, the **Insured** will have thirty (30) days to accept it, otherwise the Sum Insured will be automatically reduced by the amount of the loss upon expiry of the thirty (30) days.

The **Insurer** will grant a Day One Uplift on the full value Sums Insured in respect of the Buildings, Ancillary Buildings and Machinery and Plant Specifications solely to provide for inflation in value during the **Period of Insurance**. The Day One Uplift will be applicable in full from the first day of the **Period of Insurance**. The amount of the Day One Uplift is stated in the **Schedule**. The application of the Day One Uplift shall not diminish the **Insurer's** rights under Condition 5.6.1 – Underinsurance, it being a condition of this Section that the full values of property insured are provided to the **Insurer** and any additions during the **Period of the Insurance** are likewise provided.

Where the Sum Insured is stated to be first loss, the Sums Insured are in excess of any applicable **Excess**. Condition 5.6.1 – Underinsurance will only apply if a total value at risk is also stated. Further, where a Sum Insured is first loss, the Sum Insured is the most the **Insurer** will pay in respect of any one **Occurrence** and the Sum Insured will not be reduced by the amount of any loss in respect of any subsequent events.

5.2 Specifications

The property covered is as stated in each Material Damage Specification.

The **Insured** shall be entitled to claim under only one Material Damage Specification in respect of each item of property which has sustained **Damage**.

No cover is available for any loss which does not fall under any of the covered Material Damage Specifications or in respect of which a nil Sum Insured or "Not Covered" is shown in the **Schedule**.

5.2.1 Buildings

The cover is for the buildings at the **Premises** which (unless otherwise agreed by the **Insurer**):

- (a) are owned by, or are the legal responsibility of, the **Insured**;
- (b) are listed on the **Schedule**;
- (c) are built entirely of brick, stone, concrete or other non-combustible construction;
- (d) are roofed entirely with concrete, asphalt, tiles, slates, metal, or sheets or slabs composed of non-combustible materials;
- (e) incorporate permanent foundations below ground level; and
- (f) are capable of being secured against entry by people and animals and against the elements.

The cover includes:

- (i) fixtures and fittings in or on those buildings;
- (ii) walls, gates, panels and fences around those buildings;
- (iii) permanent spectator stands in those buildings, including their fixtures and fittings;
- (iv) fixed glass and sanitary ware (subject to the Basis of Cover, Basis of Valuation and Exclusions set out in the Glass Specification) up to a maximum of GBP 100,000 or 10% of the Buildings Sum Insured whichever is the lesser, and which shall be inclusive within the overall limit for the Buildings Specification stated in the **Schedule**;
- (v) the cost of replacement of keys and lock mechanisms:
 - (1) to any external door to the **Premises** or the private residences of any person authorised and directed by the **Insured** to be available at all times to accept notification of faults or alarm signals relating to any intruder alarm system and allow access to the **Premises**;
 - (2) of any safe or strongroom;

following theft (whether or not theft is covered by this Section) of keys by forcible and violent entry or exit or violence against a person at the **Premises** or the said private residences. The maximum liability of the **Insurer** under this clause for replacement of keys and lock mechanisms is GBP 1,000 in respect of any one **Occurrence**, which shall be inclusive within the overall limit for the Buildings Specification stated in the **Schedule**.

The cover does not include playing surfaces or any items covered under the Sports Fixtures and Fittings Specification.

5.2.2 Ancillary Buildings

The cover is for any permanent, immovable structures at the **Premises** which are listed on the **Schedule**, which are physically separate from and subsidiary to a building covered under the Buildings Specification, and which do not comply with one or more of the criteria listed at 5.2.1(c)-(f) above, including stables, garages, sheds, purpose-built shipping containers used for storage, huts, lean-tos, greenhouses, hay lofts and barns.

The cover includes fixtures and fittings in or on those structures.

The cover does not include fixed rides, playing surfaces or any items covered under the Sports Fixtures and Fittings Specification.

5.2.3 Sports Fixtures and Fittings

The cover is for fixed floodlights, perimeter railings, dugouts, scoreboards, sightscreens and fixed posts and goals at the **Premises**.

5.2.4 Playing Surfaces

The cover is for natural or artificial playing surfaces at the **Premises**, including those enclosed within a building or other structure covered by the Buildings or Ancillary Buildings Specifications.

5.2.5 Sports and Business Equipment

The cover is for the **Insured's**:

- (a) sports equipment; and
- (b) other equipment including carrying cases, computers, computer peripherals, cameras, video cameras and playing devices, watches, mobile telephones, data carrying devices, satellite navigation equipment, audio playing and recording equipment;

whilst being used in connection with the **Business** by the **Insured**, **Employees** or other persons authorised by the **Insured** at the **Premises** or temporarily elsewhere within the **United Kingdom**.

The **Insurer** shall not be liable in respect of any single item to pay more than the Item Limit stated in the **Schedule**.

5.2.6 Cups, Trophies and Memorabilia

The cover is for cups, trophies, medals and sports memorabilia at the **Premises** or anywhere else within the **United Kingdom** with the **Insured's** permission.

In addition to the exclusions under Clause 5.4 – Basis of Cover, the **Insurer** shall not be liable for **Damage** caused by or contributed to by or consisting of:

- (a) moth, vermin, insects, parasites, woodworm, fungus, mildew, rot, rust and oxidisation;
- (b) climatic or atmospheric conditions or extremes of temperature;
- (c) marring, denting or scratching, wear and tear, depreciation or gradual deterioration;
- (d) inherent or latent defect;
- (e) any process of cleaning, dyeing, altering, repairing, renovating or restoring;
- (f) unexplained disappearances or inventory shortage.

5.2.7 Machinery and Plant

The cover is for machinery, plant and equipment (including fixed rides and computer hardware) at the **Premises** for use in the course of the **Business** or temporarily (for a period not exceeding thirty (30) consecutive days) elsewhere within the **United Kingdom** solely for the purposes of repair, servicing or renovation, but not:

- (a) landlord's fixtures and fittings;
- (b) tenant's fixtures and fittings and improvements (to the extent covered under the Buildings Specification);
- (c) stock and materials in trade whether finished or unfinished or in the process of manufacture or treatment;
- (d) glass;
- (e) **Money**;
- (f) frozen or refrigerated goods;
- (g) any motor vehicle which is required to be registered for use on the public highway;
- (h) fine arts and antiques, rare books, curiosities, furs, jewellery, jewels, pearls, precious or semi-precious stones, precious or semi-precious metals or bullion;
- (i) anything on or in or forming part of a construction site;
- (j) anything covered under the Sports and Business Equipment or Cups, Trophies and Memorabilia Specifications;
- (k) **Damage** to cash registers, including any attached card scanning machines, caused by theft outside of **Business Hours**, unless they are left open.

Cover temporarily elsewhere than at the **Premises** for the purposes of repair, servicing or renovation includes transit directly between the **Premises** and the premises of the repairer, servicer or renovator.

This Specification also includes:

- (i) safes, strongrooms or franking machines at the **Premises** or the home of any authorised key holder within the **United Kingdom**;
- (ii) the cost of replacement of keys and lock mechanisms:
 - (1) to any external door to the **Premises** or the private residences of any person authorised and directed by the **Insured** to be available at all times to accept notification of faults or alarm signals relating to any intruder alarm system and allow access to the **Premises**;
 - (2) of any safe or strongroom;

following theft (whether or not theft is covered by this Section) of keys by forcible and violent entry or exit or violence against a person at the **Premises** or the said private residences. The maximum liability of the **Insurer** under this clause for replacement of keys and lock mechanisms is GBP 1,000 in respect of any one **Occurrence**, which shall be inclusive within the overall limit for the Machinery and Plant Specification stated in the **Schedule**.

5.2.8 **Stock**

The cover is for stock and materials in trade whether finished or unfinished, at the **Premises** for use in the course of the **Business**. Stock does not include:

- (i) **Money**;
- (ii) glass;
- (iii) anything on or in or forming part of a construction site;
- (iv) frozen or refrigerated goods.

5.2.9 **Frozen or Refrigerated Goods**

The cover is for frozen or refrigerated goods contained inside any freezing or chilling equipment, room or store which is:

- (i) owned by or leased to the **Insured**;
- (ii) used by the **Insured** to control temperature; and
- (iii) located at the **Premises**;

provided that the **Damage** to those goods is caused solely by an unexpected and unforeseen rise or fall in temperature in the equipment, room or store as a result of:

- (i) **Damage** to the equipment, room or store which is covered by another Material Damage Specification; or
- (ii) accidental failure of the public electricity, gas or water supply.

5.2.10 **Miscellaneous Contents**

The cover is for contents whilst in or on the **Premises** other than

- (i) **Money**;
- (ii) anything on or in or forming part of a construction site;
- (iii) fine arts and antiques, rare books, curiosities, furs, jewellery, jewels, pearls, precious or semi-precious stones, precious or semi-precious metals or bullion;
- (iv) glass;
- (v) stock and materials in trade whether finished or unfinished or in the process of manufacture or treatment;
- (vi) any motor vehicle which is required to be registered for use on the public highway;
- (vii) machinery, plant and equipment;
- (viii) landlord's and tenant's fixtures and fittings;
- (ix) tenant's improvements;
- (x) any other property covered under any other Specification.

5.2.11 Property in Transit

(a) Cover

The cover is for property in the course of transit outside the confines of the **Premises** by road, rail, air or sea for the purposes of the **Business** and within the **United Kingdom**.

The cover only includes property for which the **Insured** is responsible during transit and which would be insured under any of the other Material Damage Specifications if it were not in transit.

(b) Exclusions

This Specification excludes:

- (i) **Money**;
- (ii) anything on or in or forming part of a construction site;
- (iii) glass;
- (iv) property in any mode of transport where there is no one in charge of it, keeping it under observation, and able to interfere with any attempt by anyone to break into it or steal it or anything in it;
- (v) property stored during the course of a transit where the intended duration of the storage is in excess of thirty (30) days;
- (vi) anything covered under the Sports and Business Equipment or Cups, Trophies and Memorabilia Specifications;
- (vii) personal tools and equipment of **Employees** or contractors.

5.2.12 Money

(a) Cover

The cover is for **Money** and applies whilst the **Money** is:

- (i) at the **Premises**;
- (ii) in transit (see the **Schedule** for details of cash carrying limits);
- (iii) whilst deposited in a bank night safe; or
- (iv) at the private residences of the **Insured** or any partner, director or authorised **Employee**;

but only whilst within the **United Kingdom** and subject to the conditions, exclusions and limitations below.

Notwithstanding Exclusion 5.4(m), this Specification covers **Damage** arising from the dishonest acts of any **Employee** of the **Insured** but only where that **Damage** is discovered within fourteen (14) days of occurrence and the **Insured** has taken all practical precautions to minimise the risk of that **Damage**. Unless stated otherwise in the **Schedule**, the maximum liability of the **Insurer** under this extension for dishonest acts of **Employees** is GBP 5,000 (or, if less, the Sum Insured stated in the **Schedule**) in respect of any one **Occurrence**, which shall be inclusive within the overall limit for this Money Specification.

(b) **Replacement of Keys and Locks**

This Specification also includes the cost of replacement of keys and lock mechanisms :

- (i) to any external door to the **Premises** or the private residences of any person authorised and directed by the **Insured** to be available at all times to accept notification of faults or alarm signals relating to any intruder alarm system and allow access to the **Premises**;
- (ii) of any safe or strongroom;

following theft of keys by forcible and violent entry or exit or violence against a person at the **Premises** or the said private residences. The maximum liability of the **Insurer** under this clause for replacement of keys and lock mechanisms is GBP 1,000 in respect of any one **Occurrence**, which shall be inclusive within the overall limit for this Money Specification stated in the **Schedule**.

(c) **Fraudulent Use of Credit Cards**

This Specification also includes the fraudulent use of credit or charge cards provided to any **Employee** by the **Insured** for use in connection with the **Business**. The maximum liability of the **Insurer** under this clause is GBP 250 any one card which shall be inclusive within the overall limit for this Money Specification as stated in the **Schedule**.

(d) **Basis of Valuation**

The amount payable shall be the value of the **Money** at the time of its loss.

(e) **Exclusions**

This Specification does not cover:

- (i) pre-signed blank cheques or other financial instruments requiring signature;
- (ii) **Money** in any mode of transport where there is no one in charge of it, keeping it under observation and able to interfere with any attempt by anyone to break into it or steal it or anything in it;
- (iii) **Damage** caused or contributed to by or consisting of depreciation in value, dishonoured cheques or the use of counterfeit **Money**.

(f) **Conditions**

- (i) The **Insurer** shall be entitled to refuse to pay any **Claim** under this Specification in its entirety if the **Insured** does not take all precautions:
 - (1) for the security of **Money** and maintain records of any **Money**, whether in transit or at the **Premises** and such records are to be kept in a secure place other than the safe or strongroom;
 - (2) to monitor and control the custody of keys to the **Premises** or any part thereof which protects the **Premises** or **Money** and to prevent the possession of keys to the **Premises** by unauthorised persons;
 - (3) to monitor and control access to any security device which protects the **Premises**, including any random key code numbers, and to prevent the possession of such information by unauthorised persons;

- (4) to ensure any random key code numbers used are altered at regular intervals.
- (ii) The **Insurer** shall be entitled to refuse to pay any **Claim** under this Specification in its entirety if the **Insured** does not report to the police any theft or assault as soon as practicably possible and offer them all assistance.

5.2.13 Personal Assault

(a) Cover

The cover is for compensation as specified in the **Schedule** in respect of **Injury** sustained by the **Insured Person** in the course of the **Business** within the **United Kingdom** and where the **Injury** arises directly from an assault for the purposes of theft or attempted theft including assault or violence or threats thereof committed during the **Period of Insurance**.

The maximum payable to any one **Insured Person** during the whole of the **Period of Insurance** is 100% of the Capital Sum.

