



XL Insurance

Sport & Leisure

Policy

Combined Corporate

Form SL-CC 0120 - XLCICL

January 2020



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1 Introduction

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

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

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

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

1.1 Policy Format

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

1.2 Fair Processing Notice

This Privacy Notice describes how XL Catlin Insurance Company UK Limited (together, “**we**”, “**us**” or the “**Insurer**”) collect and use the personal information of insureds, claimants and other parties (“**you**”) when we are providing our insurance and reinsurance services.

The information provided to the **Insurer**, together with medical and any other information obtained from **You** or from other parties about **You** in connection with this policy, will be used by the **Insurer** for the purposes of determining **Your** application, the operation of insurance (which includes the process of underwriting, administration, claims management, analytics relevant to insurance, rehabilitation and customer concerns handling) and fraud prevention and detection. **We** may be required by law to collect certain personal information about **You**, or as a consequence of any contractual relationship **We** have with **You**. Failure to provide this information may prevent or delay the fulfilment of these obligations.

Information will be shared by the **Insurer** for these purposes with group companies and third party insurers, reinsurers, insurance intermediaries and service providers. Such parties may become data controllers in respect of **Your** personal information. Because **We** operate as part of a global business, **We** may transfer **Your** personal information outside the European Economic Area for these purposes.

You have certain rights regarding **Your** personal information, subject to local law. These include the rights to request access, rectification, erasure, restriction, objection and receipt of **Your** personal information in a usable electronic format and to transmit it to a third party (right to portability).

If **You** have questions or concerns regarding the way in which **Your** personal information has been used, please contact: compliance@axaxl.com

We are committed to working with **You** to obtain a fair resolution of any complaint or concern about privacy. If, however, **You** believe that **We** have not been able to assist with **Your** complaint or concern, **You** have the right to make a complaint to the UK Information Commissioner's Office.

For more information about how **We** process **Your** personal information, please see **Our** full privacy notice at: <http://axaxl.com/footer/privacy-and-cookies>.

1.3 Third Party Rights

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



1.4 **Law and Jurisdiction**

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

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

1.5 **Interpretation**

In this policy:

- (a) reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this policy;
- (b) if any term, condition, exclusion or **Endorsement** or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- (c) the headings are for general reference only and shall not be considered when determining the meaning of this policy.

1.6 **Information Given to the Insurer**

In deciding to accept this policy and in setting the terms including premium the **Insurer** has relied on the information which the **Insured** has provided. The **Insured** must take care when answering any questions the **Insurer** asks by ensuring that any information provided is accurate and complete.

If the **Insurer** establish that the **Insured** deliberately or recklessly provided untrue or misleading information, the **Insurer** will have the right to:

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

If the **Insurer** establish that the **Insured** carelessly provided untrue or misleading information the **Insurer** will have the right to:

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

The **Insurer** will notify the **Insured** in writing if (i), (ii) and/or (iii) apply.

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

- (1) give notice that it is terminating this policy; or
- (2) give notice that it will treat this policy and any future **Claim** in accordance with (ii) and/or (iii), in which case the **Insured** may then give the **Insurer** notice that the **Insured** are terminating this policy;

in accordance with the Cancellation and Cooling-Off Period Provisions.

1.7 **Change in Circumstance**

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

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



1.8 **Fraud**

If the **Insured**, or anyone acting for the **Insured**, makes a fraudulent **Claim**, for example a loss which is fraudulently caused and/or exaggerated and/or supported by a fraudulent statement or other device, The **Insurer**:

- (a) will not be liable to pay the **Claim**; and
- (b) may recover from the **Insured** any sums paid in respect of the **Claim**; and
- (c) may by notice to the **Insured** treat this **Policy** as having been terminated with effect from the time of the fraudulent act.

If the **Insurer** exercises its right under (c) above:

- (i) It shall not be liable to the **Insured** in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the **Insurer's** liability under this **Policy** (such as the occurrence of a loss, the making of a **Claim**, or the notification of a potential **Claim**); and
- (ii) The **Insurer** need not return any of the premium paid.

1.9 **Questions and Complaints Procedure**

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

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

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

Complaints Department
XL Catlin Services SE
20 Gracechurch Street
London
EC3V 0BG

Email: axaxlukcomplaints@axaxl.com

Telephone Number: +44 (0)20 7743 8487

XL Catlin Services SE acts on **Our** behalf in the administration of complaints.

