



**First Real Estate  
Policy Wording**

# Contents

Introduction.....	3
Our complaints procedure.....	5
Personal Information.....	7
Fraud Prevention and Detection.....	10
How to make a Claim.....	11
General Definitions.....	12
General Conditions.....	18
Section 1 - Property Damage.....	23
Section 1 - Extensions.....	25
Section 1 - Conditions.....	36
Section 2a – Loss of Rent.....	38
Section 2a - Extensions.....	39
Section 2a - Conditions.....	44
Section 2b – Outstanding Debit Balances.....	45
Covers applicable to Section 1, Section 2a and 2b.....	46
Exclusions applicable to Section 1, Section 2a and 2b.....	48
Section 3 – Property Owners’ Liability.....	52
Section 3 - Extensions.....	53
Section 3 - Conditions.....	58
Section 3 - Exclusions.....	60
Section 4 – Employers’ Liability.....	62
Section 4 - Extensions.....	63
Section 4 – Conditions and Exclusions.....	65
Section 5 – Terrorism.....	66
Section 5 – Conditions and Exclusions.....	69
General Exclusions.....	70

## Welcome to First Underwriting Limited

### Policy Introduction

Thank **You** for choosing this Real Estate insurance **Policy** issued by First Underwriting Limited.

**You** should have this **Policy** booklet, a **Schedule of Insurance** (which indicates operative sections) and any **Endorsements** that apply to **Your** own **Policy** for full details of **Your** cover. These documents constitute a legally binding contract of insurance between **You** and **Us**. Please read all documentation carefully, including the terms, conditions and exclusions to ensure that they meet **Your** demands and needs. If they do not meet **Your** demands and needs, please return them to **Us** or Your insurance broker immediately. If the insurance described does not give **You** everything **You** need, please tell **Us** immediately.

This insurance contract is based on the information provided by **You** or on **Your** behalf at the time **You** applied for this insurance and is shown in the Statement of Fact. Please tell **Us** at once if **You** have made any mistakes or if the information provided by **You** is not accurate or complete, otherwise this **Policy** may not be valid or **We** may reduce the amount **We** pay or apply different terms to the **Policy**.

### Law applicable to this contract

The law of England and Wales and the decision of the courts of England and Wales will apply to this contract unless: **You** and **We** agree otherwise; or

At the start date of the contract **You** are a resident of (or, in the case of a business, the registered office or principal place of business is in) the Channel Islands or the Isle of Man, in which case the law and the decision of the courts of that territory will apply.

### About this policy

In this **Policy** where the context requires:

- words in the singular include the plural and vice versa;
- words expressed in one gender shall include all genders;
- references to 'a person' shall include any individual, company, partnership or any other legal entity;
- references to a statute, regulation or trade terms of contract will be construed to include all its amendments, replacements or equivalents in other jurisdictions.

### About First Underwriting Limited

First Underwriting Limited is registered in England & Wales, Company Number 07857938 and is authorised and regulated by the Financial Conduct Authority under the Firm's Reference Number (FRN) 624585.

First Underwriting Limited is an intermediary and not an insurer. First Underwriting Limited has not made any personal recommendation regarding the sale of this **Policy**.

This **Policy** is issued in accordance with the authority Accredited Insurance (Europe) Limited – UK Branch ("**Accredited**") have granted to First Underwriting Limited under the terms of a contract between First Underwriting Limited and Accredited. This contract makes First Underwriting Limited the Agent of Accredited and gives them the authority to perform certain acts on Accredited's behalf, but does not affect **Your** rights to claim or make a complaint. First Underwriting Limited act as an administrator on behalf of Accredited.

## About the Insurer

Accredited is the UK Branch of Accredited Insurance (Europe) Limited, which is incorporated in Malta (Company number: C59505) with limited liability and with its Registered Office and principal place of business at Development House, St Anne Street, Floriana, FRN 9010 Malta.

Accredited is licensed in accordance with the Insurance Business Act, 1988 (Chapter 403, Laws of Malta) to carry out insurance and reinsurance business and has a place of registration and principal place of business at 71 Fenchurch Street, London, EC3M 4BS. UK Companies House registered number: BR021362.

Authorised and regulated by the Malta Financial Services Authority. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.



Colin Johnson  
Director  
Accredited Insurance  
(Europe) Limited –  
UK Branch



Tom Donachie  
Managing Director  
First Underwriting Limited.

## Our complaints procedure

### Our commitment to You

**We** strive to provide an excellent service to all **Our** customers but occasionally things can go wrong. **We** take all complaints seriously and endeavor to resolve all customers' problems promptly. If **You** have a question about this insurance or complaint about **Your** broker, **You** should contact **Your** broker.

If **You** wish to make a complaint, **You** can do so at any time by contacting **Us** at:

Tom Donachie  
Managing Director First Underwriting Ltd  
The Gherkin  
30 St Mary Axe  
London  
EC3A 8EP

If **We** cannot resolve **Your** complaint straightaway, **We** will aim to resolve **Your** concerns as soon as possible and **We** will keep **You** informed of progress while **Our** enquiries are continuing.

If **Your** complaint involves the services of the Insurer, **You** may complain to them directly, and **We** will provide the contact details for **You**.

### The Financial Ombudsman Service (FOS)

If **We** are unable to resolve **Your** complaint to **Your** satisfaction or if **You** remain dissatisfied following receipt of **Our** final response letter, **You** may have the right to refer **Your** complaint to the FOS. **You** must contact the FOS within six months of **Our** final response.

The FOS contact details are as follows:

Address: Financial Ombudsman Service Exchange Tower, London E14 9SR

Telephone: 0800 023 4567 for people phoning from a "fixed line" (for example a landline at home) or 0300 123 9123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02  
E-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

This is a free and impartial service and **You** are entitled to contact the FOS at any stage of **Your** complaint, although FOS will usually only consider a complaint once **You** have exhausted the complaints process of the firm about which **You** are complaining.

If **You** are unsure whether the FOS will consider **Your** complaint or **You** require more information, please contact the FOS directly, or visit [www.financialombudsman.org.uk](http://www.financialombudsman.org.uk).

### Office of the Arbiter for Financial Services

If **You** are not satisfied with **Our** final response or where **We** have not responded within fifteen (15) working days, **You** may have the right to refer **Your** complaint to:

Office of the Arbiter for Financial Services, 1st Floor, St Calcedonius Square, Floriana, FRN 1530, Malta, telephone (+356) 212 49245. You will have to pay EUR 25.00 at the time of making **Your** complaint to the Arbiter to use this service.

The Office of the Arbiter for Financial Services considers that a “complaint” refers to a statement of dissatisfaction addressed to an insurance undertaking by a person relating to the insurance contract or the service he/she has been provided with. The term “person” does not specify that this is limited to individuals and therefore any policyholder, insured person, beneficiary and injured third party (irrespective of the country of residence or where the risk in situated) is eligible to make a complaint.

For more information on the Office of the Arbiter for Financial Services and its complaints process, please visit [www.financialarbiter.org.mt](http://www.financialarbiter.org.mt).

Please note this only applies to complaints about Accredited.

### **The Financial Services Compensation Scheme (FSCS)**

**We** are covered by the Financial Services Compensation Scheme (“FSCS”), which means that **You** may be entitled to compensation if **We** are unable to meet **Our** obligations to **You**. The level and extent of compensation will depend on the nature of this insurance. Further information about the FSCS is available on their website [www.fscs.org.uk](http://www.fscs.org.uk), or by contacting them directly on 0800 678 1100, or **You** can write to them at PO Box 300, Mitcheldean, GL17 1DY.

## How we use personal information

### Your personal information notice

#### Data Protection

First Underwriting Limited is the data controller and processor in respect of **Your** personal data. This means that **We** decide how **Your** personal data is processed and for what purposes.

**We** comply with **Our** obligations under the General Data Protection Regulations (“GDPR”) and the Data Protection Act 2018 (“DOA”) by keeping personal data up to date, by storing and destroying it securely, by not collecting or retaining excessive amounts of data, by protecting personal data from loss, misuse, unauthorised access and disclosure and by ensuring that appropriate technical measures are in place to protect personal data.

#### Use of Personal Information

**We** use personal information for the following purposes:

- To assess **Your** request for insurance, provide a quotation and administer **Your Policy**;
- To undertake the performance of a contract of insurance to which **You** are a party;
- To administer **Your** claims and third party claims;
- To prevent fraud and financial crime;
- Statistical analysis and management information;
- Audits, system integrity checking and risk management;
- To send marketing information about **Our** products and services if **We** have received specific consent.

There is no obligation to provide **Us** with personal information, but if **You** do not, **We** may not be able to provide products or services or administer claims.

#### Profiling and Automated Decision Making

**We** may use automated decision making, which includes profiling in **Our** assessment of insurance risks and for the administration of policies. This is used to help **Us** decide whether to offer insurance, determine prices and validate claims. If **You** do not want any of **Your** personal information to be subject to automated decision making, please let **Us** know.

#### Collection of Personal Information

**We** collect the following types of personal information to allow **Us** to complete the activities described under ‘use of personal information’ above:

- Individual details such as name, address, phone numbers, age, gender, marital status, dependents, employment status and job title;
- Financial details such as bank account or credit card information;
- Identification details such as a passport number or national insurance number;
- Background insurance checks including previous **Policy** information and claims history;
- Special categories of data including medical information and criminal convictions.

## Where we collect Personal Information From

We may collect information about **You** from the following sources:

- **You** or **Your** family members;
- **Your** representatives;
- Information **You** have made public (such as via social media);
- Credit reference or fraud prevention agencies;
- Emergency services, law enforcement agencies, medical and legal practices;
- Insurance industry registers and databases used to detect and prevent insurance fraud, for example, the Claims and Underwriting Exchange (CUE);
- In the event of a claim, insurance investigators, claims service providers, claimants or witnesses;
- Other service providers or provider services for **Our** products.

## Sharing of Personal Information

We may need to share **Your** personal information with other recipients which could include:

- Approved service providers or suppliers or other group companies that provide support services;
- Fraud prevention or credit reference agencies or other agencies that carry out work on **Our** behalf such as the Insurance Fraud Bureau (IFB);
- Other insurers, reinsurers, underwriters, regulators, law enforcement, Ombudsman Services or the Claims and Underwriting Exchange (CUE);
- Purchasers of the whole or part of **Our** business.

## Retention of Personal Information

We keep personal information only for as long as is necessary to administer the **Policy** or manage **Our** business or as required for legal or regulatory purposes.

## Use and Sharing of Special Categories of Personal Information

Special categories of personal information under Data Protection Legislation include medical information and criminal convictions. We may need to collect and process this information for the purposes of evaluating the risk and/or administering **Your** Policy or a claim. **You** or any person covered under this **Policy** must provide explicit oral or written confirmation to such information being processed by **Us**.

We will only share this information in accordance with appropriate laws and regulations or where it is essential to administer the **Policy** or when dealing with a claim.

## Your Rights

**You** have the right regarding any personal information that **We** hold to:

- Restrict or object to **Us** processing it and **We** will agree to either stop processing or explain why **We** are not able to;
- Access the personal information **We** hold about **You** subject to certain restrictions;
- Ask **Us** to update any data that is incomplete or correct any inaccurate information;
- Ask **Us** to delete the information from **Our** records if it is no longer needed for the original purpose;
- Ask **Us** for an electronic copy so it can be used for **Your** own purposes;
- Ask **Us** to stop processing the information if the processing is based solely on individual consent;
- Find out about any automated decisions **We** make that affect **Your** insurance Premiums.



## Personal Information

If **You** have any questions about how **We** use personal information or if **You** wish to exercise any of **Your** rights or to complain if **You** feel that **Your** personal information has been mishandled, **You** can contact **Our** Data Protection Officer as follows:

[dataprotection@firstuw.com](mailto:dataprotection@firstuw.com)

**You** also have the right to complain directly to the Information Commissioners Office (ICO) whose details can be found at [www.ico.org.uk](http://www.ico.org.uk)

## Key information about fraud prevention and detection

In order to prevent and detect fraud, **We** may at any time:

- share information about **You** with other organisations including law enforcement agencies and public bodies;
- conduct searches using publicly available databases;
- undertake credit searches;
- check and share **Your** details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified or **We** suspect fraud, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.

**We** and other organisations, including those from other countries may also access and use this information to prevent fraud and money laundering for example when:

- checking details on applications for credit and credit related to other facilities;
- managing credit and credit related accounts or facilities;
- recovering debt and tracing beneficiaries;
- checking details on proposals and claims for all types of insurance;
- checking details of job applicants and **Employees**.

**You** can contact **Us** if you want to receive details of the relevant databases, registers and fraud prevention agencies that **We** use.

### Claims history

When **You** tell **Us** about an **incident** or claim **We** may pass information relating to it to the Claims and Underwriting Exchange Register (CUE), run by Insurance Database Services Ltd (IDSL), or another relevant database.

**We** and other insurers may search these databases when **You** apply for insurance, in the event of any **Incident** or claim or at time of renewal to validate **Your** claims history or that of any other person or property likely to be involved in the **Policy** or claim. This helps to check information provided and prevent fraudulent claims.

## How to make a Claim

To make a claim please contact the **Claims Team on:**

### **Property Damage & Loss of Rent**

#### **Claims Consortium Group (CCG)**

Phone: 0330 124 3781

Email for new claims: [firstrealestatenc@claimsconsortiumgroup.co.uk](mailto:firstrealestatenc@claimsconsortiumgroup.co.uk)

Email for existing claims: [firstrealestate@claimsconsortiumgroup.co.uk](mailto:firstrealestate@claimsconsortiumgroup.co.uk)

### **Property Owners' Liability**

#### **Kennedys**

Phone: 0345 646 1434

Email for all claims: [firstrealestate@kennedyslaw.com](mailto:firstrealestate@kennedyslaw.com)

Please refer to **General Condition – Claims Procedures** for the claims procedure that must be followed. If **You** fail to do so, **We** may not pay **Your** claim, or any payment could be reduced.

## Definitions

The definitions of key words which are used in this document are shown below.

Wherever the following words or phrases appear in **Your Policy** in bold font, they will have the meaning given below (unless stated otherwise).

### Asbestos

Asbestos, asbestos fibres, particles or derivatives of asbestos or any material containing asbestos.

### Bodily Injury

Death, injury, illness or disease including mental illness and, if amounting to mental illness, nervous shock and mental anguish.

### Building(s)

The fixed permanent structures at the **Premises** within the boundaries of the **Premises** belonging to **You** or for which **You** are responsible, including:

1. landlord's fixtures and fittings;
2. tenants' improvements for which **You** are responsible;
3. fixed glass and fixed sanitaryware for which you are responsible;
4. footings, foundations, extensions, annexes, walls, gates, fences and signage;
5. adjoining gangways, pedestrian access bridges, yards, roadways or pavements, car parks, barriers, forecourts, artificial surfaces constructed of solid materials, drains, sewers and gutters;
6. security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the buildings, fixed poles or fixed pylons at the **Premises**;
7. telephone, gas, water and electricity meters, piping, ducting, cables, wires and associated control gear, instruments and accessories, including such property for which **You** are responsible but which is in or under adjoining yards or roadways extending to either:
  - a) the public mains and which partly or wholly

serves to supply the **Premises**;

- b) up to five (5) metres beyond the perimeter of the **Premises**;

whichever is the lesser; and

8. **Landlord's Contents** not otherwise insured under Item 2 on the **Schedule**.

### Business

**Your** activities as stated in the **Schedule**.

### Clean Up Costs

- a) testing for or monitoring of **Pollution** or **Contamination**; and
- b) the costs of **Remediation** as lawfully required by any **Enforcing Authority** to a standard reasonably achievable by the methods available at the time **Remediation** commences.

### Communicable Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

For the avoidance of doubt, this definition includes Covid-19 and any other type or strain of coronavirus or any other pandemic of any type (or any disease as defined here, whether amounting to a pandemic or not).

### Computer System

Any computer, hardware, software, communications

system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by **You** or any other party.

### Costs and Expenses

1. Fees for **Your** legal representation in any proceedings in a coroner's court, fatal accident enquiry or in any court of summary jurisdiction, arising out of any death or alleged breach of statutory duty;
2. all other costs and expenses incurred with **Our** prior written consent in connection with the investigation, defence or settlement of any claim;
3. claimant's legal costs for which **You** become legally liable to pay,

in connection with any event which is or may be the subject of cover under this **Policy**.

### Covered Property

Property covered under Section 1 – Property Damage.

### Cyber Act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof, involving access to, processing of, use of or operation of any **Computer System**.

### Cyber Incident

1. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
2. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

### Cyber Loss

Any loss, **Damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**.

### Damage

Physical loss, destruction or damage.

### Data

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

### Day One Rebuilding Value

The true cost to rebuild **Buildings** at the start of the **Period of Insurance**.

### Declared Value

**Your** assessment of the cost of **Reinstatement** of the property insured at the level of costs applying at the start of the **Period of Insurance** (ignoring inflationary factors which may operate during the **Period of Insurance**) together with, where relevant, allowance for:

1. the additional cost of **Reinstatement** to comply with any applicable legislation, regulations or Public Authority requirements;
2. professional fees;
3. debris removal costs; and
4. Value Added Tax (this should only be included if VAT is not otherwise recoverable).

### Defined Peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, storm, **Flood**, escape of water or oil from any tank, apparatus or pipe, leakage of oil from any fixed heating installation or impact by any road vehicle or animal.

### Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **Computer Systems**. Denial of Service attacks include the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between

and amongst networks and the procurement of such actions or instructions by other **Computer Systems**.

### Employee

Any person whilst working for **You** in connection with the Business who is:

1. under a contract of service or apprenticeship with **You**;
2. a labour master or supplied by a labour master;
3. employed by labour only sub-contractors;
4. self-employed;
5. an outworker or homeworker when engaged in work on **Your** behalf;
6. borrowed by or hired to **You**; or
7. a voluntary helper or participating in a work experience or training scheme and under **Your** control and supervision.

### Endorsement

A variation in cover or an additional condition or exclusion attached to **Your** documentation that makes changes to the terms of this **Policy**.

### Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation in the **Policy Territories**.

### Excess/Excesses

The first amount of each and every claim that **You** must pay, as set out in **Your Policy, Schedule**, folio or any **Endorsement**

### Financial Loss

A pecuniary loss incurred by any tenant of **You** and not caused by **Personal Injury** or **Damage** to material property.

### Flood

The escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea. This includes rising water, surface water or waves; tidal waves or tidal water; overflow of streams, rivers, lakes, ponds

or other bodies of water; spray from any of the above; all whether driven by wind or not, but excluding storm and earthquake.

### Government Action

Martial law, confiscation, nationalisation, requisition, seizure, damage or destruction to property by or under the order of any government or public or local authority or any action taken in controlling, preventing, suppressing or in any way relating to **War**.

### Hacking

Unauthorised access to any **Computer Systems** or any other equipment, component, system or item which processes, stores, transmits or retrieves data, whether **Your** property or not.

### Indemnity Period

The period during which the results of the **Business** are affected as a result of covered **Damage**, beginning with the date of the **Damage** or the period beginning after the expiry of any time excess following the **Damage** and ending not later than the **Maximum Indemnity Period**.

### Landlords Contents

Furniture, furnishings, fixtures and fittings, and contents of reception, storage and communal areas within the **Buildings** at the **Premises**, which **You** are responsible for as landlord, including:

1. **Money**, belonging to **You** at the **Premises**;
2. deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records;
3. works of art, antiques and sculptures in so far as they are not otherwise insured;
4. **Your** partners', directors', and **Employees'** personal effects of every description (other than motor vehicles) whilst at the **Premises**, for an amount not exceeding £1,000 for any one person.

### Legionellosis

Any discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plants, cooling towers and the like.

### Maximum Indemnity Period

The number of months stated in **Your Schedule**, or other lesser period stated in any specific clause or extension in this **Policy**.