The **Temporary Total Disablement** benefit is deducted from the amount of any other benefit payable to the **Insured Person**.

The death benefit will only be paid if death occurs within a twenty-four (24) month period following the incident causing **Injury**.

(b) Basis of Valuation

The amount payable shall be the compensation as stated in the **Schedule**.

(c) Exclusion

- (i) Compensation shall not be payable to any person whose age exceeds seventy (70) years at the date **Injury** was sustained.
- (ii) Compensation shall not be payable to the extent that cover is available under the Trustees Personal Accident Section in respect of the same **Injury**.

(d) Conditions

- (i) In the event of **Injury** likely to give rise to a **Claim** under this Specification the **Insured Person** must as soon as practicably possible place themselves under the care of a qualified medical practitioner and the **Insured** shall notify the **Insurer** within thirty (30) days of the happening of such **Injury**.
- (ii) All medical certificates, information and evidence to support any **Claim** shall be provided at the expense of the **Insured** or **Insured Person** and must be in a form as required by the **Insurer**.
- (iii) The **Insurer** will not be liable to pay compensation unless the medical adviser or advisers appointed by them is allowed to make an examination, at the **Insurer's** expense, of the injured **Insured Person**.
- (iv) In the event of death of the **Insured Person**, the **Insurer** shall be entitled to have a post-mortem examination at the **Insurer's** expense.
- (v) The **Insurer** will not be bound to accept or be affected by notice of any trust, charge or consignment relating to this Specification and the receipt of the **Insured** shall be a valid discharge of the **Insurer's** liability.

- (vi) The **Insured** shall report to the police any theft or assault as soon as practicably possible and offer them all assistance.

5.2.14 **Glass**

(a) **Cover**

The cover is for all fixed glass and sanitary ware but only so long as a nil Sum Insured or “Not Covered” is shown in the **Schedule** for the Buildings Specification, and such items are in or are part of buildings at the **Premises** which satisfy the criteria listed at 5.2.1(c)-(f) above.

(b) **Basis of Cover**

The basis of cover for this Specification is fracture extending through the entire thickness of the item of glass or sanitary ware by any cause, subject to the exclusions under Clause 5.4 – Basis of Cover and the additional exclusions stated below.

(c) **Basis of Valuation**

The amount payable shall be as per Clause 5.3 – Basis of Valuation plus the cost of boarding up and hiring of security services pending replacement and the repair or replacement of window frames, framework security fittings and/or alarm foil or heat reflecting material or process on glass following breakage of the glass. The maximum liability of the **Insurer** under this Specification (unless otherwise stated in the **Schedule**) is GBP 25,000 in respect of any one **Occurrence** and in the aggregate for the **Period of Insurance**.

(d) **Exclusions**

This Specification does not cover:

- (i) property (or that part of property) consisting of:
 - (1) stock and materials in trade;
 - (2) light bulbs and (unless specifically noted as included on the **Schedule**) neon bulbs and neon light tubing;
 - (3) free standing signs;
 - (4) lettering, embossing, beading, silvering or ornamental work;
 - (5) solar panels.
- (ii) loss caused by or contributed to by or consisting of:
 - (1) repairs or alterations to the **Premises**;
 - (2) **Damage** to sanitary ware which remains serviceable after the **Damage**;
 - (3) defects in frames, framework or other fittings;
 - (4) **Damage** to showcases while being moved or relocated.

5.2.15 **Loss of Licence**

Under this Specification, the **Insurer** will pay: (i) the depreciation in value of the **Insured's** interest in the **Premises** arising solely and directly from the withdrawal of, suspension of or refusal to renew by the relevant licensing authority any licence held by the **Insured** to supply alcohol at the

Premises; and (ii) costs incurred with the **Insurer's** prior written consent in connection with any appeal to have any such licence reinstated.

The **Insurer** shall not be liable to pay any **Claim** under this Specification unless the **Insured** has given written notice to the **Insurer** as soon as practicably possible of:

- (a) any withdrawal, suspension or refusal to renew the licence;
- (b) any complaint in relation to the operation and control of the **Premises**;
- (c) any objection or renewal or other circumstance which might compromise the licence;
- (d) any actual or alleged breach of the applicable licensing laws at the **Premises**;
- (e) any change in management or use of the **Premises**; and
- (f) any transfer or proposed transfer of the licence.

This Specification does not cover any loss arising from:

- (i) the withdrawal, suspension or refusal to renew a licence in circumstances which entitle the **Insured** to statutory compensation, or which relate to any compulsory purchase, improvement or development;
- (ii) any change in licensing laws;
- (iii) any failure to keep the **Premises** open and in good condition;
- (iv) any failure to comply with the requirements of the relevant licensing authority;
- (v) any withdrawal, suspension or refusal to renew an extension hours licence in circumstances where the original licence remains valid.

The maximum liability of the **Insurer** under this Specification is GBP 100,000 (or, if less, the Sum Insured stated in the **Schedule**) any one **Occurrence** and in the aggregate for the **Period of Insurance**. The **Insurer** will not be liable for the **Excess**.

5.2.16 **Rent Payable**

Under this Specification, the **Insurer** will pay to the **Insured** all sums which the **Insured** is legally liable to pay as rent in respect of the **Premises** provided that the **Premises** are unfit for occupation due to **Damage** at the **Premises**.

The maximum liability of the **Insurer** under this Specification is the **Sum Insured** stated in the **Schedule** any one **Occurrence** and in the aggregate for the **Period of Insurance**. The **Insurer** will not be liable for the **Excess**.

5.3 **Basis of Valuation**

For assessment and for adjustment in the event of **Damage** under this Section, the Basis of Valuation shall be as follows except where a different basis of valuation is stated in the relevant Material Damage Specification.

5.3.1 **Property Repaired, Replaced, Rebuilt or Reinstated**

On property, other than those specified below, which the **Insured** repairs, replaces, rebuilds or reinstates, the basis of valuation is whichever costs the less of:

- (a) repairing to a condition equivalent to but not better or more extensive than when new; or

- (b) replacing, rebuilding or reinstating to the same quality, size and extent and (in the case of buildings) on the same site with new materials.

The **Insured** may, however, replace, rebuild or reinstate buildings to any quality, size or extent on the same or a different site within the same country provided that the total cost of doing so does not exceed the cost of replacing, rebuilding or reinstating to the same quality, size and extent on the same site.

The work of repair, replacement, rebuilding or reinstatement must commence and be undertaken with due diligence and dispatch, and at the latest within two (2) years from the date of the **Damage**. Failing this, the basis of valuation under Clause 5.3.2 – Property not Repaired, Replaced, Rebuilt or Reinstated shall apply.

Architects', surveyors', legal and other professional fees incurred to repair, replace, rebuild or reinstate following **Damage** are included but only up to the amounts determined in the scales of charges published by the respective professional bodies.

The costs of:

- (i) demolition of existing structures which have sustained partial **Damage** at the site of the **Damage**;
- (ii) debris removal at the site of the **Damage** and in areas immediately adjacent; and
- (iii) additionally complying with compulsory building or other regulations issued under any national or municipal law or ordinance regulating the construction, demolition or repair of property in force at the time of the **Damage**;
- (iv) cleaning of drains, sewers and gutters, the property of the **Insured** or for which they are responsible at the site of the **Damage**;
- (v) repairing or replacing telephone, gas, water and electric instruments, meters, piping, cabling and the like and their accessories, whether at the **Premises** or in adjoining yards or roadways, above ground or underground, the property of the **Insured** or for which they are responsible at the site of the **Damage**;
- (vi) locating the source of **Damage** following liquids escaping from their confines due to bursting, overflowing or leaking, in respect of water from pipes, water mains, water tanks, sprinkler installations or water apparatus, oil or fuel from storage tanks or oil from any fixed heating installation, including **Damage** caused as a result of trying to locate the **Damage**;

shall be covered, provided always that the **Insurer's** liability for such costs does not exceed in total 25% of the cost of the reinstatement. Where the reinstatement is carried out on a different site, such costs will only be paid once and shall not exceed in total the amount that would have been paid had the reinstatement been carried out at the same site.

However, the **Insurer** shall not be liable for:

- (1) costs incurred in complying with any laws or ordinances under which notice to comply has been served upon the **Insured** prior to the happening of the **Damage**;
- (2) additional costs that would have been incurred to make good the property which has been **Damaged** to a condition equal to its condition when new had the need to comply with any laws or ordinances not arisen;

- (3) 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 its owner by reason of compliance with any laws or ordinances;
- (4) costs associated with the preparation of the **Insured's** claim under this policy.

5.3.2 **Property not Repaired, Replaced, Rebuilt or Reinstated**

On property which the **Insured** decides not to repair, replace, rebuild or reinstate, other than property due for demolition, the basis of valuation is as per the basis stated in Clause 5.3.1 – Property Repaired, Replaced, Rebuilt or Reinstated subject to deduction for depreciation, wear, tear and obsolescence.

5.3.3 **Property due for Demolition**

On property awaiting demolition, the basis of valuation is only the increase in the cost of demolition caused by the **Damage**.

5.3.4 **Property offered for Sale**

On property, other than stock, on offer for sale at the time of **Damage**, the basis of valuation is the sale price of the property or the cost of repair, replacement, rebuilding or reinstatement as per the basis of valuation under Clause 5.3.1 – Property Repaired, Replaced, Rebuilt or Reinstated, whichever is less.

5.3.5 **Technical Equipment**

On property consisting of electrical, optical or mechanical equipment or computer hardware the basis of valuation is the lesser of the cost to repair the equipment or the cost to replace the equipment with new equipment which has most nearly the same function even if to get the same function requires new equipment which is more advanced.

5.3.6 **Stock**

On property consisting of stock (including frozen and refrigerated goods), the basis of valuation is the cost to replace.

5.3.7 **Sports Equipment and Groundsmen's Machinery**

On property consisting of sports equipment and groundsmen's machinery, the basis of valuation is the lesser of the cost to repair or replace or, in the case of equipment and machinery more than 12 months old at the date of **Damage**, its market value at the date of **Damage**.

5.3.8 **Personal Effects**

On property consisting of directors', **Employees'** and visitors' clothing, personal effects and tools of trade, the basis of valuation is the cost to repair or replace after deduction for depreciation, wear, tear and obsolescence subject to a maximum deduction of 50%.

5.3.9 **Cups, Trophies and Memorabilia**

On property covered under the Cups, Trophies and Memorabilia Specification, the **Insurer** shall not be liable in respect of any single item to pay more than the Agreed Item Value for that item stated in the **Schedule**.

5.3.10 Valuable Papers

On property consisting of valuable documents, manuscripts, securities, deeds, specifications, plans, drawings, designs and business books but not electronic or magnetic information storage and processing media, computer data storage disks or tapes, the basis of valuation is the cost of reinstating, replacing, reproducing or restoring, including information contained in them or on them but excluding the value to the **Insured** of the said information or, if such is not required, the replacement cost of materials as blank stationery at the time and place of the **Damage**.

5.3.11 Other Debris Removal

Debris removal from the **Premises** or immediately adjacent areas, other than as referred to in Clause 5.3.1 – Property Repaired, Replaced, Rebuilt or Reinstated above, of covered property which has sustained **Damage** is included but only up to 10% of the amount of such **Damage**.

5.4 Basis of Cover – All Risks

Basis of Cover – All Risks shall be understood as **Damage** by any cause except as follows:

- (a) **Damage** to any property caused by or consisting of its:
 - (i) bursting, overflowing, exploding or leaking;
 - (ii) mechanical, chemical or electrical breakdown, short-circuiting or overrunning;
 - (iii) undergoing any heating process or any process involving the application of heat;
 - (iv) being used for a purpose other than it was designed for or in excess of design tolerances or in breach of any manufacturer's instructions as to use or operation;
 - (v) defective design, defective manufacture or defective construction or having any natural or man-made inherent flaws or defects;
 - (vi) wearing out or gradually deteriorating, shrinking, evaporating, rusting, corroding, being scratched or discolouring or other chemical or biological transformation or being affected by loss of flavour, crispness or texture, wet or dry rot, vermin, insects or mould;
 - (vii) spontaneous heating, ignition or fermentation;
- (b) **Damage** by flood or any weather conditions to fences or gates or playing surfaces or moveable property in the open or in open sided buildings or other structures covered under the Ancillary Buildings or Playing Surfaces Specifications;
- (c) **Damage** by theft other than by forcible and violent means;
- (d) **Damage** by bursting, overflowing or leaking of water, oil, fuel or beverages from any container, pipe, dispenser or installation:
 - (i) as a result of repair, testing, removal, alteration or extension not carried out by a qualified engineer or plumber;
 - (ii) occurring at a vacant or unoccupied building or structure covered under the Buildings or Ancillary Buildings Specifications. Buildings in normal use but closed outside **Business Hours** or for holidays or weekends for less than thirty (30) consecutive days are not considered vacant or unoccupied; or
 - (iii) from sprinkler installations occurring during repairs or alterations to the **Premises**;

- (e) **Damage** caused or contributed to by the use of any electric, oxyacetylene or similar welding, cutting or grinding equipment or any blow lamp or blow torch or hot air gun at the **Premises**;
- (f) **Damage** by malicious persons at or to vacant or unoccupied buildings or structures covered under the Buildings or Ancillary Buildings Specifications. Buildings in normal use but closed outside **Business Hours** or for holidays or weekends for less than thirty (30) consecutive days are not considered vacant or unoccupied;
- (g) **Damage** by **Subsidence, Heave** or **Landslip** caused by or consisting of:
 - (i) the **Settlement** or bedding down of structures which are less than twelve (12) months old since completion;
 - (ii) the **Settlement** or movement of made-up ground which is less than twelve (12) months old since completion;
 - (iii) coastal or riverbank erosion;
 - (iv) demolition, construction, structural alteration or repair of any property, groundwork or excavation;
- (h) **Damage** by **Subsidence, Heave** or **Landslip** to yards, car parks, roads, pavements, swimming pools, paved terraces, or any water, gas, electricity, sewerage or communications services, or (unless there is damage to buildings covered under the Buildings Specification at the same time and from the same cause) to walls, gates, panels and fences;
- (i) **Damage** by or during or consisting of an act of theft or attempted theft from any vehicle unless the vehicle has been locked, the property inside it has been put out of sight, and the **Damage** is by forcible and violent means;
- (j) **Damage** caused by or consisting of confiscation, requisition, seizure or destruction by order of the Government or any public authority;
- (k) **Damage** caused by total or partial cessation or interruption;
- (l) voluntary parting with title or possession;
- (m) **Damage** caused or contributed to by acts of fraud or dishonesty on the part of the **Insured** or any partner, director or **Employee** of the **Insured**, members of their families or any other person to whom property insured has been entrusted or in collusion with any of such persons;
- (n) simple or mysterious disappearance or inventory shortage or error or omission;
- (o) **Damage** to anything while it is being repaired, renovated, tested or otherwise worked on;
- (p) **Damage** caused or contributed to by **Pollution** in any sequence unless such **Pollution** was a single isolated event occurring in its entirety during the **Period of Insurance** stated in the **Schedule**;
- (q) **Damage** caused by or consisting of fungal pathogens or bacteria. For the purposes of this exclusion "fungal pathogens" shall mean any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, including for example mould, mildew, mycotoxins, spores or any biogenic aerosols.