If the **Insured** remains dissatisfied the Complaints Department has considered the complaint, or a decision has not been received within eight (8) weeks, the **Insured** can refer the complaint to the Financial Ombudsman Service at:

Exchange Tower
London
E14 9SR

Email: complaint.info@financial-ombudsman.org.uk

From within the United Kingdom

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

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

From outside the United Kingdom

Telephone Number: +44 (0)20 7964 0500

Fax Number: +44 (0)20 7964 1001

Text Number: 07860 027 586 Call Back Service



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

The European Commission also provides an on-line dispute resolution (ODR) platform that allows consumers to submit their complaint through a central site, which will forward the complaint to the right Alternative Dispute Resolution (ADR) scheme. The ADR scheme for XL Catlin Insurance Company UK Limited is the Financial Ombudsman Service, which can be contacted directly using the contact details above. For more information about ODR please visit <http://ec.europa.eu/odr>

1.10 **Financial Services Compensation Scheme**

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

1.11 **Regulatory Information**

XL Catlin Insurance Company UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Firm Reference No. 423308).

Registered Office 20 Gracechurch Street, London, EC3V 0BG.

Registered in England Number 5328622.

This can be checked on the FCA's website at www.fca.org.uk which includes a register of all the firms they regulate or by calling the FCA on 0800 111 6768.



2 Policy Definitions

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

- 2.1 **Business** means the business and/or activities stated in the **Schedule** conducted by the **Insured** at or from premises of the **Insured**, and extends to include under the Liability Section:
- (a) the ownership, repair and maintenance of the **Insured's** own property including vehicles and plant owned and used by the **Insured**;
 - (b) provision and management of canteen, social, sports, medical and welfare organisations and fire fighting and security services principally for the benefit of **Employees** and for the protection and promotion of the **Business** as stated in the **Schedule**;
 - (c) the participation by the **Insured** in exhibitions.

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

- 2.2 **Business Hours** means the period or periods during which the **Premises** are normally occupied for **Business** purposes but only whilst the Insured or any partner, director or **Employee** of the **Insured** is in the **Premises**.

- 2.3 **Claim** means:

- (a) under the Material Damage and Business Interruption Sections a written demand for payment of an amount due under the terms of this policy; and
- (b) under the Liability Section:
 - (i) a written demand for damages or other remedy made by a third party in accordance with the laws of a territory specified in the **Schedule** as a Covered Jurisdiction; or
 - (ii) where applicable, proceedings brought under the jurisdiction of a competent court or tribunal within a territory specified in the **Schedule** as a Covered Jurisdiction; or
 - (iii) an award made by a competent court or tribunal anywhere in the world to enforce a judgement, award or settlement made in accordance with the laws of or under the jurisdiction of a territory specified in the **Schedule** as a Covered Jurisdiction.

- 2.4 **Computer Virus** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes but is not limited to Trojan Horses, worms and time or logic bombs.

- 2.5 **Damage** means accidental loss of or physical damage to tangible property. Tangible property does not include any software, data or other information in electronic form.

Damage does not include loss of use of property in the absence of physical loss of or physical damage to that property.

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

Defence Costs do not include:

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



- 2.7 **Document** means records arising from the **Business**, whether kept in paper, magnetic or electronic form, for which the **Insured** is legally responsible, whilst in the custody of the **Insured** or in the custody of any person other than the owner to or with whom they have been entrusted, lodged or deposited by the Insured in the ordinary course of the **Business**.
- 2.8 **Electronic Data** means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- 2.9 **Employee** means any:
- (a) person under a contract of service or apprenticeship with the **Insured**;
 - (b) labour only sub-contractor and persons supplied by them;
 - (c) person employed by labour only sub-contractors;
 - (d) self-employed person;
 - (e) person hired to or borrowed by the **Insured**; or
 - (f) person undertaking study or work experience, voluntary work or a youth training scheme with the **Insured**;

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

For the purposes of the Professional Liability Sub-Section of the Liability Section **Employee** does not include any partner, principal, director or member of the **Insured**.

- 2.10 **Excess** means the first part of each and every **Claim**, for which the Insured is responsible as stated in the **Schedule**.
- 2.11 **Extranet** means a restricted-access group of inter-connected networks accessible via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.
- 2.12 **Gross Profit** means the sum produced by adding to the **Net Profit** the amount of the **Standing Charges** or, if there is no **Net Profit**, the amount of the **Standing Charges** less such a proportion of any net trading loss as the amount of the **Standing Charges** bears to all the standing charges of the **Business**.
- 2.13 **Indemnity Period** means the period beginning with the happening of the loss and ending not later than the last day of the period specified in the **Schedule**, during which the results of the **Business** shall be affected in consequence of the **Damage**.
- 2.14 **Injury** means:
- (a) under the Material Damage Section:
 - (i) visible bodily injury to the **Insured Person** caused solely and directly by an assault for the purposes of theft or attempted theft;
 - (ii) disease or infection directly resulting from such bodily injury or from medical or surgical treatment necessitated by the bodily injury;
 - (iii) dehydration, starvation or exposure to the elements resulting from a mishap to a conveyance in which the **Insured Person** is travelling in connection with a theft or attempted theft.