### Money

Currency of any kind, including cash, stamps, bankers drafts, bills of exchange, cheques, credit/debit or charge cards or any other type of financial instrument, consumer redemption vouchers, gift vouchers, National Savings Certificates, premium saving bonds, postal orders and VAT purchase invoices, all pertaining to the **Business**.

### Nuclear Installation

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

1. the production or use of atomic energy;
2. the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations;
3. the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

### Nuclear Reactor

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

### Outstanding Debit Balances

The total amount owed to You by Your customers at the time of the **Damage**, adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **Damage**) to customers' accounts in the period between the date to which the said last

statement relates and the date of the **Damage**; and

- c) any abnormal condition of trade which had or could have had a material effect on **Your Business**

so that the figures shall represent as closely as possible those which would have applied at the time of the **Damage**.

### Personal Injury

1. **Bodily Injury**;
2. Unlawful detention, imprisonment, arrest or eviction, malicious prosecution or invasion of the right or privacy of any person.

### Period of Insurance

The period from the start date until the expiry date, as stated in **Your Schedule**.

### Phishing

Any access or attempted access to **Electronic Data** or information made by means of misrepresentation or deception.

### Policy

This document, the **Schedule** (including any **Schedules** issued in substitution) and any **Endorsements** attaching to this document or the **Schedule**, that will be considered part of the legal contract and any word or expression in bold type face on any of these documents will bear the specific meaning stated in these definitions.

### Policy Territories

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

### Pollution or Contamination

1. All pollution or contamination of buildings or other structures or of water or land or the atmosphere and
2. All loss, **Damage** to material property and **Bodily Injury** directly or indirectly caused by such pollution or contamination.

### Premium(s)

The payment **You** make in return for **Us** giving **You** this insurance.

### Premises

The **Buildings** or land that **You** own or use for the purpose of **Your Business** at the address(es) declared to **Us** and shown on **Your Schedule** and Certificates of Insurance.

### Products

Any commodities, goods or other property manufactured, sold, supplied, repaired, serviced, altered, treated or processed by **You** or on **Your** behalf in connection with **Your Business**.

### Radioactive Contamination

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any **Nuclear Installation, Nuclear Reactor** or other explosive nuclear assembly or nuclear component thereof; or
3. any weapon or device employing atomic nuclear fission and/or fusion or other like reaction or radioactive force or matter.

### Reinstatement

1. The replacement or rebuilding of property sustaining **Damage** which, provided that **Our** liability is not increased, may be carried out:
  - a) in any manner suitable to **Your** requirements;
  - b) upon another site; and
2. the repair or restoration of the property sustaining **Damage**.

In either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

### Remediation

Remedying the effects of **Pollution** or **Contamination**.

### Rent Receivable

The money paid or payable to **You** by tenants for rental of the **Premises** and for other services rendered in connection with the **Business** at the **Premises**.

### Residential Property

**Buildings** of private dwelling houses, bungalows or flats used solely for residential occupation.

### Schedule

The document containing a summary of the insurance cover that applies.

### Specified Disease

An illness sustained by any person resulting from:

1. food or drink poisoning; or
2. one of the following specified human infectious or human contagious diseases:

Acute Encephalitis  
Acute Poliomyelitis  
Anthrax  
Chicken Pox  
Diphtheria  
Dysentery caused by Shigella  
Legionellosis  
Legionnaires' Disease  
Malaria  
Measles  
Meningococcal Infection  
Mumps  
Ophthalmia Neonatorum  
Paratyphoid fever  
Bubonic, Septicemic and Pneumonic Plague  
Rabies  
Rubella  
Tetanus  
Tuberculosis  
Typhoid Fever  
Whooping Cough  
Yellow Fever

### Standard Rent Receivable

The **Rent Receivable** during the period in the 12 months (or a proportionately increased multiple if the **Maximum Indemnity Period** exceed 12 months) immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

### Sum Insured

The maximum amount **We** will pay for each item insured under any Section unless otherwise stated in this **Policy**.



### **Territorial Limits**

Anywhere in the world for visits in connection with **Your Business** undertaken by **You** and at **Your** request any Employee, director and or partner from Premises within the **Policy Territories**.

### **Terrorism**

Any action, threat of action, or attempt at action, by any individual(s) or group(s) of individuals or body or organisation(s), whether acting alone, on behalf of,

or in concert with any other body, organisation, or Government, where such action, threat, or attempt is designed to influence, intimidate, or coerce, any government or international governmental organisation or the population or any section of the population, or any community, and the action, threat, or attempt, is made for the purpose of advancing a political, religious, or ideological cause. **Terrorism** also means **Terrorism** in accordance with the definition of **Terrorism** in the Terrorism Act 2000.

### **Unoccupied**

Any **Building** or part of any **Building** that is empty, disused, unfurnished or no longer in active use by **You** or any of **Your** tenants for a period of more than 30 consecutive days.

### **Virus or Similar Mechanism**

Program code, programming instruction or any set of instruction constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programmes, **Computer Systems**, **Electronic Data** or operations, whether involving self-replication or not. This includes trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer programme to damage, interfere with, adversely affect, infiltrate or monitor as above.

### **War**

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, military or usurped power, mutiny or military uprising. This does not include **Terrorism**.

### **Works**

Any alterations, additions or extensions completed or

to be completed by **You** or on **Your** behalf. This includes all materials incorporated or to be incorporated, plant, tools, equipment and temporary buildings used or to be used for the period during which **You** are responsible under contract conditions for such items.

### **You / Your**

The person(s), company(ies), partnership(s) or organisation(s), named as 'Insured' in **Your Schedule**.

### **We / Us / Our**

Accredited Insurance (Europe) Ltd – UK Branch and where the context requires, First Underwriting Limited.

## General Conditions

### Your Duty of Fair Presentation

1. **You** must make a fair presentation of the risk (as set out in the Insurance Act 2015) to **Us** in proposing, or proposing to vary the insurance provided by this **Policy**. A fair presentation is one which discloses in a clear manner all material facts relating to the **Business** that are relevant to **Our** consideration of **Your** proposal for cover and which **You** know, or ought to know, following a reasonable search (including consulting with **Your** senior management).
2. If **You** or anyone acting on **Your** behalf breaches **Your** duty of fair presentation at or prior to the commencement of the **Period of Insurance**, then **Our** remedies shall be as follows:
  - a) if such breach is deliberate or reckless, **We** may:
    - i) treat this **Policy** as if it never existed;
    - ii) retain the **Premium**; and
    - iii) require **You** to repay any payments already made by **Us** under the **Policy**.
  - b) if such breach is not deliberate or reckless and **We** would not have entered into this **Policy** but for the breach, **We** may:
    - i) treat this **Policy** as if it never existed; and
    - ii) require **You** to repay any payments already made by **Us** under the **Policy**.

However, **We** will return the **Premium**; and

- c) in all other cases if, but for the breach, **We** would have entered into this **Policy** but:
  - i) on different terms (other than terms relating to the **Premium**), **We** treat the **Policy** as if it had been entered into on those different terms from the outset;
  - ii) would have charged a higher **Premium**, **We** may proportionately reduce the amount **We** pay on a claim (and, if applicable, the amount already paid on prior claims). **We** will pay only X% of what it would otherwise have been required to pay, where  $X = (\text{Premium actually charged/higher Premium}) \times 100$ .

Both i. and ii. above may apply at the same time.

3. If **You** or anyone acting on **Your** behalf breaches **Your** duty of fair presentation in relation to a variation of this **Policy**, **Our** remedies shall be as follows:
  - a) if such breach is deliberate or reckless, **We** may:
    - i) by giving **You** notice, treat this **Policy** as having been terminated from the time when the variation was concluded;
    - ii) retain the **Premium**;
  - b) if such breach is not deliberate or reckless, and **We** would not have entered into the variation but for the breach, **We** may treat this **Policy** as having been terminated from the time when the variation was concluded, in which case **We** shall return the relevant **Premium**;
  - c) in all other cases if, but for the said breach, **We** would have entered into the variation but:
    - i) on different terms (other than terms relating to the **Premium**), **We** treat the **Policy** as if it had been entered into on those different terms from the outset;
    - ii) would have increased the **Premium** by more than it did or at all, **We** may proportionately reduce the amount **We** pay on a claim arising out of event after the variation. **We** will pay only X% of what it would otherwise have been required to pay, where  $X = (\text{Premium actually charged/higher Premium}) \times 100$ ;
    - iii) would not have reduced the premium by as much as it did or at all, **We** may proportionately reduce the amount **We** pay on a claim arising out of events after the variation. **We** will pay only X% of what **We** would otherwise have been required to pay, where  $X = (\text{Premium actually charged/reduced total Premium}) \times 100$ .

### Arbitration

If **We** admit liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by **You** and **Us** in accordance with the law at the time. The arbitrator must have reached a decision over the dispute before **You** may take any legal action against **Us**.

### Assignment

**You** may not assign the **Policy** or any rights or remedies under it without **Our** prior written consent.

### Your Cancellation Rights

**You** may cancel the **Policy** during the **Period of Insurance** in writing via the entity that effected this insurance on **Your** behalf. Provided no claim has been made or no circumstance has arisen which is likely to give rise to a claim during the **Period of Insurance**, **You** will be entitled to a refund of the premium paid calculated on a pro-rata basis. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due. If a covered claim is subsequently made, the full premium for the original **Period of Insurance** is fully earned and **You** must pay to **Us** the amount of any returned premium. **We** may deduct such amount from any claims payment.

### Our Cancellation Rights

In addition to **Our** rights set out in the following clauses:

- a) Your Duty of Fair Presentation;
- b) **Period of Insurance** and **Premium Payment**;
- c) Fraud;
1. **We** may cancel this insurance for a valid reason at any time by giving **You** thirty (30) days' notice in writing to **Your** last known address. The notice will include the reason for the cancellation, which may include but are not limited to **Your**:
  - a) continued failure to comply with the terms and conditions of this **Policy**;
  - b) failure to co-operate with **Us** or provide **Us** with information or documentation **We** reasonably require where such lack of cooperation affects:
    - i) **Our** ability to process a claim;
    - ii) the defence of **Our** interests;
    - iii) the making of risk based underwriting decisions.

In this case, the notice of cancellation will be withdrawn if **You** provide the details required

in the letter within the notice period;

- c) use of threatening, abusive or intimidating behavior or inappropriate language towards, or bullying of **Our** staff or anyone acting on **Our** behalf.
2. If **We** cancel this **Policy**, provided no claim has been made or no circumstance has arisen which is likely to give rise to a claim, **We** will return to **You** a proportionate return of the **Premium** in respect of the unexpired **Period of Insurance**. The amount of **Premium** refund payable will be reduced by all unpaid **Premiums** or unpaid **Premium** instalments due.

### Change of Cover, Risk or Interest

1. **You** must notify **Us** as soon as possible during the **Period of Insurance** if there has been any alteration to:
  - a) **Your Business**;
  - b) any property covered under the **Policy**;
  - c) any other material fact about the **Business** which increases the risk of a claim being made under the **Policy**;
  - d) any of the details shown in the **Schedule**.
2. When **You** notify **Us** of a change in accordance with the above, **We** may:
  - a) confirm, that cover continues with no change;
  - b) amend the terms of the **Policy**, including the **Premium**, with effect from the date of the change; or
  - c) cancel the **Policy** or part of it if **We** are no longer able to provide cover.
3. **We** will not provide cover for any alterations or changes unless they have been notified to **Us** in accordance with 1. above and accepted by **Us** and confirmed by an alteration to this **Policy**, an **Endorsement** or other form of written confirmation. This does not apply to Section 1 & 2 Extensions: **Automatic Cover – Newly Acquired Buildings, Capital Additions, Failure of Other Insurances**, and **Privity of Contract**.

### Claiming Under More Than One Section

**You** may not submit a claim under more than one section of this **Policy** which seeks the same indemnification in respect of the same cause of loss or costs associated with that loss in any one **Period of Insurance**. However, where it is possible for **You** to claim under more than one section, then **You** may select the section which offers the maximum amount of payment.

### Claims Procedures

1. As soon as **You** become aware of any circumstances that might give rise to a claim under this **Policy**, **You** must:
  - a) give notice to **Us** as soon as reasonably possible;
  - b) preserve any damaged or defective property for examination by **Our** representatives, unless **We** have authorised **You** to dispose of it;
  - c) notify the police as soon as reasonably possible of any **Damage** by theft or attempted theft or by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances and malicious persons;
  - d) forward to **Us** unanswered as soon as reasonably possible any legal claim or summons issued against **You** by a third party;
  - e) take action to minimise **Damage** and to avoid interruption or interference with the **Business** and to prevent further **Damage**, injury or loss;
  - f) at your own expense provide full details of the claim in writing to **Us** together with any evidence and information that **We** may reasonably require for the purpose of investigating and verifying the claim, within:
    - i) 7 calendar days of the discovery of the event giving rise to the claim, in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
    - ii) 30 days of the end of the **Indemnity Period** in respect of Section 2 – Loss of

Rent; and

- iii) 30 days of the discovery of the event giving rise to the claim in the case of any other claim.
2. **You** or anyone acting on **Your** behalf must not accept responsibility or liability, or makes any offer of payment or agree any settlement without obtaining **Our** written agreement first.
  3. Unless stated otherwise in the **Policy**, **We** will not cover any costs that have been incurred without **Our** prior consent.

### Discharge of Liability

**We** may choose at any time to pay:

1. the limit of indemnity;
2. the applicable **Sum Insured**; or
3. lesser amount for which a claim or claims can be settled,

less any sums already paid. **We** will not make any further payment for that claim or claims except for costs and expenses which were incurred before the payment of the claim.

### Fraud

If **You** or anyone acting on **Your** behalf makes a fraudulent or exaggerated claim under this **Policy**, **We**:

1. will not pay the claim;
2. may recover from **You** any part of the claim already paid; and
3. may give **You** notice to terminate the **Policy** with effect from the time of the first fraudulent act. If **We** do so:
  - a) any claim, incident or loss occurring after the date of the fraudulent or exaggerated claim will not be covered; and
  - b) **We** will not return the **Premium** or any part of it.

### Our Rights

In the event of a covered claim, **We** can:

1. enter or take possession of the **Building**, **Premises** or other property;
2. take possession of, or require **You** to deliver to **Us**, **Covered Property**. **We** will deal with such

property in a reasonable manner without incurring any liability or diminishing any of **Our** rights under this **Policy**;

3. at **Our** discretion take over and conduct in **Your** name the defence or settlement of any claim, and prosecute at **Our** expense and for **Our** own benefit any claim for indemnity or damages against any other persons in respect of any event insured by this **Policy**. **You** must give all information and assistance required by **Us**; and
4. keep any covered **Damaged** property and **You** will execute all such assignments and assurances as may be reasonably required. **You** are not entitled to abandon any property to **Us**.

### Period of Insurance and Premium Payment

**We** will provide insurance as described in this **Policy** for the **Period of Insurance** provided the **Premium(s)** are paid to and accepted by **Us**. Reference to the payment of **Premium** includes payment by monthly instalments. If **You** pay by this method this **Policy** remains an annual contract.

The **Premium** is deemed paid and accepted on receipt by **Us**. If any **Premium** is not paid and accepted by **Us**, **We** can give written notice to **You** at **Your** address shown on the **Schedule**, cancelling this insurance with effect from the seventh (7th) day after the notice has been served.

**You** can prevent cancellation from taking effect and continue the **Policy** if the late payment and any other remaining **Premium** instalments, if applicable, are paid before the cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.

### Reasonable Precautions

**You** must take all reasonable steps to:

1. prevent or minimise loss, destruction, **Damage**, accident or injury;
2. maintain **Your Premises**, machinery, plant and equipment in a good state of repair and in full working order;
3. observe and comply with all relevant statutory or local authority laws, obligations and requirements;

4. ensure the competency of all **Employees** through selection, training and supervision; and
5. make good or remedy any discovered defect or danger as soon as possible.

**We** may not cover any **Damage** occurring, or loss related to any incident happening, whilst these conditions are not being complied with. However, **We** may still cover such claim if **You** can establish that the failure to comply could not have increased the risk of the claim or loss arising in the circumstances in which it did.

### Rights of Third Parties

A person or company who was not a party to this **Policy** has no right under the Contracts (Rights of Third Parties) Act 1999 or any subsequent legislation to enforce any term of this **Policy**. This does not affect any right or remedy of a third party which exists or is available apart from such Act.

This clause does not affect any rights enforceable under the Third Parties (Rights against Insurers) Act 2010 or those rights that they have under road traffic law in any country in which this insurance applies.

### Sanctions

**We** will not provide cover nor be liable to pay any claim or provide any service or benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such service or benefit would expose **Us** or any member of **Our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

### Subrogation

Any claimant under this **Policy** shall, at **Our** request and expense, take or permit to be taken all necessary steps for **Us** to enforce any rights against any other party in **Your** or their name, following **Our** payment under the **Policy**. **We** may require **You** or them to carry out such actions before or after **We** make any admission of liability or payment of a claim.

### Survey and Risk Improvements

1. If required by **Us**, **You** must:
  - a) allow **Us** access to **Your Premises** and the activities of **Your Business** in order to carry



out risk survey(s) as specified by **Us**; and

- b) comply with any risk improvements required following survey(s) with the completion timescales specified by **Us**.
2. If a survey identifies that, in **Our** opinion, a risk or any part of it is not satisfactory, or a required risk improvement is either not completed in its entirety or satisfactory risk mitigation measures are not introduced within the completion timescales specified, **We** reserve the right to:
- a) alter **Your Premium** or amend the terms and conditions of **Your Policy**;
  - b) cancel **Your Policy** under the General Conditions item – Cancellation;
  - c) leave **Your Premium** and terms and conditions unaltered.

In the event of a) or b) above, **You** have the right to cancel this **Policy** from and the date **We** propose to alter or cancel the **Policy**. Providing no claims have been made, **You** will be entitled to a proportionate refund of **Premium** for the unexpired period of cover.

### Unoccupancy

**We** will not provide cover nor be liable to pay any claim unless:

- 1. **You** notify **Us** in writing immediately **You** become aware that any **Buildings** or parts of any **Buildings** are or are to become **Unoccupied**. **We** will notify **You** of the terms and conditions that apply to such **Buildings** and **You** may be required to pay an additional **Premium**;
- 2. in respect of any **Buildings** or parts of any **Buildings** that are **Unoccupied** or become **Unoccupied** after the commencement of cover until such **Buildings** or parts of **Buildings** again become occupied, **You** or a responsible person acting on **Your** behalf must:
  - a) turn off electricity gas and water supplies at the mains and drain down all water systems, except for those connected to:
    - i) automatic fire or intruder alarm systems; or
    - ii) automatic sprinkler installations or other fire suppression systems;

- b) maintain and keep fully operational all automatic sprinkler installations and other fire suppression systems, automatic fire alarm and intruder alarm installations;
- c) maintain a level of heating sufficient to prevent freezing of automatic sprinkler installations;
- d) adequately secure the **Premises** and all points of access to **Buildings** against unauthorised entry;
- e) carry out an internal and external inspection of the **Buildings** at least once every 14 days and maintain a record of such inspections;
- f) remove any waste and accumulation of combustible materials from inside or around the **Buildings** during each inspection of the **Premises**;
- g) ensure that any defects in the condition or state of repair of the **Buildings** or defects in security or alarm or fire protection installations are rectified remedied or repaired immediately;
- h) notify **Us** immediately if the **Buildings** are to be occupied by contractors for renovation alteration or conversion purposes; and
- i) implement any additional protections or risk improvements put forward by **Us** within the timescales specified, unless otherwise agreed by **Us** in writing.

## Section 1 – Property Damage

### Cover Provided

If **You**:

1. **Buildings**; or
2. **Landlords Contents**,

or any part of such property at **Your Premises** suffers **Damage** during the **Period of Insurance** other than by an excluded cause, **We** will pay to **You** an amount calculated in accordance with the Basis of Settlement provisions set out below.