5.5 Extensions

5.5.1 Data Restoration and Reproduction

Where computer hardware used to store and/or process electronic data is in fact repaired or replaced following **Damage** covered under this policy, the Material Damage Section extends, notwithstanding Policy Exclusion 3.6 – Cyber, to include the costs of restoring or reproducing any electronic data contained on that hardware or equipment. This extension is subject to a limit of GBP 15,000 any one **Occurrence** and in the aggregate for the **Period of Insurance**, and subject always to the applicable Sum(s) Insured and any other applicable limit. The limit of GBP 15,000 shall be inclusive within the Sum Insured for the Machinery and Plant and/or Sports and Business Equipment Specifications as applicable. For the avoidance of doubt, this policy does not insure any amount pertaining to the value (commercial or otherwise) of data.

5.5.2 **Loss Prevention Expenses**

The Material Damage Section extends to include costs incurred to temporarily protect or preserve property due to actual or to prevent imminent **Damage**, but not exceeding the amount by which a loss under this Section is reduced by reason of such preventative or protective action. Such costs are subject to the Sum Insured and **Excess** that would have applied had the **Damage** occurred.

5.6 **Conditions**

5.6.1 **Underinsurance**

If the property covered by the relevant Material Damage Specification shall at the time of any loss be of greater value than the Sum Insured stated against that Specification in the **Schedule** (after the application of any Day One Uplift), the **Insured** shall only be entitled to recover hereunder such proportion of the loss as the Sum Insured bears to the actual total value of the said property.

However, where the applicable Sum Insured is stated to be first loss, this clause shall not apply.

5.6.2 **Capital Additions**

Where cover is provided for Buildings and/or Machinery and Plant at any given **Premises** and further such items are added or acquired or they are physically improved during the **Period of Insurance**, the cover provided by the policy at such **Premises** shall include such additions, acquisitions or improvements for up to ninety (90) days (or to expiry of the **Period of Insurance** if sooner) without the **Insured** being required to notify the **Insurer**. Such cover shall cease automatically at the end of such period unless the **Insurer** has agreed terms for continuance.

Where such cover is already insured on a first loss basis, the addition, acquisition or improvement shall not operate to increase the first loss Sum Insured.

This condition does not apply to property whose use or occupancy is more onerous than that previously advised to the **Insurer**.

The maximum amount of such additions or acquisitions at any one **Premises** shall not exceed GBP 250,000.

5.6.3 **Claim Notification**

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section if, in the event of **Damage** which might be covered under the Material Damage Section, the **Insured** does not:

- (a) notify the **Insurer** as soon as practicably possible and at the latest within fourteen (14) days;
- (b) notify the police authority as soon as practicably possible if it becomes evident that any **Damage** has been caused by malicious persons;

- (c) notify the police authority as soon as practicably possible and take all practical steps to discover any guilty person and to trace and recover the property insured as a result of theft;
- (d) carry out and permit to be taken any action to prevent further **Damage**;
- (e) deliver to the **Insurer** at the **Insured's** own expense within thirty (30) days after such **Damage** (seven (7) days in the case of **Damage** caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons):
 - (i) full information in writing of the property damaged and of the amount of **Damage**;
 - (ii) details of any other insurances applicable to the **Damage** being claimed for, whether the **Insured** intends to make a **Claim** against such insurances or not and whether such insurances are valid and collectible or not;
 - (iii) any other proofs and information relating to the loss as the **Insurer** may require.

5.6.4 **Other Insurance**

Where the **Insured** has other insurance or insurances covering property which is also covered by this Section then the following provisions shall apply in determining the amount payable under this Section.

Any term of such other insurances which restricts the amount payable by making them excess of another unspecified policy or which excludes cover altogether or which restricts the amount payable because of the existence of some other unspecified policy shall be ignored for the purposes of this condition.

The amount payable under all insurances available to the **Insured**, including this Section, in respect of the loss in question, shall be added together to produce the total amount of available cover for the purposes of this condition. Only that part of any loss which would fall within the Sums Insured of this Section, having regard to the maximum or first loss Sum Insured and any excess, deductible, aggregate or sub-limit and including any underinsurance provision, shall be considered. The amount finally payable under this Section shall be the amount otherwise available under this Section alone multiplied by the ratio of that amount to the total amount of available cover.

5.6.5 **Other Interests**

The interest of any party supplying office equipment to the **Insured** under a hiring, leasing or similar agreement is noted under this Section provided that the nature and extent of such interest is disclosed to the **Insurer** in the event of **Damage**.

5.6.6 **Transfer of Interest**

If, at the time of **Damage**, the **Insured** has exchanged contracts to sell a building or structure covered under the Buildings or Ancillary Buildings Specifications but has not yet completed, the cover provided by this Section will continue until the time of completion for the benefit of the purchaser, provided always that the purchaser shall fully observe and comply with all the terms of the policy.

This condition shall not apply if at the time of the **Damage** any other insurance was in force covering that **Damage**.

5.6.7 Risk Reduction Conditions

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section if the following conditions are not complied with by the **Insured**:

(a) **Protection, Preservation and Security of Property**

The **Insured** must use the utmost diligence and take all practical steps to protect, recover and save property insured and minimise any actual or potential **Damage** when property has sustained or is in imminent danger of sustaining **Damage**.

The **Insured** must at all times maintain all property in a good, proper and workmanlike manner.

The **Insured** must ensure that all protection and security systems at the **Premises** (including all those that have been advised to the **Insurer**) are in force at all times.

(b) **Waste and Refuse**

All waste and refuse on the **Premises** must be cleaned up and removed from any building or other structure every day and, if combustible, kept at least six (6) clear metres away from any building or other structure.

All waste and refuse must be removed from the **Premises** at least once every week.

(c) **Stock in the Open**

Any combustible stock not kept inside a building must be positioned at least six (6) clear metres away from any building or other structure.

(d) **Skips and Containers**

Any skips and other containers used for storing combustible waste, refuse or stock must be kept at least six (6) clear metres away from any building or other structure and must be chained securely to an immovable object (or to each other if there is more than one).

(e) **Kitchens – Deep Fat Frying Ranges**

Any deep fat frying ranges at the **Premises** must:

- (1) be fitted with:
 - (i) a thermostat which prevents the temperature of cooking oils or fats rising above 205 degrees centigrade;
 - (ii) a cut-out device which automatically cuts out the heat source if the thermostat fails.
- (2) be securely fixed and free from contact with combustible material (the same applies to all extraction hoods, canopies, flues and ducting).
- (3) be wiped down at the end of each day.
- (4) have all filters and grease traps cleaned inside and out at least once every month, with a written record kept and provided to the **Insurer** on request.
- (5) have all extraction hoods, canopies, flues and ducting cleaned inside and out at least once every twelve (12) months by a specialist contractor, with a written record of the contractor's work kept and provided to the **Insurer** on request.

All greasy waste and cloths must be kept in metal receptacles with metal lids during the day, taken outside the building at the end of each day, and removed from the **Premises** at least once every week.

(f) **Kitchens – Cooking Fume Extraction Equipment**

Any cooking fume extraction hoods, canopies, flues and ducting at the **Premises** must be cleaned inside and out at least once every twelve (12) months by a specialist contractor, with a written record of the contractor's work kept and provided to the **Insurer** on request.

All filters and grease traps used for cooking fume extraction must be cleaned inside and out at least once every month, with a written record kept and provided to the **Insurer** on request.

(g) **Disco and Entertainment Events**

Any disco or other live entertainment event hosted by the **Insured** at the **Premises** must not have more than 150 attendees and all DJs and other performers must hold public liability insurance in respect of their activities with a limit of liability of not less than GBP 2,000,000 any one **Occurrence**. It is the responsibility of the **Insured** to check that such insurance is in force.

(h) **Electrical Inspections**

All electrical systems at the **Premises** must, every three (3) years (or other timeframe if one is specified in the last inspection certificate), be inspected and tested by a member of the National Inspection Council for Electrical Installation Contracting in accordance with the regulations of the Institute of Electrical Engineers, and a copy of the inspection certificate kept and provided to the **Insurer** on request.

All remedial work specified on the inspection certificate must be carried out within 60 days of the inspection, and a written record of the remedial work kept and provided to the **Insurer** on request.

Any further re-inspection and testing specified on the inspection certificate must be carried out within the timeframe specified in the certificate, and a written record of the re-inspection and testing kept and provided to the **Insurer** on request.

(i) **Flat Felt Roofing**

Any flat felt roofing at the **Premises** must be inspected annually (during the period July to September inclusive) by a roofing contractor who is a member of the National Federation of Roofing Contractors or similar professional association, and written evidence of the inspection kept and provided to the **Insurer** on request.

All remedial work specified by the contractor must be carried out within 60 days of the inspection, and a written record of the remedial work kept and provided to the **Insurer** on request.

(j) **Fire Extinguishing Appliances**

Any fire extinguishing appliances at the **Premises** must be regularly inspected and kept in full working order in accordance with the manufacturer's instructions, with a written record kept and provided to the **Insurer** on request.

(k) **Fire Protection and Suppression Systems**

Any sprinkler or fire alarm installations and any other fire protection or suppression system at the **Premises** must be kept in full working order in accordance with the manufacturer's instructions and tested and maintained in accordance with British Standard BS EN 12845.

The **Insurer's** prior written consent must be obtained to any proposed repairs, changes or alterations to any system.

Written records of all system inspections, tests, and remedial work must be kept and provided to the **Insurer** on request.

The **Insurer** must be notified as soon as practicable where the system is to be taken out of service for maintenance or is prevented from operating for any other reason (including for example where there is a loss of mains water supply).

(l) **Flammable Storage**

Liquids or other substances with a flash point below 32 degrees centigrade must not be stored anywhere at the **Premises** unless they are stored in metal or plastic vessels of no more than two (2) litres capacity specifically constructed for that purpose with a lid, tap or other closing device in operation whenever the vessel is not in use.

Cellulose nitrate must not be used or stored at the **Premises**.

(m) **Heaters**

Any heaters used at the **Premises** must:

- (1) be kept at least two (2) clear metres away from any combustible items.
- (2) have any gas bottle changed in accordance with the Gas Users Code of Practice or filled only in accordance with the manufacturer's instructions.
- (3) in the case of paraffin heaters, be filled only when cold.
- (4) in the case of wood burning stoves, be surrounded completely with a wire mesh fire guard.
- (5) be cleaned and maintained in accordance with the manufacturer's instructions.
- (6) have a nine (9) litre foam extinguisher or a five (5) kilogram dry powder extinguisher installed nearby.

Written records of all cleaning and maintenance work must be kept and provided to the **Insurer** on request.

(n) **Protection of Pipes and Tanks**

All pipework and tanks at the **Premises** must be kept adequately lagged.

(o) **Smoking Materials**

Any designated smoking areas at the **Premises** must be inspected at the close of business each day for unextinguished smoking materials and any such materials must be extinguished and safely disposed of.

(p) **Intruder Alarms**

Any **Intruder Alarm System** at the **Premises** must be set in its entirety outside **Business Hours**.

The **Intruder Alarm System** must be tested and maintained in accordance with the manufacturer's instructions.

There must be a maintenance contract in force during the **Period of Insurance** with a member of the National Security Inspectorate who has an emergency service facility. All remedial work specified by the maintenance contractor following any inspection must be carried out within 60 days of that inspection.

Written records of testing, inspections and any remedial work must be kept and provided to the **Insurer** on request.

The **Insurer's** prior written consent must be obtained to any proposed repairs, changes or alterations to the **Intruder Alarm System** or to the maintenance contractor's emergency service facility.

If the police issue a warning that they may not respond to future activations of the **Intruder Alarm System**, the **Insured** must notify the **Insurer** as soon as practicable.

If the **Intruder Alarm System** ceases to function for whatever reason (whether due to a defect or otherwise), or if the police issue confirmation that they will not respond to future activations, the **Insured** must:

- (1) notify the **Insurer** as soon as practicable.
- (2) arrange any additional temporary security precautions and safeguards which the **Insurer** reasonably requires.
- (3) not leave the **Premises** unattended without the prior written consent of the **Insurer**.
- (4) notify the maintenance contractor as soon as practicable and arrange for any remedial work to be carried out.

For the purpose of this condition, "**Intruder Alarm System**" shall mean the entire alarm system including all its component parts and any signal transmission equipment.