Injury shall not include illness, sickness, disease, shock or mental illness unless directly resulting from any medical or surgical treatment rendered necessary by (i), (ii) or (iii) above.

- (b) under the Liability Section:
 - (i) accidental:
 - (1) death, bodily injury, illness, disease or medically recognised psychiatric injury of or to a person;



- (2) trespass, nuisance, invasion of the right of privacy or interference with any right of way, air, light, water or other easement;
 - (ii) wrongful arrest, wrongful detention, false imprisonment or malicious prosecution.
- 2.15 **Insured / You / Your** means:
 - (a) in respect of the Professional Liability Sub-Section of the Liability Section, any firm, company or limited liability partnership named in the **Schedule**, including any of their predecessors in business; their principals, partners, directors or members (including any former principal, partner, director or member) and their legal representatives, estate or heirs in the event of their bankruptcy, incapacity or death;
 - (b) in respect of all other Sections and Sub-Sections:
 - (i) the person, persons or corporate body or other entity named in the **Schedule**;
 - (ii) subsidiary companies of the **Insured** notified to and accepted in writing by the **Insurer**.
- 2.16 **Insured Person** means the Insured or any partner, director or Employee.
- 2.17 **Insurer / We / Us** means XL Catlin Insurance Company UK Limited.
- 2.18 **Internet** means the worldwide group of inter-connected networks accessible via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.
- 2.19 **Intranet** means one or more inter-connected networks with restricted access to the Insured via service providers or online service providers using dial-up telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.
- 2.20 **Loss of Limb** means total loss of use or loss by physical separation of a hand at or above the wrist or of a foot at or above the ankle.
- 2.21 **Loss of Sight** means irrecoverable loss of sight of one or both eyes, as the case may be, such that visual acuity is 6/60 or less or visual field is reduced to 10 degrees of arc or less irrespective of corrected visual acuity or the Insured Person's name being added to the Register of Blind Persons under the authority of a qualified ophthalmic specialist.
- 2.22 **Money** means anything having the value of money, including currency, crossed or uncrossed cheques, crossed or uncrossed Giro cheques, Giro drafts, travellers' cheques, crossed or uncrossed money orders, crossed or uncrossed postal orders, crossed or uncrossed bankers' drafts, bearer bonds, current postage stamps, current revenue stamps, unused units in postage stamp franking machines, bills of exchange, consumer redemption vouchers, trading stamps, gift vouchers, telephone cards and VAT purchase invoices.
- 2.23 **Net Profit** means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
- 2.24 **Notifiable Disease** means:
 - (a) food or drink poisoning; or
 - (b) any human infectious or human contagious disease (other than Acquired Immune Deficiency Syndrome (AIDS), the Ebola Virus Disease or SARS), an outbreak of which the competent local authority has stipulated shall be notified to them;being sustained by any person on the **Insured's Premises**.
- 2.25 **Occurrence** means an event or series of events having a common originating cause, including continuous or repeated exposure to substantially the same general harmful conditions.
- 2.26 **Period of Insurance** means the period stated in the **Schedule**.