**We** will not cover **You** for any amount stated as the **Excess**.

### Basis of Settlement

#### A. Indemnity Basis

If the **Schedule** shows **You** are covered on an 'Indemnity' basis, **We** will at **Our** option:

1. pay the value of **Covered Property** or the amount of the **Damage** at the time the **Damage**; or
2. reinstate or replace the **Covered Property** or any part of it with due allowance for wear and tear.

#### B. Reinstatement Basis

If the **Schedule** shows **You** are covered on a 'Reinstatement' basis, **We** will pay to reinstate, repair, restore or replace the **Covered Property** to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new. Provided **Our** liability is not increased, this may be carried out:

1. in any manner suitable to **Your** requirements; and
2. upon another site,  
subject to the settlement terms below.

#### Settlement terms for Reinstatement Basis

1. **Our** liability for the repair or restoration of **Covered Property** in part only will not exceed the amount which would have been payable had such property been completely destroyed.
2. **We** will not pay more than **We** would have paid if **You** were not covered on a reinstatement basis:
  - a) unless the reinstatement starts and proceeds

without unreasonable delay;

- b) until the cost of reinstatement has been incurred; and
- c) if the **Covered Property** at the time of its **Damage** is insured by any other insurance
- d) effected by **You** or on **Your** behalf which is not on the same basis of reinstatement.

### Underinsurance (Average) applicable to Indemnity and Reinstatement bases of cover

The cover for **Buildings** and **Landlords Contents** are separately subject to **Average**.

If at the time of **Damage** the **Sum Insured** for any such item represents less than 85% of the total costs which would have been incurred in reinstating the whole of the **Covered Property** at the time of **Damage**, **Our** liability will be limited to that proportion of the amount of the **Damage** which the **Sum Insured** bears to the sum representing the total costs of reinstating the whole of such individual property at that time.

### Underinsurance (Average) Waiver

The Underinsurance condition above does not apply where **You** have carried out full valuations or revaluations of all **Covered Property** at least once every 3 years using qualified members of the Royal Institution of Chartered Surveyors (RICS) and:

1. where necessary increased the **Sum Insured** to at least the amount stated in the valuation; and
2. at each renewal **You** make appropriate allowance in the **Sum Insured** for inflationary increases in the period between valuations.

### C. Reinstatement – Day One Basis

If the **Schedule** shows **You** are covered on a 'Reinstatement – Day One' basis, the basis upon which the amount payable for **Covered Property** will be calculated on the same basis as B. Reinstatement Basis above, provided that:

1. Reinstatement - Day One Basis has been selected and is stated as operative in **Your Schedule**;
2. **You** have provided a **Declared Value** for each of the items requiring cover on this basis and these **Declared Values** are shown in **Your Schedule**; and
3. These **Declared Values** have been used to calculate

the **Premiums** chargeable on each item; and

4. the Special conditions below apply in full.

### Special Conditions

1. At the start of each **Period of Insurance** **You** must notify **Us** of the **Declared Value** of the **Covered Property**. If **You** fail to notify **Us** of the **Declared Value**, **We** will apply index linking to the last **Declared Value** notified to **Us**, for the following **Period of Insurance**.
2. **Our** liability for the repair or restoration of **Covered Property** in part only will not exceed the amount which would have been payable had such property been completely destroyed.
3. **We** will not pay more than **We** would have paid if **You** were not covered on a reinstatement basis:
  - a) unless the reinstatement starts and proceeds without unreasonable delay;
  - b) until the cost of reinstatement has been incurred; and
  - c) if the **Covered Property** at the time of its **Damage** is insured by any other insurance effected by **You** or on **Your** behalf which is not on the same basis of reinstatement.

### Underinsurance (Average)

The cover for **Buildings** and **Landlords Contents** are separately subject to **Average**.

If the **Declared Value** for any such item is less than the cost of **Reinstatement** at the time of **Damage**, **Our** liability will be limited to that proportion of the amount of the **Damage** which the **Declared Value** bears to the **Day One Rebuilding Value**.

### Underinsurance (Average) Waiver

The Underinsurance condition above will not however apply where **You** have carried out full valuations or revaluations of all **Covered Property** at least once every 3 years using qualified members of the Royal Institution of Chartered Surveyors (RICS) and

1. where necessary increase the **Declared Value** to at least the amount stated in the valuation; and
2. at each renewal **You** make appropriate allowance in the **Declared Value** for inflationary increases in the period between valuations.

### Maximum Payment

The most **We** will pay for any one claim is the lower of:

1. the total **Sum Insured** or in respect of any item in respect of each separate **Premises** its individual **Sum Insured** or any other limit stated in the **Schedule**, whichever is the less at the time of the **Damage**; or
2. the **Sum Insured** remaining after deduction of any other covered **Damage** unless **We** agreed to reinstate any such **Sum Insured**.



## Section 1 – Extensions

The General Exclusions and General Conditions apply to the Extensions below, in addition to the Exclusions and Conditions in this Section.

### Archaeological Discoveries

**We** will pay the reasonable costs incurred as a direct result of **You** complying with statutory obligations following the discovery of archaeological finds during site excavation in the course of repairing or rebuilding following **Damage** covered by this **Policy**.

**We** will not pay such costs if **You** had knowledge of the presence of archaeological remains prior to the date of the **Damage**.

**We** will not pay more than the amount stated in the **Schedule**.

### Bailors' Goods

**We** will pay for **Damage** occurring during the **Period of Insurance** to goods in **Your** custody and control and for which the **You** are legally liable as bailee, while located within the **Premises**, provided such goods are not otherwise insured.

**We** will not cover:

- a) theft by or attempted theft of gold, silver, precious stones, precious metals, bullion, furs, curiosities, works of art, rare books, audio visual goods, computer equipment, cameras, jewellery or money; or
- b) unaccountable losses; or
- c) any such **Damage** unless a signed inventory is issued to the tenant or lessee as soon as a repossession takes place.

**We** will not pay more than the amount stated in the **Schedule**.

### Buildings Awaiting Demolition

If at the time of covered **Damage** any **Buildings** are:

- a) scheduled for demolition; or
- b) **Unoccupied** and in such a poor state of repair as to render the **Premises** economically unviable to put back into use,

this cover will be restricted to **Damage** caused by Fire, Lightning, Aircraft and Explosion only and **Our** liability shall be further limited to the additional cost of

removing debris (as set out in the **Removal of Debris Cover Extension**) incurred by **You** solely as a result of such **Damage**.

### Buildings Awaiting Refurbishment Redevelopment or Renovation

If at the time of covered **Damage** any **Buildings** or property is awaiting refurbishment, redevelopment or renovation **We** will not cover any costs which would have been incurred by **You** in the absence of such **Damage**.

### Business Rates

**We** will pay the business rates for which **You** are legally responsible as a result of covered **Damage** provided that:

- a) but for such **Damage** the business rates would not have been payable;
- b) **We** will only cover costs incurred during the **Indemnity Period**. For the purpose of this clause '**Maximum Indemnity Period**' will mean 36 months.

**We** will not pay more than the amount stated in the **Schedule**.

### Cancellation - Lenders Interest

**This Cover Extension will only apply when included as an operative Endorsement.**

In the event of the **Premium** not being paid, **We** will not cancel this Section of **Your Policy** in respect of the interest of a lender without first giving the lender 30 days' written notice, provided that:

- a) the lender's details have been provided to **Us** and are correct at the time of cancellation;
- b) **We** have been requested to provide such notice prior to such non-payment;
- c) during the notice period cover will be restricted to the extent of the lender's interest.

### Change in Water Table

**We** will cover **You** for **Damage** attributable to changes in the water table level.

**We** will not pay more than the amount stated in the **Schedule**.

### Composite Insured (Non-Vitiation)

**This Cover Extension will only apply when included as an operative Endorsement.**

Where any party is noted on the **Schedule** as a Composite Insured under this Section of **Your Policy** then any non-disclosure, misrepresentation or failure to comply with **Policy** terms and conditions by them or **Us** will not prejudice the rights of the other party or parties, provided that the other party or parties tell **Us** immediately if they become aware of any such non-disclosure, misrepresentation or failure to comply with **Policy** terms and conditions.

### Concern for Welfare Costs

**We** will cover **You** for **Damage** caused by the police or people acting under their control in gaining access to the **Buildings** during the **Period of Insurance** as a result of their concern for the welfare of an occupier of the **Premises**. **We** will not be responsible for costs incurred due to **Damage** caused by the police in the course of criminal investigations or as a result of actual or suspected unlawful activities at the **Premises**.

**We** will not pay more than the amount stated in the **Schedule**.

### Contracting Purchaser's Interest

If at the time of covered **Damage** **You** have contracted to sell **Your** interest in any **Building** covered by the **Policy** and the purchase has not been but is subsequently completed, on completion of the purchase the purchaser will be entitled to benefit under this **Policy** in respect of such **Damage** (if and so far as the property is not otherwise insured against such **Damage**) until completion. This cover does not prejudice any of **Our** or **Your** rights under the **Policy**.

### Contractors Interest

Where **You** are required to insure the **Buildings** in the joint names of **You** and the contractor under the terms of a contract condition between **You** and the contractor, the interest of the contractor in the **Property** as joint insured is noted provided that:

- a) **You** advise **Us** of details of any single contract valued in excess of £250,000 prior to the commencement of **Works** and pay any additional **Premium** **We** may require; and
- b) this insurance only applies in so far as the contract **Works** are not otherwise insured.

If **You** do not comply with a. above, **We** will not

cover such works.

### Contract Works

**We** will cover **You** for **Damage** occurring during the **Period of Insurance** to contract **Works** undertaken on any **Building** in the performance of any contract where **You** are responsible for arranging insurance cover under the terms of the contract, provided that:

- a) this cover only applies in so far as the contract **Works** are not otherwise insured; and
- b) **Our** maximum liability in respect of any one contract shall not exceed the amount stated in the **Schedule**.

### Contribution and Underinsurance (Average)

If at the time of **Damage** any other insurance has been effected by or on behalf of **You** covering any of the **Covered Property**, **Our** liability under this **Section** shall be limited to **Our** rateable proportion of such **Damage**.

If the other insurance is subject to Underinsurance (Average), this **Section** if not already subject to Underinsurance (Average) shall be subject to Underinsurance) Average.

If such other insurance is subject to any provision which excludes it from ranking concurrently with this **Section**, **Our** liability under this **Section** shall be limited to that proportion of the **Damage** which the **Sum Insured** for this **Section** bears to the value of the **Covered Property**.

### Dilapidations

If during the **Period of Insurance** a lessee vacates a property without prior notification to **Us** solely due to the liquidation or bankruptcy of the lessee or the business of the lessee being placed into administration or receivership, **We** will pay the reasonable costs to clear and remove any property of the lessee in or around the **Premises**, provided that:

- a) **Our** liability will not exceed the amount stated in the **Schedule** any one occurrence; and
- b) allowance is made for any subsequent recovery from the lessee.

**We** will not pay more than the amount stated in the **Schedule**.

### Diminution in Value

Where following covered **Damage** to **Buildings** or to third party buildings in the vicinity of the **Premises** there is a subsequent reduction in sale price achieved

on such **Premises** offered for sale on the open market prior to **Damage**, **We** will cover the difference in prior and post **Damage** value.

The amount payable will be calculated by a practising member of the Royal Institution of Chartered Surveyors whose appointment will be agreed by **You** and **Us** and due allowance will be taken of all other sums recovered in respect of **Damage** under the insurance and from any other source.

**We** will not pay more than the amount stated in the **Schedule**.

### Emergency Services

**We** will cover the reasonable cost of:

- a) restoring lawns, gardens, landscaped areas, car parks, private roads and pathways at the **Premises Damaged** by the emergency services while attending an event that gives rise to covered **Damage**;
- b) Fire brigade charges that **You** have to pay as a result of covered **Damage**.

**We** will not pay more than the amount stated in the **Schedule**.

### Energy Performance and Sustainable Buildings

**We** will cover **You** for the following additional costs necessarily and reasonably incurred with **Our** consent:

- a) costs to comply with the recommendations made under any current Energy Performance Certificate; and
- b) costs arising from the use of alternative materials or sources of materials in accordance with the principles of the BRE Environmental and Sustainability Standard, following covered **Damage** to the **Building**.

**We** will only pay such costs provided that:

- a) **We** will not be liable for costs:
  - i) relating to any undamaged parts of the **Buildings**;
  - ii) incurred in complying with European Union and Public Authorities Stipulations
  - iii) in respect of work involving such rebuilding or repair that was already planned by **You** prior to the **Damage**; or
  - iv) where **You** elect not to rebuild or repair the **Building**;

- b) **We** will not pay more than the amount stated in the **Schedule**.

### Eviction of Squatters Expenses

**We** will pay reasonable costs and expenses necessarily incurred with **Our** prior consent to remove or evict squatters from the **Buildings**, which **You** first discover during the **Period of Insurance**.

However, **We** will not provide cover:

- a) for fines, penalties, compensation or damages arising in the course of removal or eviction;
- b) relating to the occupation of squatters occurring before the start of the **Period of Insurance**; or
- c) where such costs are insured under any other policy.

**We** will not pay more than the amount stated in the **Schedule**.

### Exhibition Equipment

**We** will pay for **Damage** occurring during the **Period of Insurance** to exhibition and display models and similar promotional equipment whilst at any premises used by **You** in the **Policy Territories** and which have suffered **Damage**.

Provided that:

**We** will only provide this cover where such equipment is **Your Property** or **You** have accepted responsibility for it at the time of **Damage**.

**We** will not pay more than the amounts stated in the **Schedule**.

### Fire Extinguishers and Sprinklers

**We** will cover **You** for the costs **You** incur in:

- a) replenishing fire extinguishers and other fire suppression or gas flooding systems and replacing used sprinkler heads; and
- b) resetting security systems, following covered **Damage**, provided that:
  - i) such systems are regularly serviced either under the manufacturer's maintenance contract or an NSI or LPCB approved contractor in accordance with the manufacturer's specifications; and
  - ii) **We** will not cover costs recoverable under the maintenance contract.

**We** will not pay more than the amount stated in the **Schedule**.

### Flood Resilience

**We** will cover the costs **You** incur with **Our** prior written consent following covered **Damage** in:

- a) the utilisation of materials with improved water resilience in the repair or reinstatement of the **Buildings**; and
- b) the relocation within the same **Building** of replacement landlords' fixtures and fittings to an area less exposed to damage by water arising from **Flood** and storm, irrespective of whether such perils are insured by this **Policy**.

### Fly Tipping

**We** will pay costs reasonably and necessarily incurred with **Our** consent in clearing and removing any property in consequence of its being illegally deposited in, on or around the **Premises** during the **Period of Insurance**.

The **Excess** under this Extension is £2,500 each and every claim.

**We** will not pay more than the amount stated in the **Schedule**.

### Further Investigation Expenses

Where any **Building** has suffered covered **Damage** and in the opinion of a competent construction professional there is a reasonable possibility of other **Damage** to portions of the same **Building** which is not immediately apparent, **We** will cover the reasonable costs incurred by **You** with **Our** prior consent in establishing whether or not such **Damage** has occurred.

**We** will also cover the reasonable costs incurred by **You** with **Our** prior consent in establishing whether or not other **Buildings** in the vicinity owned or leased by **You** or for which **You** are responsible have also suffered **Damage** in the same incident, but only if such **Buildings** are subsequently found to have suffered such **Damage** for which **We** are liable.

**We** will not pay more than the amount stated in the **Schedule**.

### Gardening Equipment

**We** will cover costs reasonably incurred with **Our** consent in replacing, as a result of covered **Damage**, gardening equipment owned by **You** and used in connection with the **Business** at the **Premises**.

**We** will not pay more than the amount stated in the **Schedule**.

### Hire Agreement

It is agreed that the interest of owners of hired in equipment are noted at the request of **You**. **You** agree to declare the names, nature and extent of such interests at the time of the **Damage**.

### Illegal Cultivation of Drugs

**We** will cover **You** for the costs reasonably and necessarily incurred in the event of covered **Damage** to any **Residential Building** resulting from **Your** tenants' use of **Your Premises** for the manufacture, cultivation, harvesting or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971).

**We** will not make any payment under this Extension unless **You** or a responsible person acting on **Your** behalf have:

- a) carried out comprehensive internal and external surveys of the **Premises** at least every 3 months prior to the **Damage** or as permitted under then tenancy agreement;
- b) maintained a written log of inspections and retain that log for at least 24 months;
- c) obtained satisfactory written formal identification and employer references for the tenant prior to the letting proceeding;
- d) recorded details of the tenant's bank account details and verified by collecting at least one payment via such means; and
- e) advised **Your** tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in c. and d. above for all lettings that they arrange.

**We** will not pay more than the amounts stated in the **Schedule**.

### Incombustible Reinstatement

Following covered **Damage** to **Buildings** **We** will cover the additional costs of reinstatement incurred with **Our** prior written consent in utilising alternative materials

that are incombustible or are Loss Prevention Council approved, provided that:

- a) **We** will not cover:
- i) any undamaged portions of the **Buildings**;
  - ii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **Buildings** or by the owner of the works funded by the application of this cover Extension;
  - iii) the cost incurred in complying with any building or other regulations under or framed in pursuance of any law or bye-law of any public authority under which notice has been served upon **You** prior to the **Damage**;
  - iv) the cost of any improvements scheduled by **You** to take place at the Premises before the **Damage** occurred;
  - v) the first 10% of all costs otherwise payable under the terms of this Extension.
- b) **We** will not pay any amount beyond the amount that would have been payable in the absence of this Extension:
- i) unless reinstatement commences and proceeds without unreasonable delay and in any case must be commenced within 12 months of the date of the **Damage** or within such further time as **We** may allow during the said 12 months; or
  - ii) until the cost of reinstatement has actually been incurred; and
- c) **Our** liability under this cover extension in respect of any one loss will not exceed:
- i) an amount equivalent to 100% of the actual amount paid or payable by **Us** to reinstate the **Damage** to the said **Buildings** in the absence of this Extension; and
  - ii) in any event, the amount stated in the **Schedule** in total for all incidents.

### Insurance Premiums

**We** will cover **You** for the cost of any additional insurance premiums, or in respect of inherent defects policies technical agents fees, necessarily and reasonably incurred by **You** with **Our** consent as a result of covered **Damage**, in arranging contract works policies with **Us** or in continuing with any pre-existing inherent defects policies

**We** will not pay more than the amount stated in the **Schedule**.

### Involuntary Betterment

Where **Covered Property** is **Damaged** and requires replacement and similar property of the like, kind and quality is not available, **We** will:

- a) accept, without deduction for betterment, replacement property which is as similar as possible and which is capable of performing the same function; and
- b) pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:
  - i) the new equipment installed to replace **Damaged** equipment; and
  - ii) undamaged existing equipment at the same or interdependent location.

**We** will not pay more than the amount sufficient to enable **You** to resume operations in substantially the same manner as before the **Damage**.

### Japanese Knotweed Removal

**We** will cover **You** for the reasonable costs necessarily incurred by **You** with **Our** prior agreement in removing Japanese knotweed which is an imminent threat of **Damage** to **Covered Property**, provided that the Japanese knotweed is disposed of in accordance with the provisions under the Environmental Protection Act (Duty of Care) Regulations 1991 and any subsequent amending legislation.

**We** will not cover:

- a) legal or local authority costs involved in removing Japanese knotweed; or
- b) costs incurred in removing Japanese knotweed already at the **Premises** before the start of the **Period of Insurance**.

**We** will not pay more than the amount stated in the **Schedule**.

### Landscaped Gardens

**We** will cover **You** for the costs incurred with **Our** consent in making good **Damage** occurring during the **Period of Insurance** to landscaped gardens or grounds at the **Premises**, but excluding any costs arising from the failure of seeds, trees, shrubs or turf to germinate



or become established.