(q) **Stillage**

All stock and materials in trade covered under the Stock Specification, and items covered under the Frozen or Refrigerated Goods Specification, must be stored on wooden pallets or metal racking so that it is at least 15cm above floor level.

(r) **Weakening of Support**

The **Insured** must notify the **Insurer** as soon as practicable after they become aware of any demolition, groundwork, excavation or construction being carried out on any site adjoining the **Premises**.

(s) **Machinery, Plant and Equipment Inspection**

Any machinery, plant or equipment which is required to be inspected periodically by an engineer qualified for the purpose in order to comply with any statutory regulation or by-law must be the subject of an insurance or other contract providing the required inspection service.

(t) **Minimum Security Protections**

In respect of buildings covered under the Buildings Specification:

- (1) all final exit timber doors must (i) have frames which are at least 45mm thick, (ii) be fitted with mortice deadlocks which conform to British Standard 3621:1980 for thief resistant locks; and (iii) if double leaf, also be fitted with security bolts at the top and bottom of their first closing leaf;
- (2) all final exit aluminium doors must (i) be fitted with a swing bolt mortice lock; and (ii) if double leaf, also be fitted with security bolts at the top and bottom of their first closing leaf;
- (3) all other external or internal doors leading to common areas or other premises must be fitted with key operated security bolts at the top and bottom; and
- (4) all windows on the ground floor and/or which are accessible from roofs, fire escapes or downpipes must be fitted with key operated locks or bars or grilles.

Requirements (1) – (4) above do not apply to any door or window officially designated by the fire authority as a fire exit.

In respect of purpose-built shipping containers covered under the Ancillary Buildings Specification used for storage:

- (1) both access doors must be fitted with at least one 6mm-16mm Mul-T-Lock (C Series) closed shackle padlock on each leaf; and
- (2) the central closing point where both doors meet must be fitted with at least one 11mm-13mm Mul-T-Lock slide bolt lock incorporating a metal covering box.

In respect of any other structures covered under the Ancillary Buildings Specification, security measures must be fitted to protect those structures from unauthorised access.

(u) **Unoccupied Property**

The **Insured** must take the following steps in respect of any building or structure covered under the Buildings or Ancillary Buildings Specifications which is or becomes vacant or unoccupied for a period of thirty (30) consecutive days or more:

- (1) notify the **Insurer**.
- (2) disconnect all electricity (save as required to maintain protection and security systems), gas and water main supplies.
- (3) drain all water and heating systems.
- (4) lock all outside doors, seal all letterboxes and other openings, and close and secure all windows (and in the case of buildings or structures not in normal occupation for a period of more than six (6) months, board up all ground floor windows and, save for one access door, all outside doors).
- (5) remove all combustible waste or other materials and gas bottles.
- (6) carry out an internal visit to the building or structure every seven (7) days, remedy any defects found, and keep a record of visits and remedial work for provision to the **Insurer** on request.

Buildings or other structures in normal use but closed outside **Business Hours** or for holidays or weekends for less than thirty (30) consecutive days are not considered vacant or unoccupied.

6 Business Interruption Section

6.1 Operative Clause

This Section covers the **Insured's** loss, as set out in the Business Interruption Specifications stated as Operative in the **Schedule**, resulting from interruption of or interference with the **Business** in the **United Kingdom** in consequence of:

- (a) any event which gives rise to a payment by the **Insurer** under the Material Damage Section or under any extension of that Section (other than 5.2.15 – Loss of Licence); or
- (b) other events as set out in each Business Interruption Specification;

and all subject to all the terms, conditions and exclusions of this Section and of the policy as a whole.

This Section does not cover the loss of value of tangible property which has sustained **Damage**.

If the only reason **Damage** is not covered by this policy or by the other insurance, as the case may be, is because of a deductible or excess provision, then this Section will apply, subject to all its terms, conditions and exclusions, to the loss arising as a consequence of such **Damage**.

In no case will the **Insurer** pay for such loss over a longer period than it would take, with the exercise of due diligence and dispatch, for the **Business** to be restored to the condition that would have existed had no loss occurred.

The amounts insured in respect of each Business Interruption Specification are as specified in the **Schedule** and are in addition to the Sums Insured or Limits of Liability under any other Section of this policy, unless stated otherwise in the policy or in any **Endorsement**.

In no case will the **Insurer** pay more under each covered Business Interruption Specification than the applicable Sum Insured stated in the **Schedule**.

6.2 Specifications

No cover is available for any loss which does not fall under any of the covered Business Interruption Specifications or in respect of which a nil Sum Insured or "Not Covered" is inserted in the **Schedule**.

6.2.1 Loss of Gross Profit

(a) Cover

This Specification covers the **Insured's** loss of **Gross Profit** due to:

- (i) reduction in **Turnover**; and
- (ii) increase in cost of working.

The amount payable under this Specification shall be:

- (1) in respect of reduction in **Turnover**, the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** shall, in consequence of the **Damage**, fall short of the **Standard Turnover**;

- (2) in respect of increase in cost of working, the additional expenditure incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the 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 of the **Standing Charges** as may cease or be reduced in consequence of the **Damage**.

(b) **Conditions**

- (i) If during the **Indemnity Period**, goods are sold or services rendered elsewhere than at **Premises** for the benefit of the **Business** either by the **Insured** or by others on their behalf, the money paid or payable in respect of such sales or service shall be taken into account in arriving at the **Turnover** during the **Indemnity Period**.
- (ii) If any standing charges of the **Business** are not insured by this Section then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the **Net Profit** and **Standing Charges** bears to the sum of the **Net Profit** and all the standing charges.
- (iii) If the **Business** is conducted in departments, the independent trading results of which are ascertainable, the provisions of this Specification shall apply separately as regards reduction in **Turnover** and increase in cost of working to each department affected by the **Damage**.
- (iv) This Specification is subject to the condition of underinsurance, that is to say, if the Estimated Annual Gross Profit for the Period stated in the **Schedule**, when estimated immediately prior to the date of loss without taking the loss into account, is greater than the estimate stated in the **Schedule**, then a percentage contribution shall be applied, being the percentage the excess amount bears to the estimate immediately prior to the date of loss. This percentage contribution shall be applied to the amount of the **Insured's** loss of **Gross Profit** after the application of any excess and borne by the **Insured** and the Sum Insured shall be reduced by the same proportion. However, this condition will only be applied if the percentage contribution is equal to or exceeds 35%.

6.2.2 **Loss of Gross Revenue**

(a) **Cover**

This Specification covers the **Insured's** loss of **Gross Revenue** due to:

- (i) reduction in **Revenue**; and
- (ii) increase in cost of working.

The amount payable under this Specification shall be:

- (1) in respect of reduction in **Revenue**, the amount by which the **Revenue** during the **Indemnity Period** shall, in consequence of the **Damage**, fall short of the **Standard Revenue**;

- (2) in respect of increase in cost of working, the additional expenditure incurred for the sole purpose of avoiding or diminishing the reduction in **Revenue** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the loss of **Revenue** thereby avoided;

less any sum saved during the **Indemnity Period** in respect of such expenses and/or working costs as may cease or be reduced in consequence of the **Damage**, subject to the amount payable not exceeding the Sum Insured stated in the **Schedule**.

(b) **Conditions**

- (i) If during the **Indemnity Period**, **Business** is conducted elsewhere than at **Premises**, the money paid or payable in respect of such **Business** shall be taken into account in arriving at the **Revenue** during the **Indemnity Period**.
- (ii) This Specification is subject to the condition of underinsurance, that is to say, if the Estimated Annual Gross Revenue for the Period stated in the **Schedule**, when estimated immediately prior to the date of loss without taking the loss into account, is greater than the estimate stated in the **Schedule**, then a percentage contribution shall be applied, being the percentage the excess amount bears to the estimate immediately prior to the date of loss. This percentage contribution shall be applied to the amount of the **Insured's** loss of **Revenue** after the application of any excess and borne by the **Insured** and the Sum Insured shall be reduced by the same proportion. However, this condition will only be applied if the percentage contribution is equal to or exceeds 35%.

6.2.3 **Loss of Gross Rentals**

(a) **Cover**

This Specification covers the **Insured's** loss of **Gross Rentals** being losses comprising:

- (i) loss of **Rent Receivable**;
- (ii) increase in cost of working; and
- (iii) re-letting costs.

The amount payable under this Specification shall be:

- (1) in respect of loss of **Rent Receivable**, the amount by which the **Rent Receivable** during the **Indemnity Period** shall, in consequence of the **Damage**, fall short of the **Standard Rent Receivable**;
- (2) in respect of increase in cost of working, the additional expenditure incurred for the sole purpose of avoiding or diminishing the reduction in **Rent Receivable** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the amount of reduction thereby avoided;
- (3) in respect of re-letting costs, the costs incurred during the **Indemnity Period** in re-letting the **Premises**, including legal fees in connection with the re-letting, but excluding any legal fees or other charges associated with re-letting which are payable by the tenant under the new lease agreement, solely in consequence of the **Damage**.

subject to the amount payable not exceeding the Sum Insured stated in the **Schedule**.

(b) **Conditions**

- (i) If during the **Indemnity Period**, accommodation is provided or services rendered elsewhere than at the **Premises** for the benefit of the **Business** either by the **Insured** or by others on their behalf, the money paid or payable in respect of such accommodation or services shall be taken into account in assessing the **Gross Rentals** during the **Indemnity Period**.
- (ii) This Specification is subject to the condition of underinsurance, that is to say, if the Estimated Annual Gross Rentals for the Period stated in the **Schedule**, when estimated immediately prior to the date of loss without taking the loss into account, is greater than the estimate stated in the **Schedule**, then a percentage contribution shall be applied, being the percentage the excess amount bears to the estimate immediately prior to the date of loss. This percentage contribution shall be applied to the amount of the **Insured's** loss of **Gross Rentals** after the application of any excess and borne by the **Insured** and the Sum Insured shall be reduced by the same proportion. However, this condition will only be applied if the percentage contribution is equal to or exceeds 35%.
- (iii) If at the date of the **Damage** any **Premises** are subject to a rent free period under the terms of the lease then the **Indemnity Period** stated in the **Schedule** shall be adjusted by adding the unexpired portion of the rent free period to the period shown in the **Schedule**.

6.2.4 **Book Debts**

This Specification provides cover for sums due to the **Insured** from customers where the **Insured** is unable to collect them as the direct result of **Damage** to records of outstanding debit balances.

This Specification also provides cover for collection expenses in excess of normal collection costs incurred because of the **Damage** as well as interest charges at ruling bank rates on any loan to offset impaired collections pending either, (as the case may be):

- (a) repayment by the debtor of outstanding debit balances whose collection has been delayed by such **Damage**; or
- (b) payment of the loss by the **Insurer**.

Where the **Insured** cannot accurately establish the total amount of debit balances outstanding as of the date of loss, such amount shall be computed as follows:

- (i) determine the amount of all outstanding debit balances at the end of the same fiscal month on the year immediately preceding the year in which the loss occurs;
- (ii) calculate the percentage of increase or decrease in the average monthly total of debit balances for the twelve (12) months immediately preceding the month in which the loss occurs, as compared with such average for the same months of the preceding year;
- (iii) the amount of all outstanding debit balances at the end of the same fiscal month on the year immediately preceding the year in which the loss occurs, increased or decreased by the percentage of increase or decrease in the average monthly total of debit balances for the twelve (12) months immediately preceding the month in which the loss occurs, as compared with such average for the same months of the preceding year, shall be the agreed total amount of debit balances as of the last day of the fiscal month in which said loss occurs;

- (iv) the amount determined under the foregoing paragraph, shall be increased or decreased in conformity with the normal fluctuations in the amount of debit balances during the fiscal month involved, due consideration being given to the experience of the **Business** since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of debit balances, however established, the amounts of such accounts evidenced by records not lost, destroyed or damaged or otherwise established or collected by the **Insured** and an amount to allow for probable bad debts which would normally have been uncollectible by the **Insured**. All unearned interest and service charges shall be deducted.

6.2.5 Denial of Access

This Specification provides cover for loss caused by **Damage** to any property in the vicinity of the **Premises** which shall physically prevent or hinder the use of the **Premises** or access to or exit from it and which loss would be insured under any of the other Business Interruption Specifications were it not solely for the fact that the **Damage** was to property at a premises not covered by this policy.

The **Premises** itself does not need to have suffered any actual **Damage** for the cover to operate but the **Damage** causing the loss has to be of a type which would be covered, having regard to all the terms, conditions and exclusions of this policy.

The maximum number of days the **Insurer** will pay for is the number of consecutive days comprising the **Indemnity Period** as specified in the **Schedule**.

6.2.6 Stand Alone Increased Cost of Working

This Specification provides cover for the increased cost of continuing the **Business** during the **Indemnity Period** specified in the **Schedule** over and above the costs that would have been incurred during the same period had no **Damage** occurred. Such increased cost shall include the cost of moving to and from and the additional rent of temporary premises, additional rates and taxes on such premises and expenses incurred in equipping the said premises to make them suitable for the **Business**, additional cost in respect of additional staff and overtime and allowances for meals to existing staff incurred in order to minimise any interruption or interference with the **Business** during the **Indemnity Period**.

Cover shall be limited to the increased cost which is incurred to maintain the **Business** as existing immediately before the **Damage**.

The **Insurer's** liability under this Specification shall not exceed:

- (a) 50% of the Sum Insured during the first three (3) months; nor
- (b) a proportional share of the balance of the Sum Insured during each of the remaining months of the period shown in the **Schedule** as the **Indemnity Period**.

This Specification does not cover loss resulting from **Damage** to documents, manuscripts, business books, patterns, models, moulds, plans, designs and computer systems' records, unless specifically insured as a separate item.

6.2.7 Customers and Suppliers

This Specification provides cover for loss resulting from **Damage** to property at any premises of the **Insured's** direct customers or direct suppliers within the **United Kingdom** and which would be insured under any of the other Business Interruption Specifications were it not solely for the fact that the **Damage** was to property at a premises not covered by this policy.

The amount stated in the **Schedule** for customers and suppliers is the total amount payable under this Specification in respect of all customers and suppliers combined per **Occurrence**.

6.2.8 **Auditors Charges**

This Specification provides cover for charges payable by the **Insured** to their auditors or professional accountants for producing and certifying any particulars or details contained in the **Insured's** books of account or other **Business** books or documents or such other proofs, information or evidence as may be required by the **Insurer** in connection with a **Claim** under any of the other Business Interruption Specifications of this Section.

The amount the **Insurer** will pay in respect of this Specification is included in the Sums Insured in respect of the other Business Interruption Specifications.

6.3 **Conditions**

6.3.1 **Adjustments**

In respect of the **Rate of Gross Profit, Standard Rent Receivable, Standard Revenue** and **Standard Turnover**, adjustments shall be made to provide for the trend of the **Business** and for variations in or special circumstances affecting the **Business** either before or after the **Damage**, so that the figures thus adjusted shall represent as nearly as may be practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

6.3.2 **Alterations**

If during the **Period of Insurance** any alteration is made either in the **Business** or in the **Premises** where the **Insured** conducts the **Business** or in property used in the **Business** and the risk of **Damage** is increased then it must be acknowledged by a properly signed **Endorsement** to the policy. If it is not, then the following restrictions will apply.

- (a) If the alteration increased the likelihood of **Damage** happening and loss resulted from that alteration which falls under this Section, then no cover will be given under this Section in respect of such loss.
- (b) If the alteration did not increase the likelihood of **Damage** happening but increased the likelihood of a greater loss under this Section following any **Damage** than would otherwise have been incurred, then the liability under this extension will be reduced to what it would have been if the alteration had not been made.

6.3.3 **Diligence**

The **Insurer** shall be entitled to refuse to pay any **Claim** under this Business Interruption Section if the **Insured** fails to do everything practical and in a positive and diligent manner to minimise any interruption of or interference with the **Business** and to avoid or diminish the loss.

6.3.4 **Murder, Suicide and Notifiable Disease**

This Section is extended to include the **Insured's** loss under the Gross Profit, Gross Revenue, Gross Rentals or Stand Alone Increased Cost of Working Specifications, as applicable, resulting from murder, suicide or a **Notifiable Disease** occurring at the **Premises** during the **Period of Insurance**.

6.3.5 **Claim Notification**

In the event of **Damage** in consequence of which a **Claim** is or may be made under this Section, the **Insured** shall:

- (a) notify the **Insurer** as soon as practicably possible and at the latest within fourteen (14) days of the **Damage**;
- (b) deliver to the **Insurer** at their own expense within seven (7) days of its happening full details of **Damage** caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons;
- (c) carry out and permit to be taken any action which may be practical to minimise or check any interruption of or interference with the **Business** or to avoid or diminish the loss;
- (d) deliver to the **Insurer** within fourteen (14) of loss details of **Damage** to records of outstanding debit balances owed to the **Insured** by the **Insured's** customers.

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Business Interruption Section in its entirety if the above requirements are not complied with.

In the event of a **Claim** being made under this Section, the **Insured**, at their own expense, shall:

- (i) not later than thirty (30) days after the expiry of the **Indemnity Period** or within such further time as the **Insurer** may allow, deliver to the **Insurer** in writing particulars of their **Claim**, together with details of all other insurances covering property used by the **Insured** at the **Premises** for the purpose of the **Business** or any part of it or any resulting loss;
- (ii) deliver to the **Insurer** such books of account and other **Business** books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may be required by the **Insurer** for the purpose of investigating or verifying the **Claim**.

6.3.6 **Winding Up**

This Section will automatically come to an end if the **Business** gets wound up or carried on by an administrator, liquidator or receiver or is permanently discontinued or the **Insured** enters into a scheme of arrangement with creditors or if the **Insured's** interest ceases except by death.

7 Liability Section

7.1 Section Extensions

All the Liability Sub-Sections are subject to the following extensions except where stated below.

7.1.1 Automatic Acquisitions

The policy shall apply automatically to any entity acquired, established or created during the **Period of Insurance**.

Provided always that:

- (a) the turnover of such entity is no more than 10% of the total turnover of the **Insured**;
- (b) the **Insured** shall notify the **Insurer** in writing as soon as practicably possible but no later than ninety (90) days of such acquisition, establishment or creation;
- (c) the **Insurer** shall have the right to accept or refuse cover at the time of notification and to alter the terms and conditions of this policy accordingly including the charging of an additional premium;
- (d) the **Insurer** shall not be liable:
 - (i) where the business of such entity differs from the **Business**; and
 - (ii) where cover is provided under any other insurance. This policy shall only apply in excess of such other insurance to the extent of such part of the Limit of Liability as exceeds the limit under the other insurance.

7.1.2 Court Attendance Costs

The **Insurer** will reimburse the **Insured's** loss by paying a daily amount as stated below for each day on which attendance is required in the event of any director, partner or **Employee** attending court as a witness at the request of the **Insurer** in connection with a **Claim** which is covered under the Public Liability, Product Liability and Employers' Liability Sub-Sections of this policy:

- (a) GBP 250 per day for each day attendance is required for any director or partner of the **Insured**; and
- (b) GBP 100 per day for each day attendance is required for any **Employee** who is not a director or partner.

7.1.3 Cover for Others

Provided that such persons or parties observe, fulfil and are subject to the terms of this policy as though they were the **Insured**, the cover granted under the Public Liability and Product Liability Sub-Sections extends to:

- (a) **Employees** in their **Business** capacity for legal liabilities arising out of the performance of the **Business**;
- (b) the officers, committees and members of the **Insured's** canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such (but excluding medical practitioners while working in a professional capacity);

- (c) any person or firm for legal liabilities arising out of the performance of a contract with the **Insured** constituting the provision of labour only;
- (d) any principal for legal liabilities arising out of work carried out by the **Insured** under a contract or agreement in respect of which the **Insured** would have been entitled to cover under this policy if the **Claim** had been made against the **Insured**;
- (e) the personal representatives of any person insured by reason of this Cover for Others clause in respect of legal liability incurred by such person;

Provided that such persons or parties observe, fulfil and are subject to the terms of this policy as though they were the **Insured**, the cover granted under the Public Liability Sub-Section only also extends to **Members** for legal liabilities arising out of their activities as such.

7.1.4 **Criminal Proceedings Legal Defence Costs**

The **Insurer** will cover the **Insured** and, at the request of the **Insured**, any director or partner or **Employee** in respect of legal costs and expenses incurred with the **Insurer's** prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of:

- (a) a breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, or any similar **United Kingdom** Health and Safety legislation and regulation; or
- (b) an alleged offence under the Corporate Manslaughter and Corporate Homicide Act 2007 or any subsequent amending legislation;

provided that the proceedings relate to an offence alleged to have been committed during the **Period of Insurance** and in the course of the **Business**.

The cover will not apply:

- 1) to fines or penalties of any kind;
- 2) to liability assumed under a contract or agreement which would not have attached in the absence of such contract or agreement;
- 3) to proceedings consequent upon any deliberate act or omission.

The **Insurer's** liability under this extension shall be limited to GBP 1,000,000 in the aggregate in any one **Period of Insurance**. This limit will form part of and not be in addition to the relevant Limit of Liability stated in the **Schedule**.

7.2 **Section Exclusions**

All the Liability Sub-Sections are subject to the following exclusions except where stated below.

This policy does not apply to or include cover for or arising out of or relating to:

7.2.1 **Known Prior Circumstances**

circumstances which the **Insured** or person insured knew or ought to have known was likely to give rise to a **Claim** prior to the inception date of this policy.

7.2.2 **Contractual Liability**

liquidated damages clauses, penalty clauses, performance warranties or any other provision in any contract unless it is proven that liability would have attached in the absence of that contract.

7.3 Section Conditions

All the Liability Sub-Sections are subject to the following conditions except where stated below.

7.3.1 Assistance and Co-operation

The **Insured** and any person insured must provide the **Insurer** with such information, assistance and co-operation as the **Insurer** and/or its representative may request. The **Insurer** shall be entitled to refuse to pay any **Claim** under this policy in its entirety if the **Insured** or any person insured fails to do so.

7.3.2 Claim Notification

The **Insured** must give to the **Insurer** notice as soon as practicably possible in writing of:

- (a) any **Claim** made against any **Insured** or any person insured which is likely to fall within the scope of this policy;
- (b) any circumstances of which the **Insured** or any person insured becomes aware which are likely to give rise to such a **Claim** being made against the **Insured**.

Where the Sub-Section Trigger is shown as Claims Made or Claims Made and Notified in the **Schedule** if a circumstance occurring subsequent to the Sub-Section Retroactive Date and before the expiry date of the policy is notified to the **Insurer** during the **Period of Insurance** and in accordance with this Condition, the **Insurer** will not deny any subsequent **Claim** arising out of that circumstance solely because the **Claim** was made after the expiry date of the policy.

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Liability Section in its entirety if such notice is not received.

7.3.3 Documents Relevant to a Claim

The **Insured** or any person insured must ensure that all documents relevant to any **Claim** and any circumstance which is likely to give rise to a **Claim** are not destroyed or otherwise disposed of. The **Insurer** shall be entitled to refuse to pay any **Claim** under this policy in its entirety if the **Insured** or any person insured fails to do so.

7.3.4 Entitlement to Defend

The **Insurer** is entitled, but not obliged, to take over and conduct in the name of the **Insured** or any person insured the defence or settlement of any **Claim** or to prosecute in the name of the **Insured** or any person insured for its own benefit any **Claim** for reimbursement or damages or otherwise. The **Insurer** shall have full discretion in the conduct of any proceedings and in the settlement of any **Claim**.

7.3.5 Limit of Liability

(a) Occurrence

The **Insurer's** 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 **Occurrence**.

(b) Occurrence Limit

The Occurrence Limit applicable to each Sub-Section is stated in the **Schedule**.

Where an Occurrence Limit is shown as being combined then for any **Occurrence** which involves liability under more than one Sub-Section, the **Insurer's** total liability in respect of that **Occurrence**

- (i) shall not exceed the largest single Limit of Liability available under those combined Sub-Sections; and
- (ii) shall not exceed, in respect of each Sub-Section involved, the Limit of Liability available under that Sub-Section.

Where an Occurrence Limit is shown as being protected then for any **Occurrence** which involves liability under more than one Sub-Section, each Sub-Section shall not be affected or eroded by loss under any other Section.

(c) **Aggregate**

Where an aggregate Limit of Liability is stated in the **Schedule** to apply, the **Insurer's** total liability to pay damages (including claimants' costs, fees and expenses) in respect of the entire **Period of Insurance** shall not exceed the stated aggregate Limit of Liability regardless of the number or severity of **Occurrences** or **Claims**.

Where the Limits of Liability for two or more such Sub-Sections are shown as Occurrence Limit - Combined in accordance with Condition 7.3.5(b), the aggregate Limit of Liability of each Sub-Section shall continue to apply, provided that the **Insurer's** total liability under those combined Sub-Sections in respect of the entire **Period of Insurance** shall not exceed the largest single Limit of Liability available under those combined Sections.

(d) **Excess**

No cover shall be granted under any liability Sub-Section for the amount of the **Excess** stated in the **Schedule** in respect of the first amount of each **Occurrence**. The **Excess** amount includes any **Defence Costs**. The Limits of Liability stated in the **Schedule** are in excess of and not reduced by the amount of any **Excess**. Where the Limits of Liability are subject to Occurrence Limit – Combined in accordance with Condition 7.3.5(b), only the largest **Excess** of the relevant Sub-Sections shall apply in the event of a loss under more than one Sub-Section.

(e) **Contribution**

If at the time of a **Claim** there is any other insurance effected by or on behalf of the **Insured** covering the same risk or part thereof, the liability of the **Insurer** shall not be liable for more than their rateable proportion thereof.

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this policy, either in whole or in part or from contributing rateably, the liability of the **Insurer** under this policy shall be limited to such proportion of **Claim** as the cover under this policy bears to the total cover available to the **Insured**.

7.3.6 **Non-Admission of Liability**

No admission, offer, promise or payment is to be made or given by or on behalf of the **Insured** or any person insured without the written consent of the **Insurer**. The **Insurer** shall be entitled to refuse to pay any **Claim** under this policy in its entirety if any such admission, offer, promise or payment is made.

7.3.7 **Payment in Full**

The **Insurer** may at any time pay to the **Insured** in connection with any **Claim** or series of **Claims** under this policy to which a Limit of Liability applies the amount of such Limit after deduction of any sums already paid or any lesser amount for which such **Claims** can be settled. Upon such payment being made the **Insurer** 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 where such **Defence Costs** are stated as being payable in addition to the Limit of Liability.

8 Public Liability Sub-Section

8.1 Operative Clause

The **Insurer** will cover the **Insured** for all sums they are legally liable to pay as damages (including claimants' costs, fees and expenses) for **Injury** and/or **Damage** in the conduct of the **Business**, and arising from **Claims** made against them in the **United Kingdom**, subject to Condition 7.3 and all other terms and conditions of this policy.

8.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable inclusive as part of and not in addition to the Limit of Liability as stated in the **Schedule**.

8.3 Trigger

This Sub-Section applies only to **Injury** or **Damage** occurring during the **Period of Insurance**.

8.4 Extensions

These extensions are subject otherwise to the terms, exclusions and conditions of the policy.