**We** will not pay more than the amount stated in the **Schedule**.

### Lock and Key Replacement

**We** will cover **You** for the reasonable cost of replacing external door and window locks or resetting digital locks at **Your Premises** after the loss of keys during the **Period of Insurance** due to:

- a) theft or attempted theft from **Your Premises** or **Your** home or the home of any of **Your** directors or authorised **Employees**;
- b) theft involving violence or threat of violence when the keys are in the personal custody of **You** or any principal, director, partner or **Employees** authorised to hold such keys; or
- c) there being reasonable evidence that the keys have been copied by an unauthorised person.

**We** will not pay more than the amount stated in the **Schedule**.

### Loss Minimisation and Prevention Expenditure

**We** will pay the reasonable costs and expenses necessarily incurred by **You** or on **Your** behalf and with **Our** consent for the sole purpose of reducing, mitigating or otherwise alleviating the amount of a loss following **Damage** which but for that expenditure would have occurred, provided:

- a) the impending **Damage** did not arise from any defect in the **Covered Property**;
- b) the **Damage** is not more specifically insured under another Section of this **Policy** or any other policy, bond, indemnity, security or other legally binding contract; and
- c) **We** will not be liable to pay more than would have been payable had such costs not been incurred.

**We** will not pay more than the amount stated in the **Schedule**.

### Loss of Market Value

**We** agree that:

- a) if **You** elect not to repair or rebuild the **Buildings** following covered **Damage**, **We** will pay **You** the reduction in the market value of the **Buildings** immediately following the **Damage** but not

exceeding the amount which would have been payable had the **Buildings** been repaired or rebuilt;

- b) if as a result of covered **Damage** **You** are required to rebuild or reinstate the **Buildings** in a manner different from that immediately before the **Damage** solely to comply with the Stipulations (as defined under the Section 1 Extension – Public Authorities Stipulations) and as a result there is a reduction in market value, **We** agree to pay:

- i) the cost of repairing or reinstating the **Buildings**;
- ii) an amount representing the reduction in market value; and
- iii) any amount payable to any lessees under the terms of the lease or otherwise in consequence of such Stipulations.

**Our** maximum liability for any item will not exceed its **Sum Insured**.

### Metered Utilities

**We** will cover **You** for the costs for which **You** are responsible in respect of loss of metered water, gas, oil or electricity supplies resulting in covered **Damage** provided that:

- a) the amount payable in respect of any one **Premises** is limited to such excess charges demanded by the supply authority;
- b) **We** will not pay for charges incurred in respect of any **Building** which is **Unoccupied**; and
- c) **We** will not pay more than the amount stated in the **Schedule**.

### Loss of Rent or Alternative Accommodation

**We** will cover **You** whilst any **Residential Building** or residential portions of any **Building** at **Your Premises** cannot be lived in or access to them is denied as a result of covered **Damage**.

**We** will pay for either:

- a) the loss of **Rent Receivable**; or
  - b) the reasonable additional costs of comparable accommodation necessarily incurred by any owner, lessee or tenant and the temporary storage of residents' furniture.
1. **We** will only pay for loss of **Rent Receivable** or alternative accommodation from the date of the **Damage** until the **Building** is repaired or reinstated,

subject to a maximum of 24 months.

2. **We** will not pay more than 30% of the **Declared Value** applicable to the **Residential Property** or residential portion of the **Building** that has been **Damaged**.

### Munitions of War

**General Exclusion – War and Government Action** will not apply to **Damage** occurring during the **Period of Insurance** caused by the detonation of munitions of war or parts thereof within 1 mile of the **Premises** provided that the presence of such munitions does not result from a state of war current at the time of detonation.

**We** will not pay more than the amount stated in the **Schedule**.

### Non Invalidation

The cover provided by this Section will not be invalidated by any act or omission or by any alteration where the risk of **Damage** is increased that is:

- a) unknown to **You**; or
- b) beyond **Your** control,

provided that when **You** become aware of it, **You** immediately give notice to **Us** and pay any necessary additional **Premium** if required.

### Obsolete Building Materials

**We** will cover **You** for the reasonable additional costs incurred in the replacement of covered **Damaged Buildings** which given consideration to the scientific and technical knowledge at the time of installation, construction or fitting were deemed to be fit for the purpose intended but at the date of loss are no longer deemed so and will be replaced with alternative materials currently considered appropriate for the purpose.

The replacement **Buildings** will not be regarded as being better or more extensive than when new, provided that **Our** liability does not exceed 10% of the **Declared Value** of such **Buildings** in respect of such additional costs.

### Other Premises

**We** will cover **Damage** to covered **Landlords Contents** whilst temporarily removed to any other **Premises** **You** occupy Great Britain and Northern Ireland, provided the items are not insured elsewhere.

**We** will not pay more than the amount stated in the **Schedule**.

### Personal Possessions

**We** will cover **You** for **Damage** occurring during the **Period of Insurance** to any of **Your** directors', partners', customers', visitors' and **Employees'** personal effects (other than motor vehicles) provided that they are not otherwise insured. **We** will not pay more than the amount stated in the **Schedule**.

### Preservation of Undamaged Property

**We** will pay reasonable costs necessarily incurred by **You** with **Our** consent in dismantling, moving or removing undamaged portions of any **Covered Property** within, to and or from suitable alternative premises for safekeeping as a result of covered **Damage**.

### Privity of Contract

**We** will pay all such sums as **You** will become legally liable for and will pay as indemnity to any tenant in respect of the repair or reinstatement of **Damage** to premises previously owned but which are no longer the property of **You** and where the current owner has failed to maintain adequate insurance cover, provided that:

- a) No other insurance is in place by the new owner, tenants or sub-tenants;
- b) **You** will take all reasonable and appropriate steps to obtain a release from **Your** liabilities under the covenants to insure such property on its disposal; and
- c) this Extension will only be effective if **We** are the sole provider of **Buildings** insurance in respect of **Your** properties owned in connection with the **Business** as defined in the **Schedule** and where **You** have an obligation to arrange such insurance.

**We** will not pay more than the amount stated in the **Schedule**.

### Professional Fees – Architects, Surveyors, Legal & Consulting Engineers

**We** will cover **You** for Architects, Surveyors, Legal, Consulting and Engineers fees necessarily and reasonably incurred with **Our** consent to reinstate or repair **Your Covered Property** following covered **Damage** to any **Building**.

**We** will not provide this cover if such not insured elsewhere and do not include the cost of preparing any claim.

### Public Authorities Stipulations

Subject to the following Special Conditions, following covered **Damage** to **Covered Property** **We** will pay the additional cost incurred solely to comply with the stipulations of:

- a) European Union legislation (where applicable);
- b) building or other regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any public authority.

However, **We** will not cover:

- a) costs incurred in complying with the stipulations:
  - i) under which notice was served on **You** before the **Damage** occurred;
  - ii) where there is an existing requirement that has to be implemented within a given period;
  - iii) for **Buildings** entirely undamaged by an insured event;
- b) the additional cost that would have been required to make good the property to a condition equal to its condition when new had the necessity to comply with any of the regulations, bye-laws or directives not arisen; or
- c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **Covered Property** or by the owner as a result of compliance with any of the regulations, bye-laws or directives.

### Special Conditions

The following **Special Conditions** apply to this extension:

1. If **Our** liability in respect of any **Covered Property** but for this clause is reduced by the application of any of the terms this **Policy** or this Extension, **Our** liability under this Extension in respect of such property will be reduced to the same extent or proportion.
2. **We** will not provide cover under this Extension unless the reinstatement work is commenced and carried out without unreasonable delay, and in any case must be commenced within:
  - a) 12 months after the **Damage**; or
  - b) such further time as **We** may allow in writing.
3. the reinstatement may be carried out on another site if required by the stipulations, provided that it will not increase the amount **We** pay.

4. the most **We** will pay for undamaged parts of **Covered Property**, other than foundations, is fifteen per cent (15%) of the total amount for which **We** would have been liable had that **Covered Property** been totally destroyed.
5. the amount **We** pay under this Extension is included within the corresponding **Sum Insured** for the **Damaged Building**.

### Public Relations Expenses

**We** will pay reasonable costs incurred by **You** with **Our** prior agreement if as a result of covered **Damage** to any **Building** **You** need to employ suitable public relations personnel to deal with press and public announcements or other necessary activities.

**We** will not pay more than the amount stated in the **Schedule**.

### Reinstatement to Match

**We** will pay the cost of replacement or modification of undamaged parts of the **Buildings** that form part of a suite, common design or function where the covered **Damage** is restricted to a clearly identifiable area or to a specific part.

**Our** maximum liability will not exceed the amount stated in the **Schedule** for any one claim, or the amount that would have been payable had the suite, common design or function been wholly destroyed whichever is the lesser.

### Removal of Debris

Following covered **Damage**, **We** will pay **You** the costs and expenses necessarily incurred by **You** with **Our** consent in:

1.
  - a) removing debris from the site of the Premises and the area immediately adjacent to;
  - b) clearing, cleaning and repairing the drains, gutters and sewers of;
  - c) dismantling and/or demolishing;
  - d) boarding, shoring or propping up the portion or portions of the **Covered Property** sustaining **Damage**.
2. sorting, segregating and transporting recyclable debris to recycling facilities anywhere in the **Policy Territories**.

The most **We** will pay is:



## Section 1 – Extensions

- i) in respect of 1. above, the **Sum Insured** of any item;
- ii) in respect of 2. above, 20% of the total amount paid or payable under this Clause.

**We** will not cover any costs or expenses:

- a) arising from pollution or contamination of property not covered by this **Policy**;
- b) incurred in removing debris except from the site of the **Covered Property** sustaining **Damage** and the area immediately adjacent to such site;
- c) in respect of **Damage** which occurred prior to cover under this **Policy** becoming operative.

### Removal of Debris – Tenants

**We** will cover **You** for the reasonable costs and expenses incurred by **You** with **Our** prior agreement to remove the debris of tenants' contents following covered **Damage**.

**We** will not cover costs or expenses:

- a) incurred in removing debris except from the site of the **Damaged Buildings** and the area immediately adjacent to the site;
- b) arising from Pollution of other property not insured by this Section; or
- c) covered under any other insurance.

**We** will not pay more than the amount stated in the **Schedule**.

### Removal of Nests and Vermin

**We** will cover the reasonable costs incurred by **You** with **Our** prior agreement in removing bees', wasps' or hornets' nests and vermin from **Buildings** at the **Premises** provided **You** first discover the nest or vermin during the **Period of Insurance**.

**We** will not pay more than the amount stated in the **Schedule**.

### Sprinkler Installations Upgrading Costs

**We** will cover **You** for the additional costs incurred following covered **Damage** to the **Buildings** to upgrade an automatic sprinkler installation at the **Premises** in order to conform to the Loss Prevention Council (LPC) rules current at the time, provided that

at the date of the **Damage** the installation conformed to LPC rules current at the date of installation and the system has a complete service record up to the date of the **Damage**.

**We** will not pay more than the amount stated in the **Schedule**.

### Subrogation Waiver

In the event of a claim under this section **We** agree to waive any rights, remedies or relief to which **We** might have become entitled by subrogation against any

- a) Company standing in relation of Parent to Subsidiary (or Subsidiary to Parent) to **You** as defined in the Companies Act current at the time of the **Damage**;
- b) any Company which is a Subsidiary of a Parent Company of which **You** are a subsidiary, in each case within the meaning of the Companies Act current at the time of the **Damage**;
- c) any tenant or lessee, provided that:
  - i) the **Damage** has not been caused by the criminal, fraudulent or malicious act of the tenant or lessee; and
  - ii) the tenant contributes to the cost of insuring the **Buildings** against the event which caused the **Damage**; or
- d) any Managing agent acting on **Your** behalf in respect of **Damage** to the **Buildings**, but only if:
  - i) requested to do so by **You** after a claim under the **Policy** has been submitted; and
  - ii) the **Damage** does not arise out of the Managing Agent's gross negligence or wilful misconduct.

### Temporary Removal

**We** will cover **You** for **Damage** occurring during the **Period of Insurance** during the temporary removal of:

- a) property as insured by this Section for cleaning, renovation, repair or similar purposes; and
- b) deeds, documents and plans, elsewhere than at the **Premises**, including whilst in transit, within the **Policy Territories**.

**We** do not cover any property that is insured elsewhere.

**We** will not pay more than the amount stated in the **Schedule**.

### Trace and Access

In the event of covered **Damage** caused by the escape of water or oil from any tank, apparatus or pipe, or leakage of oil from any fixed heating installation, **We** will pay the reasonable costs and expenses necessarily incurred by **You** in:

- a) locating the actual source of such **Damage**; and
- b) the subsequent making good of **Damage** caused as a direct result of the location work.

**We** will not pay more than the amount stated in the **Schedule**.

### Tree Felling and Lopping

**We** will pay for the reasonable costs and expenses necessarily incurred in felling, lopping and removing trees for which **You** are legally responsible and which are an immediate threat to the safety of life or property as a result of **Damage**.

However, **We** will not cover:

- a) legal or local authority costs involved in removing trees;
- b) costs incurred solely to comply with a Preservation Order; or
- c) the costs incurred in respect of routine maintenance.

**We** will not pay more than the amount stated in the **Schedule**.

### Unauthorised use of Electricity, Gas, Oil and Water

**We** will cover the cost of metered electricity, gas, water or other metered supply charges for which **You** are legally responsible arising from its unauthorised use by persons taking possession of or occupying **Your Premises** during the **Period of Insurance** without **Your** written consent, provided that:

- a) **You** take all practical steps to terminate such unauthorised use as soon as it is discovered;
- b) **You** have advised **Us** of such unauthorised use immediately on becoming aware of it; and
- c) **You** have complied with the **General Condition – Unoccupancy**.

**We** will not pay more than the amount stated in the **Schedule**.

### Undamaged Portions of Buildings

**We** will cover **You** for the costs and expenses necessarily incurred by **You** with **Our** prior consent in replacing or modifying non-**Damaged** portions of the **Buildings**, provided it is necessary to enable it to work in conjunction with the repairs, restoration or replacement of the covered **Damaged** portion of the **Buildings**.

**We** will not pay more than the amount stated in the **Schedule** in respect of any one claim or the amount that would have been payable had the **Damaged Buildings** been totally destroyed.

### Underground Services

**We** will provide cover in respect of **Damage** for which **You** are legally liable, as stated in Section 1 (whether operative or otherwise under this Section) to underground pipes, cables, drains (and their relevant inspection covers), supplying services to and carrying waste from the **Premises** to the point of junction with the public supply lines, mains and sewers.

**We** will not pay more than the amount stated in the **Schedule**.

### Value Added Tax (VAT)

**We** will cover **You** for VAT paid by **You** which is not subsequently recoverable, provided that:

- a) i) **Your** liability for such tax arises solely because of reinstatement or repair of the **Buildings** to which such items relate following covered **Damage**;
- ii) **We** have paid or have agreed to pay for such **Damage**;
- iii) if any payment made by **Us** in respect of the reinstatement or repair of such **Damage** is less than the actual cost of the reinstatement or repair of the **Damage**, any payment under this cover resulting from that **Damage** will be reduced by the same proportion; and
- iv) where a **Building** has not been registered for **Value Added Tax** the **Sum Insured** advised to **Us** will include an appropriate allowance for **Value Added Tax**;

- b) **Our** liability for such tax does not arise from the replacement **Building** having greater floor area than or being better or more extensive than the destroyed or damaged **Buildings**;

- c) where an option to reinstate on another site is exercised **Our** liability under this Extension will not exceed the amount of tax that would have been payable had the **Buildings** been rebuilt on its original site;
- d) **Our** liability under this Extension will not include amounts payable by **You** as penalties or interest for non-payment or late payment of **Value Added Tax**;
- e) **You** have taken all reasonable precautions to insure adequately for VAT liability at the start of this **Policy** and at each subsequent renewal date;
- f) for the purposes of any Condition of Average (Underinsurance) rebuilding costs will be exclusive of **Value Added Tax**; and
- g) **Our** liability may exceed the **Sum Insured** by an individual item on **Buildings** or in the whole the total **Sum Insured** where such excess is solely in respect of **Value Added Tax**.

### **Workmen**

Cover is extended so workmen shall be permitted on the **Premises** for the purposes of carrying out repairs, general maintenance work or minor structural or other alterations.

## Section 1 – Conditions

### Automatic Reinstatement of Sum Insured

Following **Damage** covered under Section 1 – Property Damage **We** will automatically reinstate the **Sum Insured** from the date of the loss provided that:

- a) **We** did not give written notice to the contrary within 30 days of the notification of any **Damage**;
- b) **You** pay the necessary additional **Premium** that may be required for the reinstatement, from the date of the **Damage** to the expiry of the **Period of Insurance**; and
- c) **You** agree to comply with any additional security recommendations or risk improvements **We** may require in order to reduce the risk of **Damage**.

### Change of Tenancy or Occupancy

**You** must notify **Us** in writing as soon as **You** become aware of any changes in tenancy or occupation within the **Buildings**. **We** will then notify **You** of the terms and conditions that are to apply to such **Buildings** and any additional or return **Premiums** due. If **You** do not notify **Us**, **We** will not cover and **Damage** arising from the change.

### Designation

**We** agree to accept the designation under which **Covered Property** has been entered in **Your** books for the purpose of determining the heading under which any property is insured.

### Fire Extinguishing Appliances and Protections

**You** must ensure that all systems, appliances and extinguishers that are installed for the protection of the **Premises** are:

1. installed in accordance with the manufacturer's specification;
2. not altered, varied or affected by any structural alteration to the **Premises** with **Our** prior written consent;
3. in full and efficient working order at all times;
4. regularly serviced either under the manufacturer's maintenance contract or an NSI or LPCB approved contractor in accordance with the manufacturer's specifications;
5. routinely tested to ensure they are in working order, with the particulars of all such tests

recorded any defects remedied as soon as is practicable.

### Flat Roof Condition

Any flat portions of the roof of the **Buildings** must be inspected at least once every two years by a competent roofing contractor, with evidence of the inspections being retained and any recommendations implemented within the specified timescales.

### Hot Work Permit

Where work involving use of a naked flame or other heat source or oxyacetylene, electric arc or similar welding, cutting, grinding or other spark emitting equipment by any person (whether a third-party contractor, an **Employee** or other) is carried out at the **Premises**:

- a) a hot work permit in the form set out in Loss Prevention Recommendation RC7 published by the Fire Protection Association (FPA) or such similar permit or documentation, is completed jointly by the person responsible for carrying out the work and **Your** safety officer (or nominated person) before such work commences; and
- b) the precautions and systems of work shown on the designated hot work permit are complied with at each stage of the work.

### Index Linking

The **Sum Insured** by each item of this **Section** is subject to index linking. At the start of each **Period of Insurance** **You** must notify **Us** of the **Declared Value** of the **Property** insured by each of the stated items. If **You** fail to notify **Us** of the **Declared Value**, **We** will apply index linking to the last **Declared Value** notified to **Us**, for the following **Period of Insurance**.

At each renewal of the **Policy** the **Premium** will be based on the adjusted **Sums Insured**. However, it remains **Your** responsibility to ensure that all **Sums Insured** remain adequate.

Where stated in the **Schedule** the **Sum Insured** will be adjusted during the **Period of Insurance** in accordance with fluctuations in suitable indices of cost as **We** select.

In the event of loss, the **Sum Insured** will continue to be adjusted in accordance with fluctuations in these

indices between the date of any **Damage** and the date when repair or reinstatement has been completed, provided repair or reinstatement is carried out without unreasonable delay.

### Reinstatement

If any **Building** is to be reinstated or replaced by **Us**, then **You** will at **Your** own expense produce and provide all plans, documents, books and information as **We** may require. **We** will not be bound to reinstate the **Building** exactly or completely but only as circumstances permit, and in a reasonable manner.

### Seventy Two Hour Clause

**We** will cover **You** for **Damage** occurring within 72 consecutive hours caused by the **Defined Perils** of earthquake, storm or **Flood** as one claim. **You** can decide when the 72 hour period starts, provided that all **Damage** occurs within the **Period of insurance**.

## Section 2a – Loss of Rent

### Cover Provided

If **Covered Property** used by **You** at **Your Premises** suffers **Damage** covered under Section 1 and **Your Business** is interrupted or interfered with as a result, **We** will pay **You** losses as detailed below, resulting from the interruption or interference.