8.4.1 Contingent Motor Liability

Exclusion 8.5.8 – Motor Vehicles shall not apply to legal liability arising out of the ownership, possession or use by or on behalf of the **Insured** or any person entitled to insurance of any motor vehicle or trailer:

- (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;
- (b) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer; or
- (c) arising out of any motor vehicle or trailer temporarily in the **Insured's** custody or control for the purpose of parking.

Provided always that no cover is granted against liability for which compulsory insurance or security is required by legislation or for which the government or other authority has accepted responsibility;

8.4.2 Cross Liabilities (including Member to Member Claims)

Each person or party specified as the **Insured** in the **Schedule**, or listed under Extension 7.1.3 – Cover for Others, is separately covered in respect of **Claims** made against any of them by any other such person or party subject to the **Insurer's** total liability not exceeding the stated Limit of Liability.

8.4.3 Data Protection Act

The **Insurer** will cover the **Insured** against loss under this Sub-Section in respect of the **Insured's** liability to pay compensation in respect of any claim under Section 13 – Compensation of the Data Protection Act 1998. Such liability shall be considered as **Injury** for the purposes of this Sub-Section and the **Injury** shall be considered as having occurred when the claimant first knew or alleges that they knew that the subject information was inaccurate or the date or alleged date the information had been disclosed without authorisation, as the case may be.

This extension applies where **Claims** are made against the **Insured** during the **Period of Insurance** arising from **Injury** occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy. If a circumstance occurring subsequent to the Retroactive Date and before the expiry date of the policy is notified to the **Insurer** in accordance with Condition 7.3.2 – Claim Notification, the **Insurer** will not deny any subsequent **Claim** arising out of that circumstance solely because the **Claim** was made after the expiry date of the policy.

The **Insurer's** liability under this extension shall be limited to GBP 250,000 any one **Occurrence** and in the aggregate for the **Period of Insurance** which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

The **Excess** under this extension shall be 10% of each **Claim** subject to a minimum of GBP 1,000.

Exclusions

The **Insurer** shall not provide cover:

- (a) against liability caused by or arising from a deliberate act by or omission of any person entitled to insurance under this Sub-Section if the result could have been expected having regard to the nature and circumstances of such act or omission;
- (b) for the costs of replacing, reinstating, rectifying or erasing any Personal Data, as defined in the Data Protection Act 1998;
- (c) against liability caused by or arising from the recording, processing or provision of data for reward or the determining of the financial status of a person;
- (d) against liability which attaches by virtue of a contract or agreement but which would not have attached in the absence of such contract or agreement.

Condition

The **Insurer** shall be entitled to refuse to pay any **Claim** under this extension in its entirety if the **Insured** has not registered in accordance with the terms of the said Act or having applied for such registration it has been refused or withdrawn.

8.4.4 Overseas Personal Liability

This Sub-Section shall extend to include the liability of any director, officer or **Employee** in their personal capacity whilst temporarily outside the **United Kingdom** for the purposes of the **Business**.

Provided that the **Insurer** shall not cover such person in respect of:

- (a) liability caused by or arising from the ownership or occupation of land or buildings;
- (b) liability caused by or arising from the use of any motor vehicle.

8.4.5 Sudden Pollution

Exclusion 8.5.9 – Pollution shall not apply to **Pollution** which is the direct result of a sudden, identifiable, unintended and unexpected event occurring in its entirety at a specific time and place during the **Period of Insurance**.

The **Insurer** shall be entitled to refuse to pay any **Claim** under this extension:

- (a) if the **Insured** has not taken all practical precautions to prevent **Pollution**; or

- (b) if **Injury** or **Damage** or the entire event giving rise to the **Injury** or **Damage** did not occur during the **Period of Insurance**.

This extension does not apply to any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgment, award settlement either in whole or in part.

This extension does not apply to or include legal liability for **Damage** to premises presently or at any time previously owned or tenanted by the **Insured** or from **Damage** to land or water within the boundaries of or below any land or premises presently or at any time previously owned or leased by the **Insured**.

The **Insurer's** liability under this extension for all **Occurrences** combined throughout the **Period of Insurance** shall not exceed the sub-limit for Pollution Liability stated in the **Schedule**, which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

8.4.6 **Work Overseas**

The **Insurer** will cover the **Insured** under this Sub-Section for all sums they are legally liable to pay as damages (including claimants' costs, fees and expenses) for **Injury** and/or **Damage** in the conduct of the **Business** outside the **United Kingdom** arising from the activities of:

- (a) any person temporarily engaged by the **Insured**; and
- (b) any person on a temporary visit;

for the purpose of non-manual work anywhere else in the world.

Provided that:

- (i) such person is ordinarily resident within the **United Kingdom**;
- (ii) the **Insurer** shall not provide cover in respect of any temporary visit to the United States of America or any overseas territory or affiliated state of the United States of America; and
- (iii) such temporary engagement or visit does not exceed six (6) consecutive months in duration.

8.4.7 **Cyber**

Notwithstanding Policy Exclusion 3.6 – Cyber, this Sub-Section shall extend to include liability of the **Insured** arising out of electronic means including failure or impairment of any computer or other electronic device, computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

The **Insurer's** liability under this extension for all **Occurrences** combined throughout the **Period of Insurance** shall not exceed GBP 250,000 which shall be part of and not in addition to the Limit of Liability stated in the **Schedule**.

8.5 **Exclusions**

This policy does not apply to or include cover for or arising out of or relating to:

8.5.1 **Abuse**

the actual or alleged physical, sexual or psychological abuse of any person or the failure to prevent the same.

8.5.2 **Aircraft, Watercraft or Offshore Installations**

the ownership, possession or use by or on behalf of the **Insured** of any aircraft, spacecraft, hovercraft, offshore installation, rig, platform or watercraft (other than watercraft not exceeding 10 metres in length whilst on inland waterways).

8.5.3 **Airside**

any work undertaken in, on or within any aircraft, aerospace system or airport.

8.5.4 **Care, Custody or Control**

any **Damage** to property owned, leased to, hired by, under hire purchase to, on loan to, held in trust by or otherwise in the **Insured's** care, custody or control other than:

- (a) clothing and personal effects of **Employees** and visitors;
- (b) premises (including contents therein) temporarily occupied by the **Insured** for work therein or thereon but no cover shall be granted for **Damage** to that part of the property on which the **Insured** is or has been working and which arises out of such work; or
- (c) premises tenanted by the **Insured** but always excluding liability for **Damage**:
 - (i) arising out of any perils which the tenancy agreement requires the **Insured** to insure against;
 - (ii) to any property which the tenancy agreement requires the **Insured** to insure; or
 - (iii) to any property which the tenancy agreement requires the **Insured** to be responsible for;

except if such **Damage** is the proven consequence of the **Insured's** own negligence.

8.5.5 **Defective Premises Act**

any condition in the **Insured's** premises subsequent to the disposal of such premises by the **Insured**, including liability which is established by application of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975.

8.5.6 **Deliberate or Reckless Failure to Avoid Injury or Damage**

any deliberate or reckless failure by any **Insured Person** to avoid **Injury** or **Damage**.

8.5.7 **Injury to Employees**

any **Injury** to an **Employee** where such **Injury** arises out of and in the course of employment by the **Insured** or any liability arising out of any workers' compensation or any similar legislation anywhere in the world.

8.5.8 **Motor Vehicles**

the ownership, possession or use by or on behalf of the **Insured** or any person or party insured by this policy of any motor vehicle or trailer for which compulsory insurance or security is required by legislation or for which the government or other authority has accepted responsibility.

8.5.9 **Pollution**

Pollution.

8.5.10 **Products**

any tangible property after it has left the custody or control of the **Insured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, leased, loaned, free issued, altered or repaired by or on behalf of the **Insured**, other than food and drink provided mainly for consumption by **Employees**.

8.5.11 **Professional Liability**

any breach of professional duty or wrongful or inadequate advice given separately for a fee, or the pursuit of any activities by the **Member** in a professional capacity.

8.5.12 **Participant to Participant Claims – Contact Sports**

any **Injury** or **Damage** suffered by one participant caused by another participant in any sport or activity under the direction of the **Insured** where physical contact between participants is an accepted part of play (including for example association football/soccer, Australian rules football, American football, basketball, camogie, floorball, Gaelic football, handball, hockey, hurling, ice hockey, lacrosse, martial arts, rugby league, rugby union and water polo).

8.6 **Condition**

8.6.1 **Housing Grants, Construction and Regeneration Act 1996**

The **Insurer** shall not be bound by any adjudication made under the Housing Grants, Construction and Regeneration Act 1996 following a request for adjudication made by or to the **Insured**.

9 Product Liability Sub-Section

9.1 Operative Clause

The **Insurer** will cover the **Insured** for all sums they are legally liable to pay damages (including claimants' costs, fees and expenses) for **Injury** and/or **Damage** in connection with any **Product**, and arising from **Claims** made against them in the **United Kingdom**, subject to Condition 7.3 and all other terms and conditions of this policy.

9.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable inclusive as part of and not in addition to the Limit of Liability as stated in the **Schedule**.

9.3 Trigger

This Sub-Section applies only to **Injury** or **Damage** occurring during the **Period of Insurance**.

9.4 Extensions

These extensions are subject otherwise to the terms, exclusions and conditions of the policy.

9.4.1 Consumer Protection and Food Safety Acts

The **Insurer** will cover the **Insured** against loss in respect of legal costs and expenses incurred in the defence of any criminal proceedings for a breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990 including such legal costs and expenses incurred in an appeal against conviction arising from such proceedings and prosecution costs awarded in connection therewith.

This extension applies where proceedings are first brought during the **Period of Insurance** in respect of a breach or alleged breach occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

Cover shall extend to the **Insured** and, at the request of the **Insured**, any director, partner or **Employee** of the **Insured**.

The **Insurer's** liability under this extension shall be limited to GBP 250,000 any one **Occurrence** and in the aggregate which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

Exclusions

This policy does not apply to or include cover for or arising out of or relating to:

- (a) proceedings consequent upon a deliberate act by or omission of any person insured under this Sub-Section if the result could have been expected having regard to the nature and circumstances of such act or omission; or
- (b) proceedings which arise out of any activity or risk excluded from this Sub-Section.

Condition

The director, partner or **Employee** shall as though they were the **Insured** be subject to all the terms and conditions of this policy insofar as they can apply.

9.4.2 **Cross Liabilities**

Each person or party specified as the **Insured** in the **Schedule** is separately covered under this Sub-Section in respect of **Claims** made against any of them by any other such person or party subject to the **Insurer's** total liability not exceeding the stated Limit of Liability.

9.4.3 **Defective Premises Act**

The **Insurer** will cover the **Insured** against loss in respect of their liability arising out of any condition in the **Insured's** premises subsequent to the disposal of such premises by the **Insured**, including liability which is established by application of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975. Such loss shall be treated as arising out of a **Product** for the purposes of this Sub-Section.

9.4.4 **Sudden Pollution**

Exclusion 9.5.6 – Pollution shall not apply to **Pollution** which is the direct result of a sudden, identifiable, unintended and unexpected event occurring in its entirety at a specific time and place during the **Period of Insurance**.

The **Insurer** shall be entitled to refuse to pay any **Claim** under this extension:

- (a) if the **Insured** has not taken all practical precautions to prevent **Pollution**; or
- (b) if **Injury** or **Damage** or the entire event giving rise to the **Injury** or **Damage** did not occur during the **Period of Insurance**.

This extension does not apply to any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgment, award settlement either in whole or in part.

This extension does not apply to or include legal liability arising directly or indirectly from **Damage** to premises presently or at any time previously owned or tenanted by the **Insured** or from **Damage** to land or water within the boundaries of or below any land or premises presently or at any time previously owned or leased by the **Insured**.

The **Insurer's** liability under this extension for all **Occurrences** combined throughout the **Period of Insurance** shall not exceed the sub-limit for Pollution Liability stated in the **Schedule**, which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

9.5 **Exclusions**

This policy does not apply to or include cover for or arising out of or relating to:

9.5.1 **Aircraft or Watercraft**

any **Product** which with the **Insured's** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, hovercraft or waterborne craft.

9.5.2 **Care, Custody or Control**

any **Damage** to property owned, leased to, hired by, under hire purchase to, on loan to, held in trust by or otherwise in the **Insured's** care, custody or control other than:

- (a) clothing and personal effects of **Employees** and visitors;

- (b) premises (including contents therein) temporarily occupied by the **Insured** for work therein or thereon but no cover shall be granted for **Damage** to that part of the property on which the **Insured** is or has been working and which arises out of such work; or
- (c) premises tenanted by the **Insured** but always excluding liability for **Damage**:
 - (i) arising out of any perils which the tenancy agreement requires the **Insured** to insure against;
 - (ii) to any property which the tenancy agreement requires the **Insured** to insure; or
 - (iii) to any property which the tenancy agreement requires the **Insured** to be responsible for;

except if such **Damage** is the proven consequence of the **Insured's** own negligence.

9.5.3 **Deliberate or Reckless Failure to Avoid Injury or Damage**

any deliberate or reckless failure by any **Insured Person** to avoid **Injury** or **Damage**.

9.5.4 **Injury to Employees**

any **Injury** to an **Employee** where such **Injury** arises out of and in the course of employment by the **Insured** or any liability arising out of any workers' compensation or any similar legislation anywhere in the world.

9.5.5 **Motor Vehicles**

the ownership, possession or use by or on behalf of the **Insured** or any person or party insured by this policy of any motor vehicle or trailer for which compulsory insurance or security is required by legislation or for which the government or other authority has accepted responsibility.

9.5.6 **Pollution**

Pollution.

9.5.7 **Products**

any **Product** which has been designed, specified, formulated, manufactured, constructed, installed, treated, serviced, altered or repaired by or on behalf of the **Insured**.

9.5.8 **Products Supplied Before Retroactive Date**

any **Product** which has left the custody or control of the **Insured** prior to the Retroactive Date, if any, stated in the **Schedule**.

9.5.9 **Professional Liability**

any breach of professional duty or wrongful or inadequate advice given separately for a fee.

9.5.10 **Recall**

- (a) the recall of any **Product** or part thereof; or
- (b) the recall of any product manufactured, distributed or handled by a customer of the **Insured** of which the **Product** becomes an ingredient or a component part.

9.5.11 **Repair or Replacement**

any costs and/or expenses incurred by or on behalf of the **Insured** in the repair, reconditioning or replacement of any **Product** or part thereof which is or is alleged to be defective.

9.5.12 **Rides**

any sale by or on behalf of the **Insured** of property consisting of rides, including fairground and amusement rides, and associated machinery, plant and equipment.

10 Employers' Liability Sub-Section

10.1 Operative Clause

The **Insurer** will cover the **Insured** for all sums they are legally liable to pay as damages (including claimants' costs, fees and expenses) for **Injury** to any **Employee** arising out of and in the course of that person's employment by the **Insured**, and arising from **Claims** made against the **Insured** in the **United Kingdom**, subject to Condition 7.3 and all other terms and conditions of this policy.

The cover granted applies only to such liability:

(a) **United Kingdom**

as is compulsorily insurable under the Employers' Liability (Compulsory Insurance) Act 1969 as amended and any corresponding legislation applicable in Northern Ireland, the Isle of Man, the Island of Guernsey, the Island of Jersey and the Island of Alderney, except as specially extended by this Sub-Section. Where the Policy Exclusions, Policy Conditions, Section Exclusions 7.2 and Section Conditions 7.3 would operate to provide less cover than is compulsory under the above Act, then this Sub-Section is extended to provide the cover compulsorily insurable subject always to the Limit of Liability stated in the **Schedule**.

(b) **Work Overseas**

as would otherwise be covered under the **United Kingdom** section above but for **Injury** caused to an **Employee** whilst temporarily engaged in non-manual work anywhere else in the world.

Provided that:

- (i) such **Employee** is ordinarily resident within the **United Kingdom**;
- (ii) the **Insurer** shall not provide cover in respect of any amount payable under Workmen's Compensation, Social Security or Health Insurance legislation;
- (iii) such temporary work does not exceed six (6) consecutive months in duration.

10.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable inclusive as part of and not in addition to the Limit of Liability as stated in the **Schedule**.

10.3 Trigger

This Sub-Section applies where **Injury** is caused during the **Period of Insurance**. In the case of an accident or exposure to harmful conditions manifesting itself as **Injury** after the **Employee** has left the employ of the **Insured**, this policy will apply, subject to all the terms and conditions of this policy, to such **Injury** regardless of whether this policy is still in force at the time of such manifestation.

10.4 Extensions

These extensions are subject otherwise to the terms, exclusions and conditions of the policy.

10.4.1 Cover for Principals

To the extent that any contract or agreement entered into by the **Insured** with any principal so requires, the **Insurer** will, at the request of the **Insured**:

- (a) cover the **Insured** against loss in respect of liability assumed by the **Insured**;
- (b) cover the loss of the principal in like manner to the **Insured** in respect of the liability of the principal;

arising out of the performance by the **Insured** of such contract or agreement.

Provided always that:

- (i) the conduct and control of **Claims** is vested in the **Insurer**;
- (ii) the principal shall observe fulfil and be subject to all the terms and conditions of this policy.

Cover for any principal shall only apply in respect of liability for which the **Insured** would have been entitled to cover if the **Claim** had been made directly against the **Insured**.

For purposes of this extension the term principal shall include any partner, co-venturer, subsidiary or affiliated or parent company to the principal but only to the extent that the contract between the principal and the **Insured** requires these additional parties to be covered in a like manner to the **Insured**.

10.4.2 **Terrorism**

Notwithstanding Policy Exclusion 3.4 – Terrorism, this Sub-Section will apply, subject to all its terms and conditions, to liability arising from **Terrorism** to the extent that cover is required in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **United Kingdom**, and subject to the sub-limit of liability specified in the **Schedule**.

10.4.3 **Asbestos**

Notwithstanding Policy Exclusion 3.1 – Asbestos, this Sub-Section will apply, subject to all its terms and conditions, to liability arising from asbestos or materials or products containing asbestos to the extent that cover is required in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **United Kingdom**, and subject to the sub-limit of liability specified in the **Schedule**.

10.4.4 **Cyber**

Notwithstanding Policy Exclusion 3.6 – Cyber, this Sub-Section will apply, subject to all its terms and conditions, to liability arising from electronic means (including failure or impairment of any computer or other electronic device, computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon) to the extent that cover is required in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **United Kingdom**.

10.4.5 **Unsatisfied Court Judgements**

Where a judgement for damages has been obtained by any **Employee** or the legal personal representatives of any **Employee**:

- (a) in respect of **Injury** sustained by the **Employee** arising out of and in the course of employment by the **Insured** in the **Business**; or
- (b) against any company or individual operating from or resident in premises within the **United Kingdom**; and
- (c) such judgement remains unsatisfied in whole or in part six (6) months after the date of judgement;

then at the request of the **Insured** the **Insurer** will pay to the **Employee** or the said legal personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided that:

- (i) there is no appeal outstanding;

- (ii) if any payment is made by the **Insurer** the **Employee** or the said legal personal representatives shall assign the judgement to the **Insurer**;
- (iii) this Sub-Section is operative at the time that such **Injury** is caused; and
- (iv) the liability of the **Insurer** for damages costs and expenses shall not exceed the amount stated as the Limit of Liability in the **Schedule**.

10.5 Exclusions

This policy does not apply to or include cover for or arising out of or relating to:

10.5.1 Airside

any work undertaken in, on or within any aircraft, aerospace system or airport.

10.5.2 Offshore

any 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.

10.5.3 Road Traffic Act

legal liability in respect of which compulsory insurance or security is required to be arranged under the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981 or any subsequent legislation amending or replacing such Act or Order.

10.6 Condition

10.6.1 Employers' Liability Tracing Office Notice

Certain information relating to this Sub-Section, namely:

- (a) the Policy Number;
- (b) employers' names and addresses, including subsidiaries and any relevant changes of name;
- (c) coverage dates and;
- (d) if relevant, the employer's reference numbers provided by Her Majesty's Revenue and Customs and Companies House Reference Numbers;

will be provided to the Employers' Liability Tracing Office, (the "ELTO") and added to the Employers' Liability Database (ELD).

It is understood by the **Insured** that the above named information provided to the **Insurer** will be processed by the **Insurer** for the purpose of providing the ELD, in compliance with the provisions of the Employers' Liability Insurance: Disclosure by Insurers Instrument 2010.

The ELTO may provide such information to third parties to assist individuals with claims arising out of their course of employment in the **United Kingdom** for employers carrying on, or who carried on, business in the **United Kingdom**, to identify an insurer or insurers that provided employers' liability insurance.

11 Professional Liability Sub-Section

11.1 Operative Clause

The **Insurer** will cover the **Insured** for all sums they are legally liable to pay as damages (including claimants' costs, fees and expenses), subject to Condition 7.3 and all other terms and conditions of this policy, in respect of **Claims** arising out of the conduct of the **Business** and made against the **Insured** in the **United Kingdom**, for breach of a professional duty of care consisting of:

- (a) any negligent act, negligent error or negligent omission by the **Insured** or by any **Employee** or by any other person, firm or company directly appointed by and acting for or on behalf of the **Insured**;
- (b) any dishonest or fraudulent act or omission, but only on the part of any **Employee**;
- (c) libel or slander committed unintentionally but only by the **Insured** or by any **Employee**;
- (d) any unintentional:
 - (i) breach of confidentiality; or
 - (ii) loss of a **Document**; or
 - (iii) passing-off or infringement of intellectual property rights including copyright, design right, trade mark, know how, broadcasting right, domain name or personality right;committed by the **Insured** or by any **Employee** or by any other person, firm or company directly appointed by and acting for or on behalf of the **Insured**;
- (e) any other civil liability unless excluded herein.

11.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable inclusive as part of and not in addition to the Limit of Liability as stated in the **Schedule**.

11.3 Trigger

This Sub-Section applies only to **Claims** first made against the **Insured** during the **Period of Insurance**, and notified to the **Insurer** during the **Period of Insurance** or within the number of days of the expiry date of the policy stated in the **Schedule** in accordance with Condition 7.3.2 – Claim Notification, arising from any act, error or omission occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

However, this Sub-Section does not apply to any **Claim** that is covered under any subsequent insurance the **Insured** acquires, or would be covered but for the exhaustion of the Limit of Liability applicable to such **Claim**.

11.4 Extensions

These extensions are subject otherwise to the terms, exclusions and conditions of the policy.

11.4.1 Data Protection

The **Insurer** will cover the **Insured** against loss in respect of **Defence Costs** and expenses resulting from any prosecution first brought against the **Insured** and/or any **Employee** during the **Period of Insurance** which arises out of the conduct of the **Business** in respect of any offences or alleged offences under sections 21(1), 21(2), 22(6) or 47(1) of the Data Protection Act 1998. Provided always that cover shall only apply in respect of any offence or alleged offence occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

The **Insurer's** liability under this extension shall be limited to GBP 250,000 any one **Occurrence** and in the aggregate which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

The **Excess** stated in the **Schedule** shall not apply to this extension.

11.4.2 Repair, Replacement or Reconstitution of Documents

The **Insurer** will cover the **Insured** against loss in respect of the necessary costs of repair, replacement or reconstitution of any **Document** which has been unintentionally destroyed, damaged, lost or mislaid and which after diligent search cannot be found. Cover only applies where the loss, destruction or damage is notified to the **Insurer** during the **Period of Insurance**. This extension shall not apply to stamps, currency, bank notes and instruments, travellers cheques, cheques, postal orders, money orders, securities and the like.

The word 'necessary' as used above shall be understood to include that the loss of such **Document** must be such as will imminently give rise to a **Claim** being made against the **Insured** for damages if nothing further is done to prevent it or that such a **Claim** has already been made.

This extension excludes the repair, replacement or reconstitution of any **Document** as a result of an order of any government or public or local authority or where loss, destruction or damage results from wear or tear, the action of vermin, gradual deterioration or magnetic flux or loss of magnetism, except where caused by lightning.

The **Insurer's** liability under this extension shall be limited to GBP 250,000 any one **Occurrence** and in the aggregate which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

The **Excess** stated in the **Schedule** shall not apply to this extension.

11.5 Exclusions

This policy does not apply to liability arising directly or indirectly out of:

11.5.1 Abuse

the actual or alleged physical, sexual or psychological abuse of any person or the failure to prevent the same.

11.5.2 Damage

Damage.

11.5.3 Deliberate or Reckless Acts

any deliberate or reckless breach, act, omission or infringement committed, condoned or ignored by the **Insured**.

11.5.4 **Depreciation of Investments**

depreciation or loss of investment when such depreciation or loss arises from fluctuations in any financial stock or commodity or other markets or any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments or in connection with any investment advice given or services performed which have not been authorised where such authorisation is required under any statutory regulation by the relevant statutory authority.

11.5.5 **Directors, Officers or Trustees**

the liability of the **Insured** in their respective capacities as a director, officer and/or trustee.

11.5.6 **Employer Obligations**

any breach of any obligation owed by the **Insured** as an employer to any **Employee** or former **Employee** or applicant for employment.

11.5.7 **Fraudulent Acts**

the dishonest or fraudulent act or omission of any former or present partner, principal, director, member, consultant or sub-contractor of the **Insured**:

- (a) in respect of any person committing or condoning such dishonest or fraudulent act or omission;
- (b) in the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives;
- (c) arising after the discovery of justifiable cause for suspicion of dishonesty or fraud by the dishonest or fraudulent person or persons; or
- (d) in the amount equivalent to:
 - (i) any monies owed by the **Insured** to any person committing, condoning or contributing to the dishonest or fraudulent act or omission;
 - (ii) any monies held by the **Insured** and belonging to such person;
 - (iii) any monies recovered in accordance with Condition 11.6.1 – Dishonest or Fraudulent Claim Recovery.

11.5.8 **Infringement of Trade Secret or Patent**

any infringement of trade secret or patent.

11.5.9 **Injury**

Injury, mental anguish or mental stress of or to a person other than emotional distress arising from any libel or slander. This exclusion shall not apply to **Injury** directly caused by the provision of professional sports advice, coaching or instruction in connection with the **Business**.

11.5.10 **Insolvency**

the insolvency or bankruptcy of the **Insured**.

11.5.11 Internet Business

any **Business** conducted and/or transacted via the **Internet, Intranet, Extranet** and/or via the **Insured's** own website, **Internet** site, web-address and/or via the transmission of electronic mail or documents by electronic means. This exclusion shall not apply if the liability to the **Insured** would have attached in the absence of the fact that the **Business** was conducted and/or transacted via the **Internet, Intranet, Extranet** and/or via the **Insured's** own website, **Internet** site, web-address and/or via the transmission of electronic mail or documents by electronic means.

11.5.12 Joint Ventures

any association or joint venture conducted with any third party other than in respect of any **Claim** or circumstance arising from the **Business**, provided that such **Claim** or circumstance emanates from a wholly independent third party.

11.5.13 Mould or Fungus

- (a) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind;
- (b) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins; or
- (c) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins.

11.5.14 Pollution

Pollution.

11.5.15 Products

any tangible property after it has left the custody or control of the **Insured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, leased, loaned, free issued, altered or repaired by or on behalf of the **Insured**, other than food and drink provided mainly for consumption by **Employees**.

11.5.16 Related Entities

any circumstance concerning or **Claim** brought by or on behalf of the **Insured** or any parent or subsidiary company of the **Insured** or any person having a financial, executive or controlling interest in the **Insured** (unless the financial interest is less than 5%) or by or on behalf of any entity controlled or managed by the **Insured** or where the **Insured** has greater than a 5% financial interest or where the **Insured** has accepted a financial interest, irrespective of the amount, in any entity in exchange for fees incurred.