### Basis of Settlement

**We** will pay **You** in respect of each item specified in the **Schedule**:

#### 1. The loss of Rent Receivable

The amount by which the **Rent Receivable** during the **Period of Insurance** falls short of the **Standard Rent Receivable** which would have been received had no **Damage** occurred.

#### 2. The costs of re-letting and associated legal fees

The reasonable costs and expenses necessarily incurred with **Our** consent in re-letting the **Premises** during the **Indemnity Period** in connection with the re-letting solely due the **Damage**.

#### 3. Additional Expenditure

The necessary additional Expenditure (other than as covered under 2. above) reasonably incurred solely to prevent or limit a loss or **Rent Receivable** which but for that expenditure would have taken place during the **Indemnity Period** due to the **Damage**. **We** will not pay more than the reduction avoided by this expenditure less any business charges or expenses saved during the **Indemnity Period** due to the **Damage**.

All cover above is subject to there being an insurance in force, either under Section 1 – Property Damage of this **Policy** or another **Policy**, covering **Your** interest in the **Damaged Covered Property** and:

- a) payment having been made or liability admitted under such insurance; or
- b) payment would have been made or liability admitted under such policy but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

If the **Sum Insured** detailed in **Your Schedule** is less

than **Your Standard Rent Receivable**, or a multiple of it where the **Maximum Indemnity Period** shown in **Your Schedule** exceeds 12 months, then the amount **We** will pay **You** will be proportionately reduced.

### Limit of Liability

The most **We** will pay for any one claim in any one **Period of Insurance** is:

1. 200% of the **Rent Receivable Sum Insured**; or
2. in respect of any other item its **Sum Insured**, after deduction for any other payment made from such limit, unless **We** agree to reinstate any such **Sum Insured**.

In respect of **Residential Property**, the limit of liability will be as stated in the **Loss of Rent or Alternative Accommodation Extension** under **Section 1 – Property Damage**. This limit will include the application of the Section 2 – Loss of Rent Cover Extensions provided that **Our** liability does not exceed the limit stated in the **Schedule** in respect of any one Extension.



## Section 2a – Extensions

### Action of Competent Authorities

**We** will cover **You** for interruption of or interference with **Your Business** resulting from the prevention or restriction of access to, or closure of, **Your Premises** during the **Period of Insurance** by the police or other competent statutory body due to an emergency event that threatens a disturbance or endangers life or property within a 1 mile radius of **Your Premises**.

However:

- a) **We** will not pay for any:
  - i) loss arising from any cause within **Your** control;
  - ii) loss arising from physical **Damage** to property; or
  - iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear;
- b) **We** will not cover any consequence of labour disputes, infections or **Communicable Disease**;
- c) **We** will not cover any incident involving interruption of or interference with **Your Business** during the first 24 hours of the **Indemnity Period**;
- d) **We** will not pay more than the amount stated in the **Schedule**, irrespective of the number of **Premises** insured;
- e) the **Maximum indemnity period** will be 12 weeks; and
- f) the **Automatic Reinstatement of Sum Insured** Condition will not apply in respect of this Extension.

### Advanced Loss or Rent Receivable

Where **Rent Receivable** is covered for new property developments or properties that are being redeveloped, **You** must show that **Rent Receivable** would have been earned had the **Damage** not occurred. **You** will need to support a claim for loss of **Rent Receivable** by submitting reasonable evidence of the amount of the **Rent Receivable** and the date from which it would have been earned.

**We** will consider:

- a) the actual negotiations with prospective tenants both before and after the date of **Damage**;

- b) the demand for similar accommodation in the locality; and
- c) the general level of rents applying in the vicinity.

If required, the advice of a professional valuer acceptable to both **You** and **Us** will be sought and those fees will be included in the amount payable.

**We** will pay more than the projected Rent Sum Insured declared to **Us** and stated in the **Schedule**.

### Alternative Trading

If during the **Indemnity Period** the **Business** is conducted elsewhere than at the **Premises** due to **Damage**, the **Money** paid or payable to **You** in respect of such other **Premises** will be taken into account in arriving at the **Rent Receivable** during the **Indemnity Period**.

### Boiler Explosion

**We** will cover **You** for loss of **Rent Receivable** caused by **Damage** resulting from the explosion of any boiler or economiser on the **Premises** belonging to **You** or under **Your** control, during the **Period of Insurance**. This cover is subject to there being an insurance policy in force covering the peril of Explosion at the time of the loss.

### Buildings Awaiting Sale

If at the time of the covered **Damage** **You** have contracted to sell **Your** interest in the **Premises** or have accepted a written offer to purchase **Your** interest in the **Premises** subject to contract, and the sale is cancelled or delayed solely as a result of the **Damage**, **We** will pay at **Your** option:

- a) the loss of rent during the period prior to the date upon which but for the **Damage** the **Premises** would have been sold, being the actual amount of the reduction in **Rent Receivable** by **You** during the **Indemnity Period** solely due to the **Damage**;
- b) the loss of interest during the period starting with the date upon which but for the **Damage** the **Premises** would have been sold and ending with the actual date of sale or with the expiry of the **Maximum Indemnity Period** whichever is the earlier, being:
  - i) the actual interest incurred on capital borrowed (solely to offset in whole or

part the loss of use of the sale proceeds) for the purpose of financing the **Business**; or

- ii) the investment interest **You** have lost on any balance of the sale proceeds (after deduction of any capital borrowed as provided under b) i. above) less any amount in respect of **Rent Receivable**; or
- c) additional expenditure being:
  - i) the expenditure necessarily and reasonably incurred as a result of the **Damage** solely to avoid or minimise the loss payable under a) or b) above, but not more than the amount of loss avoided by the expenditure; and
  - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay due to the **Damage** but not exceeding the amount of the expenditure incurred immediately prior to the **Damage** under c) i) above or £50,000, whichever is the less.

**We** will only make a payment under this Extension if **You** have made all reasonable efforts to complete the sale of the **Premises** as soon as practicable after the **Damage**. The amount payable under this Extension shall not exceed the amount of **Rent Receivable** that would have been earned had the **Premises** been leased or rented.

### Cancellation - Lenders Interest

**This Cover Extension will only apply when included as an operative Endorsement.**

In the event of the **Premium** not being paid, **We** will not cancel this Section of **Your Policy** in respect of the interest of a lender without first giving the lender 30 days' written notice, provided that:

- a) the lender's details have been provided to **Us** and are correct at the time of cancellation;
- b) **We** have been requested to provide such notice prior to such non-payment;
- c) during the notice period cover will be restricted to the extent of the lender's interest.

### Composite Insured (Non-Vitiation)

**This Cover Extension will only apply when included as an operative Endorsement.**

Where any party is noted on the **Schedule** as a Composite Insured under this Section of **Your Policy** then any non-disclosure, misrepresentation or failure to comply with **Policy** terms and conditions by them or **Us** will not prejudice the rights of the other party or parties, provided that the other party or parties tell **Us** immediately if they become aware of any such non-disclosure, misrepresentation or failure to comply with **Policy** terms and conditions.

### Denial of Access

**We** will cover **You** for loss of **Rent Receivable** covered by this Section, resulting from interruption of or interference with **Your Business** caused by **Damage** occurring during the **Period of Insurance** by any **Defined Peril** to property within a 1 mile radius of Your **Premises**, which prevents or hinders the use of **Your Premises**, or access to it, regardless of whether **Your Premises** is **Damaged** or not, provided that:

- a) the **Defined Perils** are covered under Section 1 - Property Damage in respect of **Your Premises**;
- b) the insurance provided by this cover will only apply for the period starting with the prevention of access or hinderance of use and ending after 12 weeks;
- c) **We** will not pay more than the amount stated in the **Schedule**, irrespective of the number of **Premises** insured.
- d) the **Automatic Reinstatement of Sum Insured Condition** will not apply in respect of this Extension
- e) this does not include any **Damage** to property from which You obtain electricity, gas, water or telecommunications services which prevent or hinder the supply of these services;
- f) **We** will not cover any interruption of or interference with **Your Business** due to an emergency event that threatens a disturbance or endangers life or property; and
- g) **We** will not cover any interruption of or interference with **Your Business** that lasts less than 12 consecutive hours.

### Failure of Public Utilities

**We** will cover **You** for loss of **Rent Receivable** following interruption of or interference with **Your Business** during the **Period of Insurance** caused by the



accidental failure of the supply of:

- a) electricity at **Your** supplier's generating station or sub station;
- b) gas at **Your** supplier's land based premises;
- c) water supply at **Your** supplier's waterworks or pumping station; or
- d) telecommunications services at **Your** supplier's land based premises,

from which **You** obtain electricity, gas, water or telecommunications services within the **Policy Territories** where such accidental failure is a direct result of **Damage** caused by a **Defined Peril**.

However:

- a) **We** will not cover any failure which does not involve cessation of supply for at least 12 consecutive hours;
- b) **We** will not cover any loss resulting from failure caused by:
  - i) any consequence of riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances;
  - ii) the deliberate act of any supplier or by them using their power to withhold or restrict supply or services; or
  - iii) solar flare or other atmospheric or weather conditions, but **We** will cover failure due to **Damage** to equipment caused by these conditions;
- c) **We** will not pay more than the amount stated in the **Schedule**, irrespective of the number of **Premises** insured;
- d) the **Maximum indemnity period** under this Extension will be 12 weeks; and
- e) the **Automatic Reinstatement of Sum Insured Condition** will not apply in respect of this Extension.

### Loss of Attraction

**We** will cover **You** for loss of **Rent Receivable** covered by this Section, resulting from interruption of or interference with **Your Business** caused by **Damage** during the **Period of Insurance** by a **Defined Peril** to property within a 1 mile radius of **Your Premises** which directly results in a fall in the number of tenants' customers attracted to the **Premises**, whether **Your Premises** or property are damaged or not.

However:

- a) **We** will not cover any loss resulting from interruption of or interference with **Your Business** during the first 12 hours of the **Indemnity Period**;
- b) this Extension does not cover loss following obstruction by snow, storm or **Flood**;
- c) **Our** liability will not exceed the amount stated in the **Schedule** in any one **Period of Insurance** irrespective of the number of **Premises** insured;
- d) the **Maximum indemnity period** under this Extension is 12 weeks; and
- e) the **Automatic Reinstatement of Sum Insured Condition** will not apply in respect of this Extension.

### Loss of Investment Income on Late Payment of Rent

If as a result of covered **Damage We** pay loss of **Rent Receivable** and the payment by **Us** to **You** is made later than the date upon which **You** would normally have expected to receive the rent from a lessee, **We** will pay a further sum representing the investment interest lost to **You** during the delay period.

**We** will not pay more than the amount stated in the **Schedule**.

### Managing Agents

**We** will cover **You** for loss of **Rent Receivable** resulting from interruption or interference with the **Business** as a result of **Damage** occurring during the **Period of Insurance** by a cause not otherwise excluded under Section 1 – Property Damage to property at the premises of **Your** managing agents, provided:

- a) such **Rent Receivable** is not paid to **You** as a direct result of the **Damage**;
- b) such **Rent Receivable** is not insured by any other policy or recoverable from any other party; and
- c) **You** take all reasonable steps to recover the **Rent Receivable** and repay to **Us** all sums paid to **You** under this Extension which **You** later recover.

**We** will not pay more than the amount stated in the **Schedule**.

### Payment of Rates

The cover for **Rent Receivable** is extended to include the costs of local authority rates on **Unoccupied Premises** provided those costs are incurred by **You**

solely as a result of the lessee being able to determine or frustrate the lease following covered **Damage**.

**We** will not cover such costs:

- a) for any portion or portions of the **Premises** that were untenanted at the time of the **Damage**, unless a tenancy agreement had been signed within three months of the date of **Damage** and subsequently cancelled solely due to **Damage** occurring;
- b) if the **Premises** are unfit for occupation as a result of an act or omission by **You** (or someone acting on **Your** behalf) which has resulted in a valuation officer reinstating the premises on the rating list.

### Professional Accountant Charges

**We** will cover **You** for the reasonable charges payable to:

- a) professional auditors or accountants for producing information, evidence or any other particulars that **We** may require under **Claims Procedures Condition** of this Policy and reporting that all such information is in accordance with **Your** accounting records, other business books or documents; and
- b) **Your** lawyers for determining **Your** contractual rights under any rent cessor clause or insurance break clause contained in the lease.

However:

- a) **We** will not cover fees for any other purposes or for the preparation of any claim; and
- b) the sum of the amount payable under this clause and the amount otherwise payable under this **Policy** will in no case exceed the **Sum Insured** or limit of liability as stated.

### Relocation of Tenants

If **Your** tenant is relocated to an empty **Building of Yours** following **Damage**, any resulting claim for **Your** loss of **Rental Receivable** in relation to the **Damaged Building** will not be reduced provided that the **Buildings** used for relocation of the impacted tenants is covered by Section 1 – Property Damage of this Policy.

**We** will not pay more than the amount stated in the **Schedule**.

### Rent Abatement

If following **Damage** **We** pay **You** for loss of **Rent Receivable** and a pre-existing cessor clause in the lease enables a lessee to cease paying rent which, but for the **Damage**, that lessee would normally pay, **We** will pay that rent as part of the loss.

**We** will not pay **You** beyond the date when the terms of the cessor clause in the lease determine that the lessee should begin to pay such rent again.

### Rent Free Period

If at the date of **Damage** any **Premises** are subject to a rent free period under the terms of the lease, the **Indemnity Period** stated in **Your Schedule** will be adjusted by adding the unexpired portion of the rent free period to the **Maximum Indemnity Period**.

### Rent Review

Where the **Rent Receivable** is subject to a rent review during the **Period of Insurance** then the **Sum Insured** by this section will automatically be increased to reflect the revised amount, up to a maximum increase of 200% of the **Rent Receivable Sum Insured** stated in **Your Schedule**.

**We** will not charge additional **Premium** for such increases during the current **Period of Insurance** provided that prior to renewal **You** declare to **Us** the revised **Rent Receivable** for the next **Period of Insurance**.

### Specified Diseases, Vermin, Defective Sanitation, Murder or Suicide

**We** will cover **You** for any loss of **Rent Receivable** insured by this Section resulting from interruption of or interference with the **Business** conducted by **You** at **Your Premises** during the **Period of Insurance** following:

- a) i) any occurrence of a **Specified Disease** at **Your Premises** or injury or illness attributable to food or drink supplied from **Your Premises**;
- ii) any discovery of an organism at **Your Premises** likely to result in the occurrence of a **Specified Disease**;
- b) the discovery of vermin or pests at **Your Premises**;
- c) any accident causing defects in the drains or other sanitary ware at **Your Premises**; or
- d) any occurrence of suspected murder, suicide or sexual assault at **Your Premises**,

that prevents the use of or part use of the **Building(s)**

or directly results in the compulsory closing of the whole or part of **Your Premises** by order of a public authority.

However:

- i) **We** will not pay for any costs incurred in the cleaning, repair, replacement, recall or checking of property;
- ii) **We** will only cover loss arising at **Your Premises** stated in **Your Schedule** which are directly affected by a. to d. above;
- iii) **We** will not cover loss resulting from interruption of or interference with **Your Business** during the first 12 hours of the **Indemnity Period**;
- iv) **We** will not pay more than the amount stated in the **Schedule** in total in any one **Period of Insurance**, irrespective of the number of **Premises** insured;
- v) the **Maximum indemnity period** will mean 12 weeks; and
- vi) the **Automatic Reinstatement of Sum Insured Condition** will not apply in respect of this Extension.

The **Indemnity Period** for this Extension is the period during which the results of the **Business** are affected in consequence of the occurrence, discovery or accident beginning with the date from which the restrictions on **Your Premises** are applied, or in the case of d. above with the date of the occurrence, and ending not later than the **Maximum Indemnity Period**.

### Subrogation Waiver

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

- a) Company standing in relation of Parent to Subsidiary (or Subsidiary to Parent) to **You** as defined in the Companies Act current at the time of the **Damage**;
- b) any Company which is a Subsidiary of a Parent Company of which **You** are a subsidiary, in each case within the meaning of the Companies Act current at the time of the **Damage**;
- c) any tenant or lessee, provided that:
  - i) the **Damage** has not been caused by

the criminal, fraudulent or malicious act of the tenant or lessee; and

- ii) the tenant contributes to the cost of insuring the **Buildings** against the event which caused the **Damage**; or
- d) any Managing agent acting on **Your** behalf in respect of **Damage** to the **Buildings**, but only if:
  - iii) requested to do so by **You** after a claim under the **Policy** has been submitted; and
  - iv) the **Damage** does not arise out of the Managing Agent's negligence or willful misconduct.

## Section 2a – Conditions

### Automatic Reinstatement of Sum Insured

Following **Damage** covered under Section 2A – Loss of Rent and 2B – Outstanding Debit Balances **We** will automatically reinstate the **Sum Insured** from the date of the loss provided that:

- a) **We** did not give written notice to the contrary within 30 days of the notification of any **Damage**;
- b) **You** pay the necessary additional Premium that may be required for the reinstatement, from the date of the **Damage** to the expiry of the **Period of Insurance**; and
- c) **You** agree to comply with any additional security recommendations or risk improvements **We** may require in order to reduce the risk of **Damage**.

### First Financial Year – New Business

In the event of **Damage** occurring before the end of the first financial year of the Business, the results of the Business up to the date of the **Damage** will be used as a basis on which to assess what the **Rent Receivable** for the first financial year would have been had the **Damage** not occurred.

### Payments on Account

If **You** request, **We** will make payments to **You** monthly on account during the **Indemnity Period**, provided always that:

- a) the aggregate amount of such payments shall not exceed the **Sum Insured** for the item for which the claim is being paid hereunder; and
- b) if the total adjusted loss under this section differs from the quantum of the payments made under this clause then **We** and **You** mutually agree to pay or return the difference accordingly

### Seventy Two Hour Clause

**We** will cover **You** for **Damage** occurring within 72 consecutive hours caused by the **Defined Perils** of earthquake, storm or **Flood** as one claim. **You** can decide when the 72 hour period starts, provided that all **Damage** occurs within the **Period of insurance**.

### Trends

Adjustments will be made as necessary when calculating the actual **Rent Receivable** during the **Indemnity Period** and the **Maximum Indemnity Period** to reflect any trends of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the date of the **Damage** and which would have affected the **Business** had the **Damage** not occurred, so that the adjusted figures will represent as closely as possible the results which would have been achieved during the relative period after the **Damage**.

### Unoccupied Buildings

Where **Buildings** or any part of them which are **Unoccupied** sustain **Damage** during the **Period of Insurance**, **Our** maximum liability will be the amount of the **Rent Receivable** that **You** can evidence would have been earned during the period of reinstatement or repair. This calculation will take into consideration:

1. any tenancy agreement in respect of such **Buildings** that existed at the time of the **Damage** occurring;
2. negotiations with prospective tenants both before and after the date of **Damage**;
3. demand for similar accommodation in the locality; and,
4. the general level of rents applying in the vicinity.

### Value Added Tax (VAT)

To the extent that **You** are accountable to the tax authorities for VAT all items in this Section will be treated as being exclusive of such tax.

## Section 2b – Outstanding Debit Balances

### Cover Provided

In the event of **Damage** to **Your** books of accounts or other business books or records at the **Premises** during the **Period of Insurance** and consequently, **You** are unable to trace or establish the **Outstanding Debit Balances** in whole or in part due to **You**, then **We** will pay **You** the amount of loss resulting from such **Damage** in accordance with the provisions herein contained provided that **Our** liability shall not exceed the **Sum Insured** stated in **Your Schedule** at the time of the **Damage**.

**We** will cover **You** for the following costs and expenses that may be incurred under this Section:

### Other Recovery Costs

The expenses **You** incur with **Our** prior consent in tracing and establishing customers' debit balances after the covered **Damage**.