11.5.17 Trading Losses

any trading losses or trading liabilities incurred by the **Insured** or any business managed by or carried on by or on behalf the **Insured** or any guarantee given by the **Insured** for a debt.

11.5.18 **Transport or Property**

the ownership, possession or use of any aircraft, watercraft, hovercraft, motor vehicle, trailer or other means of transport or any buildings, structures, premises or land or any property (mobile or immobile).

11.6 **Conditions**

11.6.1 **Dishonest or Fraudulent Claim Recovery**

Where a **Claim** or circumstance involves the dishonest or fraudulent act or omission of any **Employee** of the **Insured**:

- (a) the **Insured** shall at the request and expense of the **Insurer** take all practical steps to obtain reimbursement from such person;
- (b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from the **Insured** or any monies of such persons held by the **Insured** shall be retained by the **Insured** and allocated to reducing the amount of a **Claim**;
- (c) nothing in this policy shall preclude the **Insurer** from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission;
- (d) no payment shall be made by the **Insurer** under this Professional Liability Sub-Section until after the final ascertainment of the amount of any recovery from the dishonest or fraudulent person or persons or their estates or legal representatives.

11.6.2 **Limit of Liability**

All **Claims** (including costs sought under Extension 11.4.1 – Data Protection or Extension 11.4.2 – Repair, Replacement or Reconstitution of Documents) whether made against or sought by one or more **Insured**, wholly or substantially arising from or having any connection with or relation to the acts, errors, omissions or breaches of a single person or persons acting together or in which such person or persons is or are concerned or implicated, shall be treated as one **Claim** (or single application for costs under the under Extension 11.4.1 – Data Protection or Extension 11.4.2 – Repair, Replacement or Reconstitution of Documents) for the purposes of deciding the applicable Limit of Liability and the application of the **Excess** under this Sub-Section. The **Insurer** shall be the sole judge as to whether the provisions of this condition shall operate in relation to any **Claim** or application for costs under Extension 11.4.1 – Data Protection or Extension 11.4.2 – Repair, Replacement or Reconstitution of Documents.

12 Trustees Liability Sub-Section

12.1 Operative Clause

Subject to all the terms and conditions of this policy, the **Insurer** will pay:

- (a) on behalf of any **Trustee** all sums they are legally liable to pay as damages (including claimants' costs, fees and expenses) arising from **Claims** made against them in the **United Kingdom** in respect of any **Wrongful Act**; and
- (b) on behalf of the **Insured** any sums that the **Insured** has paid or is held liable to pay the **Trustee** by way of an advancement or insurance in relation to the **Trustee's** liability that would otherwise be covered by (a) above.

The **Excess** shall not apply to any loss of a **Trustee** that the **Insured** cannot provide an advancement or insurance for due to legislative prohibition or insolvency as determined in accordance with Section 123 of the Insolvency Act.

12.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable inclusive as part of and not in addition to the Limit of Liability as stated in the **Schedule**.

12.3 Trigger

This Sub-Section applies only to **Claims** first made against the **Trustee** during the **Period of Insurance**, and notified to the **Insurer** during the **Period of Insurance** or within the number of days of the expiry date of the policy stated in the **Schedule** in accordance with Condition 7.3.2 – Claim Notification, arising from any **Wrongful Act** occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

All **Claims** related or connected in any way by reference to any common contributory factor or characteristic shall be treated as a single **Claim** first made on the date the first such **Claim** was notified.

12.4 Legal Representative Extension

Subject otherwise to the terms, exclusions and conditions of the policy, the **Insurer** will pay on behalf of the estate, heirs and legal representatives of a **Trustee** in the event of their death, incapacity or bankruptcy, but only in respect of a **Claim** against the **Trustee** that would otherwise be covered under this policy, provided that such estate, heirs and legal representatives shall, as though they were the **Trustee**, observe, fulfil and be subject to the terms, conditions, exclusions of this policy in so far as they can apply.

12.5 Exclusions

This policy does not apply to or include cover for or arising out of or relating to:

12.5.1 Damage

Damage.

12.5.2 Discrimination

any allegation of discrimination on the basis of the laws of the **United Kingdom**, statutory or common, or law of all the European Community or any judgement of the European Courts. This exclusion shall not prevent a **Trustee** being able to claim payment or reimbursement of **Defence Costs**.

12.5.3 Employee Benefit

any retirement, pension, profit-sharing, health, welfare or any other employee benefit fund, trust scheme or plan.

12.5.4 **Failure to Procure or Maintain Insurance**

the failure or omission on the part of the **Trustee** to arrange or maintain insurance or bonding for the **Insured's** property or the failure to purchase or maintain insurance protection for the **Insured** against any **Claim** resulting from the **Insured's** failure to meet its obligations.

12.5.5 **Fraudulent Acts**

the intentional, dishonest or fraudulent act or omission or any wilful breach of any statute, rule or law committed by the **Trustee**.

This exclusion shall only apply to the **Trustee** who is actual guilty of the above conduct, as established through a final adjudication by any court, tribunal or other similar body, or formal written admission by the **Trustee**.

12.5.6 **Injury**

Injury, mental anguish or mental stress of or to a person.

12.5.7 **Insolvency**

the insolvency or bankruptcy of the **Insured** unless the **Insured** has been trading over two (2) years.

12.5.8 **Insured versus Insured**

any **Claim** by the **Insured** or any person insured hereunder.

12.5.9 **Libel or Slander**

any libel, slander, plagiarism, privacy or copyright, or infringement of rights pertaining to privacy or copyright by reason of any matter broadcast or published by the **Insured**.

12.5.10 **Products**

any tangible property after it has left the custody or control of the **Insured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, leased, loaned, free issued, altered or repaired by or on behalf of the **Insured**, other than food and drink provided mainly for consumption by **Employees**.

12.5.11 **Profit or Advantage**

any unlawful personal profit, remuneration or advantage gained by the **Trustee** or a financial advantage to any entity in which the **Trustee** has a financial interest.

This exclusion shall only apply to the **Trustee** who is actual guilty of the above conduct, as established through a final adjudication by any court, tribunal or other similar body, or formal written admission by the **Trustee**.

12.6 Conditions

12.6.1 Advanced Payment of Defence Costs

The **Insurer** shall pay **Defence Costs** or any other costs and/or expenses payable under this Sub-Section. However in the event and to the extent that it is finally determined that the **Trustee** or the **Insured** is not entitled to such payments under this Sub-Section the sums advanced shall be repaid to the **Insurer** upon demand and failing that the Limit of Liability will automatically be reduced by the amount of such advance payment.

12.6.2 Allocation

In the event of:

- (a) any loss or **Defence Costs** being partially excluded by the terms of this policy; and/or
- (b) any **Claim** against a **Trustee** being also made against the **Insured** and/or one or more persons who are not insured under this Sub-Section;

then the **Insurer**, the **Trustee** and/or the **Insured** shall use their best endeavours to agree such an allocation of the loss and professional costs and expenses to the Sub-Section having regard to the legal and financial exposures of the relevant parties and the proportion to which the losses and professional costs and expenses are not covered under this Sub-Section.

12.6.3 Non-Imputation

- (a) This Sub-Section shall apply to each **Trustee** separately.
- (b) In determining whether the **Insurer** can apply the provisions of Clause 1.6 – Information You Have Given Us, the **Insurer** shall:
 - (i) in respect of a **Claim** by a **Trustee**, shall only take into account the statements made by, knowledge possessed by or the acts, omissions or conduct of, that particular **Trustee**; and
 - (ii) in respect of a **Claim** by the **Insured**, where cover is available to it under this Sub-Section, only take into account the statements made by, knowledge possessed by or the acts, omissions or conduct on the part of, any two out of the **Insured's** chairman of the board, managing director, finance director, chief legal officer or their equivalents.

12.6.4 Order of Payments

Where there are multiple **Claims** for cover under this Sub-Section, the **Insurer** shall make payments in the order those **Claims** are presented to it.

If it becomes apparent to the **Insurer** in its absolute discretion that the Limit of Liability will not be sufficient to cover all expected payments under this Sub-Section then the **Insurer** will make payments in the following order:

- (a) payments under Clause 12.1(a), direct to the **Trustee**; followed by
- (b) payments under Clause 12.1(b), to the **Insured**; followed by
- (c) any other payments to the **Insured**.

13 Trustees Personal Accident Section

13.1 Operative Clause

The **Insurer** will pay the applicable **Benefit** to a **Trustee** who suffers **Injury** caused by an **Accident** during the **Period of Insurance** within the **United Kingdom** at a time when the **Trustee** is actively performing (or travelling to perform) his or her official duties as a **Trustee** and which results in:

13.1.1 **Death, Permanent Total Disablement, Permanent Partial Disablement or Temporary Total Disablement** of the **Trustee**; and/or

13.1.2 the **Trustee** incurring **Medical Expenses**.

The amount of the **Benefit** available for each of **Death, Permanent Total Disablement, Permanent Partial Disablement, Temporary Total Disablement** and **Medical Expenses** is set out in the **Schedule**. The **Benefits** are selectable individually by the **Insured**. Please check the **Schedule** to see which **Benefits** are covered.

13.2 Conditions

13.2.1 The **Trustee** or the **Insured** must give written notice to the **Insurer** as soon as practicably possible of any **Accident** or other event which may give rise to a claim under this Section.

13.2.2 To be eligible for payment, the **Trustee** must make a claim for a covered **Benefit** within the **Claim Time Limit**. Any subsequent claims by that **Trustee** for further covered **Benefits** arising out of the same **Accident** will be deemed to have been made within the **Claim Time Limit**.

13.2.3 Where a **Trustee** claims for more than one **Benefit** arising out of the same **Accident**, the **Insurer** shall not pay more in total than the amount of the single most valuable **Benefit**.

13.2.4 The **Insurer** shall not pay more than the Capital Sum stated in the **Schedule** for **Permanent Partial Disablement** arising out of any one **Accident** regardless of the number of conditions diagnosed in the **Trustee**.

13.2.5 The **Benefit** for **Temporary Total Disablement** shall be payable per week after expiry of the **Waiting Period** and for the Maximum Duration stated in the **Schedule** whether or not the weekly payments are consecutive, but shall never exceed the net weekly earnings of the **Trustee** regardless of the amounts stated in the **Schedule**.

13.2.6 The **Benefit** for **Medical Expenses** shall be limited to reimbursement of the **Medical Expenses** actually incurred by the **Trustee** in the twelve (12) months following the **Accident**, up to the amount specified in the **Schedule** but not including the **Excess** stated in the **Schedule** which shall be payable either by the **Insured** or the **Trustee**.

13.2.7 The **Trustee** shall as often as required submit to medical examination by a **Medical Practitioner** at the **Insurer's** expense in connection with any claim. This includes any autopsy. If the **Trustee's Medical Practitioner** and the **Insurer's Medical Practitioner** are not able to agree on a diagnosis, they shall name an independent **Medical Practitioner** to provide a written opinion on the matter at the **Insurer's** expense.

13.2.8 The **Insurer** shall be under no obligation to pay any claim under this policy unless the **Trustee** complies with the medical advice of his or her **Medical Practitioner**, including advice in relation to the taking of medication and participation in any rehabilitation programme.

13.2.9 Where the **Trustee** has disappeared and the **Death Benefit** is payable, the person or persons to whom the **Benefit** is paid shall sign an undertaking to refund it to the **Insurer** if the **Insured Person** is found to be alive.

- 13.2.10 If the **Occurrence Aggregate Limit** is exceeded, the liability of the **Insurer** in respect of each **Trustee** claiming in respect of the relevant **Occurrence** shall be proportionately reduced until the total does not exceed that limit.
- 13.2.11 If the **Travel Accumulation Limit** is exceeded, the liability of the **Insurer** in respect of each **Trustee** travelling in the relevant vehicle shall be proportionately reduced until the total does not exceed that limit.

13.3 Exclusions

This policy does not apply to or include cover for or arising out of or relating to:

- 13.3.1 any **Trustee** over the age of eighty (80) at the time of the **Accident**;
- 13.3.2 any **Trustee** engaging in a sports training session or competitive game, or preparing playing surfaces or equipment, in connection with the **Business**;
- 13.3.3 the **Trustee** committing, or attempting to commit, suicide or any act of intentional self-harm or self-exposure to needless peril (except in an attempt to save human life);
- 13.3.4 the **Trustee** taking part in civil commotion or riot of any kind;
- 13.3.5 the **Trustee** committing any criminal or unlawful act;
- 13.3.6 the **Trustee** engaging in active service in the armed forces of any nation;
- 13.3.7 the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials by any person;
- 13.3.8 the **Trustee** taking part in any of the following activities:
- abseiling
 - backpacking trips
 - BASE jumping
 - bungee jumping
 - cage diving
 - canyoning/canyoneering
 - caving
 - hang gliding
 - helicopter activities
 - heli-hiking/heli-skiing
 - horse riding or other equine tours
 - hot air balloon rides
 - hunting
 - ice climbing
 - ice fishing
 - jet boating
 - moped riding
 - motorcycle/ATVS
 - mountain biking
 - mountaineering
 - parachuting
 - parasailing
 - polo playing
 - quad biking
 - racing
 - rodeos
 - scuba diving
 - snowboarding
 - snowmobiles
 - speed boating
 - stag or hen parties
 - white water activities (Class 3-5 water)
 - zip wires
 - zorbing
- 13.3.9 the intoxication of the **Trustee** by means of alcohol or other drugs;
- 13.3.10 any medical condition of the **Trustee** which was in existence before the start of the **Period of Insurance**;
- 13.3.11 any professional medical, hospital, surgical, manipulative, massage, physiotherapeutic, X-ray or nursing treatment carried out on the **Trustee**.