### Professional Accountants

The reasonable charges of **Your** professional accounts for producing:

- a) such particulars or details contained in **Your** books of account or other **Business** books or records; or
- b) any other proofs, information or evidence **We** require;

for the purpose of investigating or verifying any claim made under this Section, provided that at the time of loss such professional accountants are regularly acting as such as **You**. The accountant's report will be the basis for evidence of the particulars and details to which such report relates, unless any such contradictory circumstance or evidence is apparent in which case the onus to prove the loss shall be upon **You**.

## Section 2b – Conditions

### Apportionment of Recoveries

After payment of any claim hereunder, all amounts **You** recover on accounts receivable for which a claim has been paid under this Section for **Outstanding Debit Balances** will belong to **Us** and **You** will pay all such amounts to **Us** immediately

until **We** have recovered the total amount **We** have paid.

### Underinsurance

If at the time of **Damage** the **Sum Insured** for **Outstanding Debit Balances** is less than the actual balances, the amount **We** will pay will be proportionately reduced.

## Section 2b – Exclusions

The following exclusions are to apply in addition to the exclusions set out under the General Exclusions and the Exclusions Applicable to Both Section 1 – Property Damage & Section 2 – Loss of Rent Sections of **Your Policy**.

### Alterations

**We** will not cover **You** for alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of **Money**, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding of money book-keeping, accounting or billing errors or omissions.

### Paper Records out of Safe

**We** will not cover **You** for loss resulting from damage to paper books and records that are outside of **Your** fire resistant safe or cabinet and not in use.

### Electronic Records

**We** will not cover **Your Outstanding Debit Balances** that are stored electronically, but are not backed up at least weekly to electronic media stored away from the **Premises** or to a cloud based computer service.

### Defects, Misfiling and Inventory

**We** will not cover **You** for:

- a) defects in such records;
- b) mislaying or misfiling of records
- c) any loss where the proof of factual existence is solely dependent upon an audit of record or an inventory computation.



## Covers applicable to both Section 1 – Property Damage & Section 2 – Loss of Rent and Outstanding Debit Balances

### Automatic Cover – Newly Acquired Buildings

The insurance under Section 1 – Property Damage and Section 2 – Loss of Rent of this **Policy** is extended to include cover:

1. from the date of exchange of contracts for **Premises** newly acquired by **You**; or
2. from the date of practical completion for **Premises** previously insured under a construction policy within the **Policy Territories**, to the extent that **Your** interest is not protected by any other more specific insurance, provided that:
  - a) as soon as reasonably practicable **You** notify **Us** in writing of each **Premises** and arrange specific cover with **Us** from the date of exchange or date of practical completion and pay the appropriate additional **Premium**;
  - b) the cover provided under this Extension will operate for a maximum period of 30 days from the date **You** acquired **Your** interest in the **Premises**;
  - c) the most **We** will pay for any one claim for **Buildings** and loss of **Rent Receivable** will not exceed the amount stated in the **Schedule**;
  - d) in respect of any **Premises** purchased for refurbishment or redevelopment, **the Basis of Settlement A: Indemnity** will apply;
  - e) in respect of any **Premises** purchased and due for demolition the basis of settlement will be limited to the additional costs associated with clearing and securing the **Buildings**;
  - f) the cover under this Extension will be subject to all the terms, definitions, conditions and exclusions of the **Policy**; and
  - g) if cover is provided under this Extension then cover is not provided under the Capital Additions or Inadvertent Omission to Insure covers at the same time for the same **Premises**.

### Capital Additions

The insurance under Section 1 – Property Damage and Section 2 – Loss of Rent of this **Policy** is extended to include cover for:

- a) alterations, additions and improvements to **Buildings**, but not for any appreciation in value in excess of **Sums Insured**;
- b) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a **Building** contractor is responsible) which is not insured elsewhere anywhere in the **Policy Territories**, provided that:
  - i) **You** provide **Us** with details of the alterations and additions in writing as soon as practicable, ensure specific cover is arranged with **Us** from the date **You** became responsible and pay any additional **Premium** required;
  - ii) the provisions of this cover will be fully maintained in addition to any specific insurance effected under a) above; and
  - iii) if cover is provided under this Extension then cover is not provided under the Capital Additions cover or Inadvertent Omission to Insure cover at the same time for the same property.

The most **We** will pay for any one claim for **Buildings** and loss of **Rent Receivable** at any single premises will not exceed the amount stated in the **Schedule**.

### Failure of Other Insurances

The cover under Section 1 – Property Damage and Section 2 – Loss of Rent is extended to include cover for any premises within the **Policy Territories** where **You** have an insurable interest but which by virtue of lease requirements are required to be insured by another party and where that party has failed to:

- a) arrange or maintain insurance to comply with the terms of the lease;
- b) insure for an adequate amount to provide for reinstatement of the property and loss of **Rent Receivable**, whether the amount insured had been

approved by **You** or not, but excluding any payments in respect of **Damage** or loss of **Rent Receivable** that **You** are able to recover from any other party.

**We** will not cover any amount:

- a) due to the operation of any excess or deductible under any more specific insurance;
- b) where the third party's insurance has been invalidated due to the breach of any condition or warranty contained within their policy;
- c) due to the failure of the third party to make or pursue a legitimate insurance claim;
- d) unless **You** have procedures in place to ensure that the third party effects and maintains adequate insurance cover and wherever possible **Your** interest is noted and protected by a non-invalidation clause and lapse/cancellation notification undertaking;
- e) of **Rent Receivable** unless the **Buildings** to which the **Rent Receivable** relates be so **Damaged**

as to be rendered unfit for occupation and then only for such proportion of the rent payable as may be equivalent to the period necessary for reinstating the destruction or damage sustained but not exceeding 36 months.

This Extension will only apply if **We** are the sole provider of **Buildings** insurance in respect of **Your** properties owned in connection with the **Business** as defined in the **Schedule** and where **You** have an obligation to arrange such insurance.

This Extension will not apply to any **Premises** covered under the **Capital Additions** cover or **Inadvertent Omission to Insure** cover.

### **Inadvertent Omission to Insure**

Where **You** have notified **Us** of **Your** intention to insure all property within the **Policy Territories** in which **You** have an interest and obligation to insure, the insurance under Section 1 – Property Damage and Section 2 – Loss of Rent of this **Policy** is extended to include cover for building and loss of rent that is subsequently found to have been inadvertently omitted.

However:

- a) **We** will only give this cover if:

- i) **You** give **Us** notice in writing immediately an omission to insure is discovered;
  - ii) within 30 days of the date of discovery **You** provide the sums insured to apply for any such **Premises**; and
  - iii) effect specific cover from the date upon which the insurance of the property became **Your** responsibility and will pay the appropriate additional **Premium**;
- b) **You** must carry out at least annual checks to ensure of all property in which **You** have an interest and obligation to insure has effective insurance in force;
  - c) this Exclusion will only apply if **We** are the sole provider of **Buildings** insurance in respect of the **Your** properties owned in connection with the **Business** as defined in **Your Schedule** and where **You** have an obligation to arrange such insurance;
  - d) this Extension will not apply in addition to any cover provided under the Newly Acquired cover or Capital Additions cover; and
  - e) the most **We** will pay for any one claim at any single premises will not exceed the amount stated in the **Schedule**.

### **Mortgagees, Lessors and Other Interests**

The interest of any Freeholder, Lessee, Under Lessee and/or Mortgagee in this insurance and which attached before the happening of any **Damage** shall be automatically noted if requested by **You** but only to the extent that such interest is not otherwise insured and subject to **You** disclosing their identity to **Us** in writing at the time of that **Damage**.

In addition, where the risk of **Damage** of loss of **Rent Receivable** is increased as a result of any act or neglect of any mortgagor, leaseholder, lessee or occupier of any **Buildings** insured by this **Policy**, this will not prejudice the interest of any mortgagee, freeholder or lessor provided always that such increase in risk is without their prior knowledge or authority and **We** are notified immediately they become aware of such increase in risk and **You** pay an appropriate additional **Premium** if required.

## Exclusions applicable to both Section 1 – Property Damage & Section 2 – Loss of Rent and Outstanding Debit Balances

The following exclusions set out what is not covered under Section 1 – Property Damage & Section 2 – Loss of Rent and are to apply in addition to the exclusions set out under the General Exclusions Section of **Your Policy**.

### Aircraft or Aerial Devices

**We** will not cover **You** for damage caused by or occasioned by pressure waves caused by aircraft or other aerial or spatial devices travelling at sonic or supersonic speeds but **We** will pay for subsequent **Damage** which itself results from a cause not otherwise excluded.

### Art, Jewellery and Brittle Articles

**We** will not cover **You** for damage to:

- a) jewellery, precious stones or precious metals, furs, curiosities, works of art or rare books, china, earthenware, marble or other fragile or brittle objects (other than as provided under **Landlord's Contents**),
- b) glass and sanitaryware which do not form part of the structure of the **Buildings** or its fixtures and fittings,

other than **Damage** caused by a **Defined Peril** which is not otherwise excluded.

### Boiler Explosion and Failure

**We** will not cover **You** for damage caused by:

1. explosion, failure or collapse of a boiler (but not a boiler or economiser used for domestic purposes only) economiser or other vessel, machine, apparatus or pipe work at the **Premises** in which internal pressure is due to steam only; or
2. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them,

belonging to **You** or under **Your** control, but **We** will pay for subsequent **Damage** which itself results from a cause not otherwise excluded.

### Collusion

**We** will not cover **You** for damage by theft or attempted theft brought about by or in conjunction with **You** or any of **Your** partners, directors or **Employees** or any member of **Your** family or any other person lawfully at the **Premises**.

### Date Recognition

**We** will not cover **You** for damage directly or indirectly caused by, contributed to, by or arising from the failure of any computer or other equipment (including hardware and software), whether **Your** property or not, to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

However, **We** will cover subsequent **Damage** which results from a **Defined Peril** not otherwise excluded.

### Electrical or Mechanical Breakdown

**We** will not cover **You** for damage caused by electrical or mechanical breakdown or derangement including but not limited to overrunning, overheating or short-circuiting of the particular machine, apparatus or equipment where the breakdown or derangement originates, but **We** will pay for **Damage** caused by a **Defined Peril** which is not otherwise excluded.

### Electronic Risks

**We** will not cover **You** for any losses directly or indirectly caused by or contributed to, by or arising from or occasioned by, or resulting from:

1. loss of, damage to or the destruction of any **Computer Systems**; or
2. loss, alteration, modification, distortion, erasure or corruption of, or unauthorised access to, or misinterpretation, use or misuse of **Electronic Data**,

in each case, whether property owned by **You** or not, where such loss is directly or indirectly caused by or contributed to, by or arising from or occasioned by or resulting from **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**.



But **We** will cover subsequent **Damage** which is covered by Section 1 and which itself results from a **Defined Peril** covered by Section 1, except for:

- a) riots, strikes, civil commotion, vandalism or other malicious acts, or
- b) theft other than theft involving forcible or violent entry or exit (or threat thereof).

### Erasure of Data

**We** will not cover **You** for any losses directly or indirectly caused by or arising from:

1. erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances, civil commotion or malicious persons;
2. other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **Defined Peril** covered by Section 1 – Property Damage.

### Faulty Workmanship

**We** will not cover **You** for damage caused by:

1. defective design, latent defect, the use of defective materials, the misapplication of tools or other inherent flaw; or
2. faulty or defective workmanship, operational error or omission by **You**, any **Employee** or anyone on **Your** behalf,

but this does not exclude **Damage** caused by a **Defined Peril** which is not otherwise excluded.

### Fines and Penalties

**We** will not cover fines or damages for breach of contract for late or non-completion of orders or any penalties of whatsoever nature.

### Fraud and Dishonesty

**We** will not cover damage which results from:

1. acts of fraud or dishonesty by **You**, any partner, director or **Employee** or any other person who is responsible for the **Buildings**; or
2. anyone voluntarily parting with title or possession of any **Buildings** as a result of a fraudulent trick, device, scheme or false claim,

but **We** will pay for subsequent **Damage** which itself results from a **Defined Peril** which is not otherwise excluded.

### Frost

**We** will not cover **You** for damage caused by frost or freezing, but **We** will pay for subsequent **Damage** which results from a **Defined Peril** which is not otherwise excluded.

### Interest

**We** will not pay interest on the amount of any claim under these Sections of this **Policy** for any reason whatsoever.

### Landlord's Contents

**We** will not cover **You** for damage to **Landlord's Contents** that exceeds an amount of:

- a) £10,000 in total at any one **Premises**
- b) £1,000 in respect of **Money**,
- c) £5,000 any one article or £10,000 in total in respect of works of art, antiques and sculptures but only in so far as they are not otherwise insured;
- d) £1,000 any one person in respect of **Your** partners', directors', and **Employees'** personal effects whilst at the **Premises**.

### Marine Impact

**We** will not cover **You** for damage caused by impact with any **Covered Property** by any waterborne vessel or craft.

### More Specific Insurance

**We** will not cover **You** for any **Covered Property** more specifically insured by **You** or on **Your** behalf.

### Non-specific Loss or Damage

**We** will not cover **You** for damage caused by or resulting from:

1. mysterious or unexplained disappearance;
2. inventory or stocktaking shortage; or
3. misfiling, clerical error or misplacing of property, information or data.

### Other Insurances

**We** will not cover **You** for any property which is insured by or would but for the existence of this **Policy** be insured by any form of marine, transit or aviation policy.

### Other Property

**We** will not cover **You** for damage to:

1. livestock, bloodstock, fishstock, growing crops or trees;
2. watercraft or aircraft or other aerial or spatial devices;
3. motor vehicles or their contents, accessories, caravans or trailers except for such vehicles that are not licensed for road use;
4. **Money** except as specifically covered under **Landlords Contents**;
5. land, piers, jetties, bridges culverts or excavations;
6. property in the course of erection or installation;
7. property in transit except as specifically covered under the **Temporary Removal Extension**;
8. explosives;
9. telephone, gas, water and electricity meters, piping, ducting, trunking, cables, wires and associated control gear, instruments and accessories and the like, other than:
  - a) those that partly or wholly serves to supply the **Premises** but only to the point of the terminal connection at the public mains; or
  - b) those within five (5) metres of the perimeter of the **Premises**.

### Pollution and Contamination

**We** will not cover **You** for any damage caused by Pollution unless the Damage is caused by:

1. **Pollution** which results from a **Defined Peril** provided that the peril is not otherwise excluded;
2. any **Defined peril** which results from **Pollution**, provided that the peril is not otherwise excluded.

### Processing

**We** will not cover **You** for damage caused by or resulting from any property:

1. undergoing any process including but not limited to, cleaning, servicing, repairing, restoring, renovating, treatment, testing, commissioning, production or packaging; or
2. itself undergoing any heating process or any process involving the application of heat,

but in respect of 2. above **We** will pay for **Damage** caused by fire or explosion.

### Property in the Open

**We** will not cover **You** for damage to fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, dust **Flood** or theft.

### Public Services

**We** will not cover loss of **Rent Receivable** resulting from damage caused by or resulting from the deliberate act of a supply undertaking in withholding the supply of water, electricity, gas or fuel supply or telecommunications service.

However, **We** will cover:

1. **Damage** which results from a **Defined Peril** covered under Section 1 – Property Damage; and
2. subsequent **Damage** which itself results from a cause which is not otherwise excluded.

### Subsidence or Collapse

**We** will not cover **You** for damage caused by:

1. subsidence, ground heave or landslip resulting from or attributable to:
  - a) normal settlement or the bedding down of new structures;
  - b) coastal or river erosion;
  - c) the movement of reclaimed or made-up ground or of any building erected on a mining site;
  - d) defective design or workmanship or the use of defective materials;
  - e) any **Buildings** at the same **Premises** being in the course of construction or undergoing demolition, structural alterations or structural repairs or as a result of ground works or excavation.
2. subsidence or collapse which **You** were aware of and commenced prior to **Our** acceptance of this insurance;

3. the **Buildings** own collapse or cracking, other than for **Damage** caused by a **Defined Peril** which is not otherwise excluded.
4. subsidence or collapse in respect of:
  - a) walls, gates and fences, outbuildings, garages, car parks, yards, forecourts, roads, pavements, patios and paths unless the **Damage** also occurs to a building covered under Section 1 - Property Damage by the same cause and at the same time;
  - b) to solid floors unless the walls of the **Building** are physically Damaged at the same time and by the same cause;
  - c) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe.

### Terrorism and Northern Ireland

**We** will not cover **You** for loss, damage, cost or expense of any nature directly or indirectly caused by, happening through or in consequence of any the following, regardless of any other sequence to the loss:

1. any act of **Terrorism**;
2. riot, civil commotion and (except for **Damage** or interruption to the **Business** caused by fire or explosion) strikers, locked-out workers, persons taking part in labour disturbances or malicious persons occurring in Northern Ireland; or
3. any action taken in controlling, preventing, suppressing or in any way relating to 1. and 2. above.

If **We** allege that by reason of this Exclusion, any loss, damage, cost or expense is not covered by these Sections the burden of proving the contrary shall be upon **You**.

### Unoccupied Buildings

**We** will not cover **You** for **Damage to Unoccupied Buildings** caused by:

1. freezing;
2. escape of water from any tank, apparatus or pipe; or
3. malicious persons not acting in connection with or on behalf of any political organisation, but **We** will pay for such **Damage** caused by fire or explosion.

### Water Table Level

**We** will not cover damage by flooding solely attributable to changes in water table level but this shall not exclude:

1. cover provided for under the Section 1 Cover Extension - Change in Water Table where this extension is shown as operative in the Schedule; or
2. subsequent **Damage** which itself results from a cause not otherwise excluded.

### Wear and Tear, Gradual Change and Miscellaneous Damage

**We** will not cover **You** for damage caused by or consisting of:

1. Corrosion, gradual change or deterioration, change of temperature, change of colour, flavour, texture or finish or inherent vice, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, drying, infestation, mould, mildew, fungus, spores or other microorganism, insects or vermin; or
2. wear and tear, marring or scratching.

However, **We** will pay for subsequent **Damage** which itself results from a **Defined Peril** which is not otherwise excluded.

## Section 3 – Property Owners’ Liability

### Cover Provided

- A.** We will cover **You** for all sums that **You** shall become legally liable to pay as damages, including **Costs and Expenses**, in respect of accidental:
- a) **Personal Injury** to any person;
  - b) **Damage** to material property; or
  - c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

that occurs during the **Period of Insurance**, in connection with the **Business** and happening anywhere within the **Territorial Limits**.

### B. Pollution

This Section will not cover claims in respect of **Pollution or Contamination** other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **Period of Insurance**.

All **Pollution or Contamination** which arises out of one incident will be deemed to have occurred at the time such incident takes place.

### Limit of Liability

#### 1. Damages

- a) **Our** liability for all damages (excluding **Costs and Expenses**) payable in respect of any one claim or series of claims arising out of an event or series of events emanating from or attributable to one originating cause will not exceed the limit of indemnity stated in Section 3 of **Your Schedule**.
- b) Where the **Personal Injury** or **Damage** to material property is caused by **Products**, **Our** liability for all damages payable will not exceed in the aggregate the limit of indemnity stated in Section 3 of **Your Schedule** in any one **Period of Insurance**.
- c) **Our** liability for all damages payable in respect of all **Pollution and Contamination** which is deemed to have occurred during the **Period of Insurance** will not exceed in the aggregate the

limit of indemnity stated in Section 3 of **Your Schedule**.

#### 2. Costs and Expenses

**Costs and Expenses** shall be payable:

- a) in addition to the limit of indemnity applicable in respect of claims made or brought against **You** other than in the United States of America, its possessions and territories and/or Canada.
- b) in diminution of the limit of indemnity in respect of claims made or brought against **You** in the United States of America, its possessions and territories and/or Canada.

#### 3. Terrorism

The limit of indemnity in respect of any one claim or series of claims arising directly or indirectly from or in connection with an act of **Terrorism** will be £2,000,000 or the limit of indemnity as stated for **Terrorism** in Section 3 of **Your Schedule**, whichever is the lesser during any one **Period of Insurance**.

If **We** allege that by reason of this limitation, any loss, damage, cost or expense is not covered the burden of proving to the contrary shall be upon **You**.

#### 4. Cross Liabilities

Where this **Policy** is issued in the joint names of more than one party this Section will cover each named party as if a separate **Policy** had been issued to each of them. The most **We** will pay is the limit of indemnity stated in the **Schedule** regardless of the number of parties claiming to be insured by this **Policy**.

## Section 3 – Extensions

### Contingent Motor Liability

Notwithstanding the **Road Traffic Act** Exclusion under this Section **We** will cover **You** in respect of legal liability for **Bodily Injury** or **Damage** to property caused by or arising from any motor vehicle, not belonging to or provided by **You**, being used in the course of **Your Business**.

**We** will not provide cover for:

- a) loss or damage to any such vehicle;
- b) any liability for which **You** are covered by any other insurance policy;
- c) liability caused or arising whilst such vehicle is:
  - i) being driven by **You**;
  - ii) being driven with the general consent of **You** or of **Your** representative by any person who, to the knowledge of **You** or such representative, does not hold a licence to drive such vehicle, unless such person has held, and is not disqualified from, holding or obtaining such a licence;
  - iii) being used outside the **Policy Territories**.

This Extension does not provide cover to the **Employee** or person using the motor vehicle.

### Corporate Manslaughter and Corporate Homicide Act 2007

**We** will cover **You** for **Costs and Expenses** that **You** incur, with **Our** prior written consent, in defending any criminal proceedings (including any appeal against conviction arising from such proceedings) arising from any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man, provided that:

- a) **We** will not pay more than £1,000,000 in total under this Extension. This limit will form part of and not be in addition to the limit of indemnity stated in Section 3 of **Your Schedule**;
- b) this Extension will only apply if proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within the **Policy Territories** and in connection with **Your Business**;

- c) **You** obtain **Our** prior written consent to the appointment of any legal representation who are to act on **Your** behalf;
- d) **You** immediately notify **Us** of receipt of any summons or other process, served upon **You**, which may give rise to proceedings arising under this Extension;
- e) before **We** agree to fund any appeal, advice must have been received from Counsel that there are strong prospects the appeal will be successful. **You** will supply any information **We** may request to support this advice and any change to such prospect of success during the appeals process may result in cover being removed.

**We** will not provide cover:

- i) for any fines or penalties, of any kind;
- ii) if **You**, or any partner, director or **Employee** have committed any deliberate or intentional criminal act or omission that gives rise to corporate manslaughter or corporate homicide charge;
- iii) for proceedings which relate to any **Employee**;  
or
- iv) where cover for defence costs is available from any other source or insurance policy.

### Court Attendance Costs

**We** will pay for **You**, or any of **Your** directors, partners or **Employees** to attend court, at **Our** request, as a witness in connection with any event which is or may be the subject of cover under this Section.

**We** will pay compensation to **You** at the following rates for each day on which such attendance is required by **Us**:

- a) £750 for **You** or any of **Your** directors or partners;
- b) £250 for any **Employee**.

### Data Protection Legislation

**We** will cover **You** for **Costs and Expenses** and all sums **You** are required to pay as damages to an individual arising from proceedings brought against **You** under the Data Protection Act 2018, Article 82 of Regulation (EU)



2016/679 (General Data Protection Regulation) or any subsequent overriding legislation, occurring during the **Period of Insurance** and happening in connection with the **Business**.

**We will not pay more than £1,000,000 in total under this Extension in any one Period of Insurance.**

**We will not provide cover for:**

- a) any claim or incident that could give rise to a claim caused by any deliberate act or omission, by **You**, the result of which could reasonably have been expected by **You** having regard to the nature and circumstances of such act or omission;
- b) any claim or incident that could give rise to a claim caused by any act of fraud or dishonesty;
- c) any fines or penalties, of any kind;
- d) the cost of replacing, reinstating, rectifying or erasing, blocking or destroying any personal data;
- e) any liability arising from the recording, processing or provision of data for reward or to determine the financial status of any person;
- f) any claim brought or threatened by an individual who is not an **Employee**; or
- g) any liability for which **You** are covered by any other insurance policy.

### **Defective Premises Act 1972**

**We will cover the amount of damages which You are legally liable to pay by virtue of Section 3 of the Defective Premises Act, 1972 or Section 5 of the Defective Premises Measure (Northern Ireland) 1974, or any amendment or replacement thereto, in connection with any business premises or land disposed of by You.**

**We will not provide cover for:**

- a) the costs of rectifying any damage or defect (or alleged defect) in the premises or land disposed of;
- b) the presence of **Asbestos**;
- c) any liability for which **You** are covered by any other insurance policy.

### **Environmental Clean Up Costs**

**We will cover You for the costs that You are legally liable to pay in respect of Remediation or Clean Up Costs arising from environmental damage caused by Pollution or Contamination where such liability arises under environmental protection legislation and provided that such costs arise from Pollution or Contamination by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.**

All **Pollution or Contamination** which arises out of one incident will be deemed to have occurred at the time such incident takes place.

**We will not pay more than £25,000 in total under this Extension in any one Period of Insurance, including Costs and Expenses.** This limit will form part of and not be in addition to the limit of indemnity stated in Section 3 of **Your Schedule**.

**We will not provide cover:**

- a) in respect of:
  - i) **Remediation or Clean Up Costs for Damage to Your land, Premises, watercourse or body of water** whether owned, leased, hired, rented or otherwise in **Your** care, custody or control;
  - ii) removal of any risk of an adverse effect on human health on **Your land, Premises,**
  - iii) watercourse or body of water whether owned, leased, hired, rented or otherwise in **Your** care, custody or control;
- b) in respect of costs for prevention of imminent threat of environmental damage where such costs are incurred without there being **Pollution or Contamination** caused by a sudden, identifiable, unintended and unexpected incident;
- c) for costs of achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time **Remediation** commences;
- d) in respect of costs for the reinstatement or reintroduction of flora or fauna;
- e) for any fines or penalties, of any kind;
- f) for any liability arising from **Pollution or Contamination** directly or indirectly caused by or arising from **Virus or Similar Mechanism or Hacking**; or,



- g) for any liability for which **You** are covered by any other insurance policy.

### Health and Safety at Work, etc. Act 1974

**We** will cover **You** for **Costs and Expenses** that **You**, and at **Your** request any partner, director or **Employee**, incur for any health and safety inquiry or criminal proceedings arising from any breach of the Health and Safety at Work etc. Act 1974 or equivalent legislation in Northern Ireland, the Channel Islands or the Isle of Man.

**We** will also pay the prosecution costs **You** are legally liable to pay and any other costs in appealing against any judgment given.

**We** will not provide cover for:

- a) the payment of any **Costs and Expenses** incurred without **Our** written consent;
- b) any fines or penalties, of any kind;
- c) proceedings relating to the health, safety or welfare of any **Employee**;
- d) proceedings or appeals in respect of any deliberate act or omission; or
- e) any liability for which **You** are covered by any other insurance policy.

### Legionellosis

**We** will provide cover for liability for **Bodily Injury** resulting from **Pollution or Contamination** caused by **Legionellosis** from premises owned, hired or rented by **You** where the **Pollution or Contamination** is not caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place.

This cover will only apply to claims:

- 1. first made in writing to **You** during the **Period of Insurance**; or
- 2. where the first notification of a circumstance which has caused or is alleged to have caused **Personal Injury or Damage** and can be reasonably expected to give rise to a claim is notified to **Us**:
  - i) during the **Period of Insurance**; or
  - ii) within thirty (30) days after expiry of the same **Period of Insurance**.

The most **We** will pay in total under this Extension in

any one **Period of Insurance**, including **Costs and Expenses**, is the limit of indemnity as stated for **Legionellosis** in Section 3 of **Your Schedule**.

All claims arising out of the same isolated, repeated or continuing incidence of **Legionellosis** shall be deemed to be made in the same **Period of Insurance**.

**We** will not pay for:

- a) the first 10% or £2,500 (whichever is the greater) of each and every claim; or
- b) any claims if:
  - i) **You** had become aware, before the start of the current **Period of Insurance**, of a circumstance which has caused or is alleged to have caused such **Pollution or Contamination**; or
  - ii) at the time of loss **You** are in breach of **Your** statutory obligations in respect of the maintenance and cleaning of any water tanks, water systems, air-conditioning plants, cooling towers and the like.

### Liability of Additional Persons

The cover provided by this Section will also apply:

- a) in the event of the death of any person entitled to cover under this Section, the deceased's legal personal representatives but only in respect of legal liability incurred by such deceased person;
- b) at **Your** request, to any of **Your** directors, partners or **Employees** whilst:
  - i) performing their normal duties in connection with the **Business**, provided that **You** would have been entitled to indemnity under this Section if the claim had been made against **You**;
  - ii) private work is being carried out on behalf of a director or officer by an **Employee** with **Your** consent;
  - iii) acting in a personal capacity, during the course of a trip or journey arranged for the purpose of the **Business**; or
  - iv) to any spouse, civil partner, domestic partner or children accompanying a director or **Employee** in the course of a **Business** trip or journey; and
- c) to any officer or member of **Your** canteen,

sports, social or welfare organisations, fire, first aid, security or ambulance services in their respective capacities as such.

### Libel and Slander

**We** will cover the amount of damages and **Cost and Expenses** which **You** are legally liable to pay in respect of claims made against **You** in respect of **Your** in-house and trade publications and advertising material prepared by **You** during the **Period of Insurance** arising from any act of libel or slander committed or voiced in good faith by **You** in the course of the **Business** and during the **Period of Insurance**.

**We** will not pay:

- a) the first 10% or £1,000 (whichever is the greater) of all damages and **Costs and Expenses** arising from any one claim or series of claims arising out of an event or series of events emanating from or attributable to one originating cause; or
- b) more than £250,000 in total under this Extension in any one **Period of Insurance** for all damages and including **Costs and Expenses**;
- c) for any liability or costs arising in any jurisdiction outside the **Policy Territories**.

### Principals Liability

**We** will cover, at **Your** request, the legal liability of any principal arising out of the performance by **You** of any contract or agreement entered into by **You** with the principal. **We** will only provide cover to the extent required by such contract or agreement and provided that:

- a) such principal observe the terms and conditions of this Section so far as they can be applicable;
- b) the full conduct and control of claims is allowed to **Us**.

### Overseas Personal Liability

**We** will cover **You** and, at **Your** request, any partner, director or **Employee** of **You** in respect of legal liability incurred in a personal capacity while temporarily outside the **Policy Territories** in connection with the **Business**.

This cover will not apply:

- a) to legal liability arising out of:

- i) the ownership or occupation of land or buildings;
- ii) the carrying on of any trade or profession; or
- iii) the performance of any manual labour

- b) in respect of any liability for which **You** are covered by any other insurance policy;

### OPTIONAL COVER EXTENSIONS

The following Cover Extensions will only apply if stated in Your Schedule to be Operative.

#### Financial Loss

**We** will cover **Your** legal liability for **Financial Loss** incurred as a direct result of the failure to provide any service in connection with **Covered Property**.

The most **We** will pay in total under this Extension in any one **Period of Insurance**, including **Costs and Expenses**, is the limit of indemnity as stated for **Financial Loss** in Section 3 of **Your Schedule**.

This cover will only apply to claims first made against **You** and notified to **Us** during the **Period of Insurance** or within thirty (30) days after expiry of the same **Period of Insurance**.

The **Cross Liabilities** cover described under **Limit of Indemnity** in this Section will not apply to this Extension.

**We** will not provide cover for:

- a) any liability caused by or arising from circumstances:
  - i) happening before the inception date of this Extension; or
  - ii) notified by **You** to a previous insurer or under a previous period of this insurance; or
  - iii) known to **You**, or for which **You** should have been aware, at the inception of this Extension;
- b) any fraudulent or dishonest act or omission, insolvency, financial default or inducement of breach of contract;
- c) costs in respect of:
  - i) reinstating or replacing any property;
  - ii) the removing, repairing, recalling, improving or guaranteeing the performance of **Products** or any work carried out by or on behalf of **You**;
- d) the cost of or reduction in value of any property,

**Products** or work carried out by **You** or on behalf of **You**;

- e) liability arising:
  - i) from libel, slander, injurious falsehood or the passing off or infringement of any patent, trademark, trade name, copyright, registered design or other intellectual property;
  - ii) out of professional advice or professional negligence;
  - iii) from non-performance, non-completion or delay;
  - iv) financial default or insolvency of any party;
  - v) actual or alleged breach of duty by any director, officer or trustee of **You**;
- f) liability which attaches:
  - i) under a contract, agreement, warranty or guarantee which is greater than the liability **You** would have had in the absence of such contract or agreement;
  - ii) to any statutory authority due to breach of statutory duty or the enforcement of statutory requirements;
- g) any liability in respect of the failure or partial failure of any managing agent to properly fulfil their obligations under any contract with **You**;
- h) liability under the Data Protection Act 2018, Regulation (EU) 2016/679 (General Data Protection Regulation) or any subsequent overriding legislation;
- i) any consequence whatsoever directly or indirectly caused by or arising from the presence or release of **Asbestos**, including any product containing **Asbestos**; or
- j) the first 10% or £2,500 (whichever is the greater) of each and every claim;
- k) liability in respect of unlawful detention, imprisonment, arrest or eviction, malicious prosecution or invasion of the right or privacy of any person;
- l) liability arising out of any breach or alleged breach of any competition law or antitrust law or similar;
- m) liability for **Financial Loss** sustained by any **Employee** in the course of employment;
- n) liability for **Financial Loss** arising in any way

directly or indirectly out of **Terrorism**;

- o) liability arising out of or contributed to by **Pollution or Contamination**;
- p) liability arising out of or in connection with any strikes or labour disturbances;
- q) the sale or purchase of, or the diminution in value of, real property; or
- r) liability arising in any jurisdiction outside the **Policy Territories**.

### Managing Agents

**We** will cover, at **Your** request, the legal liability of a managing agent while acting in their capacity as a managing agent on **Your** behalf and in connection with **Covered Property**.

**We** will only provide cover to the extent required by any contract or agreement entered into by **You** with the managing agent and provided that:

- a) such managing agent observe and be subject to the terms, conditions and exclusions of this **Policy** as far as they can be applicable;
- b) the full conduct and control of claims is allowed to **Us**.
- c) the claim would have been payable as a valid claim had it been brought against **You**.

**We** will not pay:

- i) for claims arising out of a managing agent's negligence or wilful misconduct; or
- ii) in respect of all damages payable, more than the limit of indemnity as stated in Section 3 of **Your Schedule** in any one **Period of Insurance**.

## Section 3 - Conditions

### Application of Heat

**We** will not cover claims arising directly or indirectly from any of the following work that is undertaken by **You** on **Your** own **Premises** unless the precautions set out below are complied with:

- a) for work involving application of heat including, but not limited to the use of any blow lamp, blow torch, flame gun or hot air gun, electric gas or other welding cutting, portable grinding equipment or other form of naked flame:
  - i) the area in which work is to be carried out (including adjoining shafts or openings and the area the other side of any wall or partition) is to be inspected and wherever practicable all combustible material is to be removed to a distance not less than 10 metres from the point of work. Where such material cannot be removed it must be covered by overlapping sheets of non-combustible material or afforded equivalent protection;
  - ii) suitable fire extinguishing appliances, not less than 2 in number, are to be kept available for immediate use at the point of work. Fire extinguishers should be full and in working order with a capacity of at least 6 litres and located no more than 2 metres from the area of work;
  - iii) all burning equipment is to be lit and used in strict accordance with the manufacturer's instructions not left unattended when lit and extinguished immediately after use;
  - iv) hot air guns are to be switched off when unattended and immediately after use;
  - v) all portable grinders are to be switched on and used in strict accordance with the manufacturer's instructions and switched off when unattended and immediately after use;
  - vi) a person who is competent in the use of fire extinguishing appliances is to be appointed to act as a firewatcher in conjunction with the operative using the equipment and to remain in attendance until use of all such equipment has ceased and all torches have been extinguished and all portable grinders switched off;
  - vii) wherever practicable gas cylinders not in use are to be kept outside the building in which the work is taking place or otherwise kept at least 15 metres from the point of work;
  - viii) a continuous check that there is no fire or risk of fire is to be made in the vicinity of the point of work and immediately following completion of each period of work a thorough check that there is no fire or risk of fire is to be made of the whole area in which the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition). A further check is to be made 30 minutes and again at 60 minutes immediately following the completion of each period of work. A suitable **Employee** is to be responsible for fire safety for each period of work and to damp down the area of the proposed work whilst the hot works is being carried out and for at least 15 minutes following any interruption to and/or cessation of the hot work;
  - ix) any work involving the application of heat is only carried out by a suitably experienced **Employee** or contractor;
  - x) any work involving the application of heat will cease at least 1 hour before work at the **Premises** finishes for the day.
- b) for work involving asphalt or bitumen tar boilers:
  - i) regulation spill trays are to be used;
  - ii) all tar boilers are to be kept wholly at ground level;
  - iii) the equipment and works are not to be left unattended at any time whilst in use;
  - iv) suitable fire extinguishing appliances are to be kept available for immediate use at the point of work;
  - v) immediately following completion of each period of work, a thorough check that there is no fire or risk of fire is to be made of the whole area in which the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition).
- c) no such work shall be carried out unless specifically authorised by the occupier of the premises at which the work is to be undertaken and that the occupier has specifically approved the following safety arrangements.

### Section 3 – Conditions

**Our** limit of indemnity in respect any claim arising from any work undertaken by **You** on **Your** own **Premises** involving the use of heat or the application of heat is restricted to £2,500,000 or the limit of indemnity stated in Section 3 of **Your Schedule**, whichever is the less.

## Section 3 – Exclusions

### Asbestos

**We** will not cover claims directly or indirectly caused by or arising from:

1. exposure or alleged exposure to **Asbestos** or materials or products containing **Asbestos**;
2. inhalation or ingestion of **Asbestos**;
3. fear of the consequences of exposure to and/or inhalation or ingestion of **Asbestos**;
4. costs incurred in the investigation, management (including those of any persons under statutory duty to manage), remediation, removal or reinstatement of any property arising out of the presence of **Asbestos**.

### Breach of Professional Duty

**We** will not cover claims caused by or arising from any breach of professional duty in relation to advice, instruction, consultancy, design, formula, specification, inspection, valuation, certification or testing by **You** or anyone acting on **Your** behalf for a fee or where a fee would normally be charged.

### Contract Works

**We** will not cover claims for damage to material property which is required to be insured under the terms of Clause 6.5.1 of the Joint Contracts Tribunal (JCT) Standard Form of Building Contract or any clause of similar intent under other contract condition.

### Contractual Liability and Punitive Damages

**We** will not cover claims:

1. a) to pay contractual fines, contractual penalty clauses or liquidated damages;  
b) to pay any other fines or penalties, of any kind  
c) to pay any aggravated, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages awarded by a court of law outside of the **Policy Territories**; and  
d) where the terms of any contract or agreement entered into by **You** prevent **Us** from taking over the full defence or settlement of the claim.

### Deliberate Acts

**We** will not cover claims for **Personal Injury, Damage** to any property or any other loss expected or intended by **You** or by any other party claiming to be insured by this **Policy**.

### Excess

**We** will not cover **You** for the amount of the **Excess** stated in the **Schedule** for each and every claim in respect of **Damage** to material property.

### Injury to Employees

**We** will not cover claims for **Personal Injury** to any **Employee** arising out of and in the course of employment by **You** in the **Business**.

### Offshore

**We** will not cover claims arising in connection with

- a) **Products** supplied to, or
- b) work on or travel to, from or within any offshore rig or platform from the time of embarkation onto any conveyance at the point of departure from land until the time of disembarkation from any conveyance onto land upon return.

### Overseas Operations

**We** will not cover claims caused by or arising from:

- a) i) any associated or subsidiary company of **Yours**;  
ii) any branch office or representative of **Yours** with power of attorney domiciled outside of the **Policy Territories**; or
- b) the ownership, occupation or management by **You** of any premises outside of the **Policy Territories**.

### Ownership or Possession of Property

**We** will not cover claims for loss or damage to any property belonging to **You** or in **Your** care, custody or control but this Exclusion will not apply to:

- a) personal effects or vehicles belonging to any **Employee** or visitor;
- b) premises (and their contents) temporarily occupied by **You** for the purpose of carrying out **Your Business**;



- c) premises (including their fixtures and fittings) **You** hire, rent, or are loaned within the **Policy Territories** in connection with **Your Business** but this Section does not cover liability attaching to **You** solely under the terms of a tenancy or other agreement.

### Pollution and Contamination

**We** will not cover claims for **Pollution or Contamination**:

- a) made our brought against **You** within the jurisdiction of the United States of America, its possessions and territories and/or Canada; or
- b) anywhere in the **Territorial Limits** other than in the United States of America, its possessions and territories and/or Canada unless the **Pollution or Contamination** is caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **Period of Insurance**.

### Products

**We** will not cover claims in respect of:

- a) any **Products** after they have ceased to be in **Your** custody or control other than food or beverages for consumption on **Your Premises** or at any other premises where **You** are carrying on the **Business**;
- b) any loss, cost or expense incurred in replacing, repairing, recalling, maintaining, reconditioning or modifying the **Products**, or any part of the **Products**;
- c) any refund or repayment, in whole or in part, of the purchase price or any part thereof in respect of the **Products**;
- d) design, specification, instructions or advice provided other than as part of **Your** contract for the manufacture, sale, supply, repair, service, alteration, treatment or processing of the **Products**;
- e) the incorporation of any **Products** into the structure, machinery or controls of any aircraft or other aerial device.

### Road Traffic Act

**We** will not cover claims arising out of the ownership, possession or use by or on behalf of **You**

of any mechanically propelled vehicle, trailer or mobile plant when such vehicle, trailer or mobile plant is being used in circumstances that would require compulsory insurance or security to be effected by reason of any Road Traffic Legislation or where cover is more specifically insured under any other insurance policy.

### Vessels and Craft

**We** will not cover claims arising out of the ownership, possession or use by or on behalf of **You** of any craft designed to travel in, or through, air, space or water, other than hand propelled watercraft.

## Section 4 – Employers' Liability

### Cover Provided

**We** will cover **You** in respect of all sums that **You** shall become legally liable to pay as damages, including **Costs and Expenses**, in respect of **Bodily Injury** caused to any **Employee** in the course of employment by **You** during the **Period of Insurance** and within the **Policy Territories**.

### Limit of Indemnity

**Our** liability for all **Damages** and **Costs and Expenses** in respect of any one claim or series of claims arising out of one cause will not exceed the limit of indemnity stated in Section 4 of the **Schedule** provided that:

#### 1. Terrorism and War and Government Action

The limit of indemnity is £5,000,000 including **Costs and Expenses** in respect of any one claim or series of claims arising out of one cause in respect of liability arising directly or indirectly from or in connection with;

- a) an act of **Terrorism**, or
- b) **War** and **Government Action**.

If **We** allege that by reason of this limitation, any loss, damage, cost or expense is limited to this amount the burden of proving to the contrary shall be upon **You**.

#### 2. Cross Liabilities

Where this **Policy** is issued in the joint names of more than one party this Section will cover each named party as if a separate **Policy** had been issued to each of them. The most **We** will pay is the limit of indemnity stated in the **Schedule** regardless of the number of parties claiming to be insured by this **Policy**.

## Section 4 – Extensions

### Principals Liability

**We** will cover, at **Your** request, the legal liability of any principal arising out of the performance by **You** of any contract or agreement entered into by **You** with the principal. **We** will only provide cover to the extent required by such contract or agreement and provided that:

- a) such principal observe the terms and conditions of this Section so far as they can be applicable;
- b) the full conduct and control of claims is allowed to **Us**.

### Liability of Additional Persons

The cover provided by this Section will also apply:

- a) in the event of the death of any person entitled to cover under this Section, the deceased's legal personal representatives but only in respect of legal liability incurred by such deceased person;
- b) at **Your** request, to any of **Your** directors, partners or **Employees** whilst:
  - i) performing their normal duties in connection with the **Business**, provided that **You** would have been entitled to indemnity under this Section if the claim had been made against **You**;
  - ii) private work is being carried out on behalf of a director or officer by an **Employee** with **Your** consent;
  - iii) acting in a personal capacity, during the course of a trip or journey arranged for the purpose of the **Business**; or
  - iv) to any spouse, civil partner, domestic partner or children accompanying a director or **Employee** in the course of a **Business** trip or journey; and
- c) to any officer or member of **Your** canteen, sports, social or welfare organisations, fire, first aid, security or ambulance services in their respective capacities as such.

### Unsatisfied Court Judgements

**We** will pay, at **Your** request, costs and damages awarded by a court of law to any of **Your Employees** or their personal representatives which remain unpaid six months after the date of judgement, for

**Bodily Injury** against any company or individual operating from **Premises** within the **Policy Territories**.

**We** will only provide this cover where:

- a) the **Bodily Injury** was sustained during the **Period of Insurance** whilst in the course of **Your** employment;
- b) the judgment was obtained in a court within the **Policy Territories**;
- c) there is no appeal against the judgment outstanding; and
- d) the **Employee** or their personal representative assigns the amount awarded under the judgment to **Us**.

### Court Attendance Costs

**We** will pay for **You**, or any of **Your** directors, partners or **Employees** to attend court, at **Our** request, as a witness in connection with any event which is or may be the subject of cover under this Section.

**We** will pay compensation to **You** at the following rates for each day on which such attendance is required by **Us**:

- a) £750 for **You** or any of **Your** directors or partners;
- b) £250 for any **Employee**.

### Corporate Manslaughter and Corporate Homicide Act 2007

**We** will cover **You** for **Costs and Expenses** that **You** incur, with **Our** prior written consent, in defending any criminal proceedings (including any appeal against conviction arising from such proceedings) arising from any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man, provided that:

- a) **We** will not pay more than £1,000,000 in total under this Extension. This limit will form part of and not be in addition to the limit of indemnity stated in Section 4 of **Your Schedule**;
- b) this Extension will only apply if proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within the **Policy Territories** and in connection with **Your Business**;

- c) **You** obtain **Our** prior written consent to the appointment of any legal representation who are to act on **Your** behalf;
- d) **You** immediately notify **Us** of receipt of any summons or other process, served upon **You**, which may give rise to proceedings arising under this Extension;
- e) before **We** agree to fund any appeal, advice must have been received from Counsel that there are strong prospects the appeal will be successful. **You** will supply any information **We** may request to support this advice and any change to such prospect of success during the appeals process may result in cover being removed.

**We will not provide cover:**

- i) for any fines or penalties, of any kind;
- ii) if **You**, or any partner, director or **Employee** have committed any deliberate or intentional criminal act or omission that gives rise to corporate manslaughter or corporate homicide charge;
- iii) for proceedings which relate to any person other than an **Employee**; or
- iv) where cover for defence costs is available from any other source or insurance policy.

**Health and Safety at Work, etc. Act 1974**

**We** will cover **You** for **Costs and Expenses** that **You**, and at **Your** request any partner, director or **Employee**, incur for any health and safety inquiry or criminal proceedings arising from any breach of the Health and Safety at Work etc. Act 1974 or equivalent legislation in Northern Ireland, the Channel Islands or the Isle of Man.

**We** will also pay the prosecution costs **You** are legally liable to pay and any other costs in appealing against any judgment given.

**We will not provide cover for:**

- a) the payment of any **Costs and Expenses** incurred without **Our** written consent;
- b) any fines or penalties, of any kind;
- c) proceedings relating to the health, safety or welfare of any person other than an **Employee**;
- d) proceedings or appeals in respect of any

deliberate act or omission; or

- e) any liability for which **You** are covered by any other insurance policy.

**Temporary Visits Overseas**

The cover provided by this Section extends to include **Bodily Injury** caused to any **Employee** in the course of employment by **You** elsewhere in the world outside the **Policy Territories** arising out of temporary visits by **Employees** ordinarily resident in the **Policy Territories** for the performance of non-manual work.

## Section 4 - Conditions

### Right of Recovery

The cover granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in Great Britain, Northern Ireland, the Channel Islands and the Isle of Man. **You** must repay to **Us** all sums paid by **Us** which **We** would not have been liable to pay but for the provisions of such law.

### Certificate of Employers' Liability Insurance

If this **Policy** or Section is cancelled, any certificate of Employers' Liability insurance issued will be cancelled from the same date.

## Section 4 – Exclusions

### Contractual Liability and Fines

**We** will not cover claims:

1. to pay contractual fines, contractual penalty clauses or liquidated damages;
2. to pay any other fines or penalties, of any kind.

### Employment Practices

**We** will not cover claims for liability arising from:

- i) wrongful, unfair or constructive dismissal, bullying, harassment (sexual or otherwise);
- ii) refusal to employ a suitably qualified applicant or failure to promote; or
- iii) coercion, demotion, evaluation, relocation, punishment, defamation, humiliation or discrimination.

### Offshore

**We** will not cover claims for **Bodily Injury** to any **Employee** who is working on or travelling to, from or within any offshore rig or platform from the time of embarkation onto any conveyance at the point of departure from land until the time of disembarkation from any conveyance onto land upon return.

### Road Traffic Act

**We** will not cover claims for **bodily injury** to any **Employee** in circumstances where it is necessary to arrange compulsory motor insurance or security under any Road Traffic Legislation.

## Section 5 – Terrorism

### Definitions

**The definitions which apply to this Section are in addition to the General Definitions.**

#### Act of Terrorism

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

#### Computer System

Means a computer or other equipment or component or system or item which processes, stores, transmits or receives **Data**.

#### Data

Data of any sort whatever, including without limitation, tangible or intangible data and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

#### Event

All individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same **Act of Terrorism**. The date and time that any such period of seventy-two (72) hours shall commence shall be set by **Us**.

#### Loss of Rent

Means the Loss of **Rent Receivable**, the cost or re-letting and associated legal fees and Additional Expenditure as covered by Section 2a - Loss of Rent.

#### Property Insured

Means **Buildings** and **Landlords Contents** within the **Territory** defined in this Section, that are covered under Section 1 of this **Policy**.

#### Territory

England and Wales and Scotland but not the territorial sea adjacent thereto as defined by the Territorial Sea Act 1987.

#### Virus or Similar Mechanism

Program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **Computer Systems, Data** or operations, whether involving self-replication or not. The definition of **Virus or Similar Mechanism** includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

#### Cover Provided

We will indemnify **You** for:

1. **Damage to the Property Insured;**
2. **Loss of Rent**
3. **Outstanding Debit Balances**

provided that: -

- a) such **Damage** or Loss is occasioned by or happening through or in consequence of an **Act of Terrorism**, and
- b) such act is certified by HM Treasury or a competent tribunal from time to time as an **Act of Terrorism**, and
- c) such **Act of Terrorism** occurs during the **Period of Insurance**
- d) **Our** liability under this **Section** in any one (1) **Period of Insurance** shall not exceed the **Sum Insured** stated in the **Schedule** under the salient sections in respect of all losses arising out of any one (1) occurrence and in the aggregate.

The cover provided by this Section is subject to all the Definitions stated elsewhere in this **Policy**, the specific terms and conditions of Section 1, Section 2a and Section 2b (in particular, those clauses that detail the basis of settlement), and the General Conditions and General Exclusions of this **Policy** except where



expressly varied within this Section. If there is divergence between this Section and the General Definitions, the General Conditions and General Exclusions of the **Policy**, this Section will prevail, but only to the extent that required to provide indemnity under this **Section**.

#### **Denial Of Access**

Where cover is provided for Denial of Access under Section 2a – Loss of Rent, this Section will also provide indemnity for **Loss of Rent** caused by access to or exit from or use of any **Premises** occupied by **You**, being impaired or prevented due to the actions of the police, competent authority or any other statutory authority occasioned by or happening through or in consequence of an **Act of Terrorism**.

Provided always that the **Maximum Indemnity Period** under this clause shall not exceed twelve (12) weeks.

#### **Basis of Settlement**

The basis of settlement under items of the Cover Provided under this Section 5 shall be the same as detailed in the Basis of Settlement clauses under Section 1, Section 2a and Section 2b of this **Policy** as pertains to each item of the Cover Provided.

## Section 5 - Conditions

### Automatic Reinstatement of Sum Insured

Any provision for the automatic reinstatement of **Sums Insured** in this **Policy** will not apply to this Section.

### Burden of Proof

In any action, suit or other proceedings where **We** allege that any loss is not covered by this Section the burden of proving the contrary shall be upon **You**.

### Declarations, Adjustments and Return Premiums

This Section is not subject to any terms or provisions in this **Policy** which provide for: -

1. adjustments of premium based upon declarations on expiry or during the **Period of Insurance**;
2. a refund of **Premium** following cancellation. In the event **You** cancel coverage under this Section: -
  - (i) any paid **Premium** for this Section will be deemed fully earned and retained by **Us**;
  - (ii) any outstanding unpaid **Premium** must be paid to **Us**.

### Long Term Agreements

Any Rating Stability Agreement or Long Term Undertaking applying to this **Policy** will not apply to this Section.

## Section 5 – Exclusions

**The insurance provided by Section 5 - Terrorism is not subject to the General Exclusions of Your Policy. The following exclusions set out what is not covered under this Section.**

### Electronic Risks

**We** will not cover **You** for any losses whatsoever directly or indirectly caused by contributed to, by or arising from or occasioned by or resulting from:

1. damage to or the destruction of any **Computer System**; or
2. any alteration, modification, distortion, erasure or corruption of, or unauthorised access to, or misinterpretation, use or misuse of **Data**;

in each case whether property owned by **You** or not, where such loss is directly or indirectly caused by or contributed to, by or arising from or occasioned by or resulting from **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**.

Provided that this exclusion will not apply to **Damage to Property Insured** or **Loss of Rent** solely to the extent that such loss:

- (i) results directly (or, solely as regards (ii) c below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **Computer System**; and
- (ii) comprises;
  - (a) the cost of reinstatement, replacement or repair in respect of **Damage** to or destruction of property insured by **You**; or
  - (b) the amount of business interruption loss suffered directly by **You** as a direct result of either **Damage** or destruction to property insured by **You** at a location covered by this **Policy** or as a direct result of denial, prevention or hindrance of access to a location where property insured by **You** is covered by this **Policy** as a result of **Damage** caused by an **Act of Terrorism** to property which is within one mile of the location; or
  - (c) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of **Damage** to or destruction of property and any additional costs or charges reasonably and necessarily paid by the Insured to avoid or diminish such loss; and
- (iii) is not proximately caused by an **Act of Terrorism** in relation to which the relevant organisation or any persons acting on behalf

of or in connection with that organisation are controlled by, acting on behalf of or in part of any de jure or de facto government of any nation, country or state;

(iv) For the purposes of this proviso, the following property is specifically excluded:

(a) any money (including **Money**), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any financial instrument of any sort whatever; and

(b) any **Data**.

(v) Notwithstanding the exclusion of **Data** from property, to the extent that damage to or destruction of property within the meaning of sub-paragraph (ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of **Data**, because the occurrence of one or more of the matters referred to in sub-paragraph (i) above results directly or indirectly from any alteration, modification, distortion erasure or corruption of **Data**, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such property and otherwise falling within sub-paragraphs (i) and (ii) above from being recoverable under this **Policy**. In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **Data** be recoverable under this **Policy**.

(vi) For the avoidance of doubt, the burden of proof shall be on **You** to prove or establish all the matters referred to in sub-paragraphs (i) to (ii) above.

### Excluded Property

**We** will not cover **You** for any losses directly or indirectly caused by or resulting from loss of, damage to or the destruction of any:

- land or building which is occupied as a private residence or any part thereof which is so occupied unless:
  - the remainder of the building which is not a private residence is insured under this **Policy**;
  - or
  - not insured in the name of an individual;
- Nuclear Installation** or **Nuclear Reactor** and all fixtures and fittings situated and attached to the **Nuclear Installation** or **Nuclear Reactor** and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **Nuclear Installation** or **Nuclear Reactor**;
- property which is specifically excluded elsewhere in this **Policy**.

### Other Insurances

**We** will not cover **You** for any loss whatsoever arising under:

- Marine, Aviation and Transit Policies (and the term 'Marine Policy' shall for these purposes mean marine policies and all marine business wherever written and in whatever form of policy);
- Motor Insurance Policies;
- Any form of reinsurance policy or agreement whatsoever provided by **Us**;
- Bankers Blanket Bond Policies;
- Contingency policies unless written as an integral component of this **Policy**.

### War

**We** will not cover **You** for any loss whatsoever directly or indirectly caused by, contributed to by, or arising from riot, civil commotion or **War**.

## General Exclusions

The following General Exclusions set out what is not covered under Your Policy and apply to all Sections, unless stated otherwise. Where additional exclusions apply to a specific Section of this Policy, they are set out in that Section.

### Communicable Disease

We will not cover any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with:

1. a **Communicable Disease**; or
2. the fear or threat (whether actual or perceived) of a **Communicable Disease**

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

This Exclusion does not however apply to:

- i) **Damage** or loss of **Rent Receivable** which results from a **Defined Peril**, but excluding the acts of malicious persons who maliciously, deliberately or recklessly cause any substance or agent capable of causing a **Communicable Disease** to come into contact with the premises or property of any person or entity or cause or attempt to cause another person or persons to contract a **Communicable Disease**;
- ii) Section 2 – Loss of Rent – but only in respect of and to the extent cover is expressly provided under the Extension – **Specified Diseases, Vermin, Defective Sanitation, Murder or Suicide** (if operative);
- iii) Section 3 – Property Owners’ Liability but only in respect of and to the extent cover is expressly provided under the Extension – **Legionellosis** (if operative); or
- iv) Section 4 – Employers’ Liability.
- v) Section 5 - Terrorism

### Cyber and Data

We will not cover any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any:

1. **Cyber Loss**;
2. loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, including any amount pertaining to the value of such **Data**;
3. failure of any computer or other equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

This Exclusion does not however apply to Section 3 – Property Owners’ Liability but only in respect of and to the extent cover is expressly provided under the Extension – Data Protection Legislation.

### Radioactive Contamination

We will not cover:

1. **Damage** to any property whatsoever or any loss or expense whatsoever resulting or arising from or any consequential loss; or
2. any legal liability of whatsoever nature

directly or indirectly caused by or contributed to, by or arising from **Radioactive Contamination**.

Insofar as this General Exclusion concerns **Bodily Injury** caused to any Employee, if such **Bodily Injury** arises out of and in the course of employment or engagement of such person by **You**, this General Exclusion will apply only in respect of:

- a) liability of any principal;
- b) liability assumed by **You** under a contract or agreement which would not have attached in the absence of such contract or agreement.

This General Exclusion does not apply to Section 5 – Terrorism.

### War and Government Action

We will not cover loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the

## General Exclusions

following regardless of any other cause or event contributing concurrently or in any other sequence to the loss caused by:

1. **War;**
2. **Government Action;**
3. any action taken in controlling, preventing, suppressing or in any way any act of **War** or **Government Action**.

If **We** allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving to the contrary shall be upon **You**.

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

However, in respect of Section 4 – Employer’s Liability this General Exclusion applies only to amounts in excess of the limit of indemnity for **War and Government Action** as stated within that Section.

This General Exclusion does not apply to Section 5 – Terrorism.



[www.firstuw.com](http://www.firstuw.com)

First Underwriting Limited is registered in England & Wales, Company Number 07857938 and is Authorised and Regulated by the Financial Conduct Authority under Firms Registration Number (FRN) 624585.

Registered Address: Level 15, 30 St Mary Axe, London, EC3A 8EP

First Real Estate V2 March 2023