- 2.27 **Permanent Total Disablement** means disablement which entirely prevents the **Insured Person** from engaging in or attending to their usual business or occupation. The disablement must last twelve (12) months and at the expiry of that period be beyond hope of improvement.
- 2.28 **Pollution** means any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fungi, mould, fumes, acids, alkalis, chemicals and waste (including but not limited to material to be recycled, reconditioned or reclaimed) or contamination of any kind of the atmosphere or of any water, land, buildings or other tangible property.
- 2.29 **Premises** means in respect of the **Material Damage** and Business Interruption Sections, the **Insured's** premises specified in the **Schedule**.
- 2.30 **Product** means any tangible property after it has left the custody or control of the **Insured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, leased, loaned, free issued, altered or repaired by or on behalf of the **Insured** in connection with the **Business**. **Product** does not include food and drink provided mainly for consumption by Employees.
- 2.31 **Rate of Gross Profit** means the rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Damage**.
- 2.32 **Rent Receivable** means the **Money** paid or payable to the Insured for rent of the **Premises**, including service charges, rendered in the course of the **Business** at the **Premises**.
- 2.33 **Revenue** means the receipts of the **Business** from all sources.
- 2.34 **Schedule** means the document entitled **Schedule** that relates to and forms part of this policy.
- 2.35 **Standard Rent** Receivable means the **Rent Receivable** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.36 **Standard Revenue** means the **Revenue** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.37 **Standard Turnover** means the **Turnover** during that period which is the same length as the **Indemnity Period** and which ends on the same day and month of the year as the **Indemnity Period** ends but ending in the year immediately before the date of the **Damage**.
- 2.38 **Standing Charges** (which the **Insured** elects to insure as part of **Gross Profit**) means the interest on debentures, mortgages, loans and bank overdrafts; rent, rates and taxes; salaries of **Employees** who cannot be economically laid off given the nature of the **Business**; directors' fees; auditors' fees; travelling expenses; insurance premiums; advertising; miscellaneous standing charges not exceeding 5 per cent of the **Standing Charges** detailed above.
- Note: Taxes shall not include taxes which form part of **Net Profit**.
- 2.39 **Temporary Total Disablement** means temporary disablement which entirely prevents the Insured Person from engaging in or attending to their usual business or occupation.
- 2.40 **Terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government (de facto or de jure) and/or to put the public or any section of the public in fear.
- 2.41 **Turnover** means the **Money** paid or payable to the **Insured** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**.
- 2.42 **United Kingdom** means England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands.



3 Policy Exclusions

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

This policy does not cover loss, damage, liability, cost or expense caused by or arising directly or indirectly out of:

3.1 **Asbestos**

the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss or in respect of that part of any property insured by this policy which consists of asbestos.

3.2 **Punitive Damages**

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

3.3 **Radioactive Contamination**

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

3.4 **Terrorism**

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

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

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

3.5 **War**

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

3.6 **Cyber**

any loss, damage, destruction, distortion, erasure, corruption or alteration of **Electronic Data** from any cause whatsoever (including but not limited to **Computer Virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion does not apply to the cover provided by Public Liability Extensions 8.4.3 – Data Protection Act 1998 or 8.4.4 – Data Protection Act 2018.



4 Policy Conditions

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

4.1 Cancellation

The **Insurer** and the **Insured** may each cancel this policy at any time by giving thirty (30) days' notice in writing to the other. If the unexpired **Period of Insurance** is less than six (6) months, or the **Insured** has made or notified a **Claim** or circumstance under any section of this policy, the full annual premium shall be due and no return of premium will be made. In all other cases, premium will be returned on a proportional daily rate in respect of the unexpired **Period of Insurance**.

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

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

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

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

4.2 Premium Adjustment

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

4.3 Sanctions

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

4.4 Subrogation

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

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



Insured or person insured has an interest in such proceedings by reason of any uninsured losses.

4.5

Reasonable Precautions

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

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

The **Insurer** will be under no obligation to pay any **Claim** to the extent that any matter giving rise to that **Claim** was caused or contributed to, or the **Insurer** has otherwise been disadvantaged, by any failure by the **Insured** to comply with (a) – (e) above.

The **Insured** must also comply with any other specific requirements set out in the policy. Those requirements include Condition 5.5.3 – Claim Notification, Condition 5.5.7 – Protection, Preservation and Security of Property, Condition 5.5.9 – Minimum Security Protections, Condition 5.5.11 – Unoccupied Property, Condition 6.5.4 – Claim Notification and Condition 7.3.2 – Claim Notification, failure to comply with each of which will entitle the **Insurer** to refuse to pay any **Claim** under the Section of the policy to which those requirements apply.



5 Material Damage Section

5.1 Operative Clause

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

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

In respect of each loss, the **Insurer** does not cover the **Excess** stated in the **Schedule**, for each relevant Material Damage Specification.

At any given **Premises**, only the largest applicable **Excess** will apply in respect of that **Premises**.

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

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

The **Insurer** will grant a Day One Uplift on the full value Sums Insured in respect of the Buildings, Ancillary Buildings and Machinery, Plant and Equipment Specifications solely to provide for inflation in value during the **Period of Insurance**. The Day One Uplift will be applicable in full from the first day of the **Period of Insurance**. The amount of the Day One Uplift is stated in the **Schedule**. The application of the Day One Uplift shall not diminish the **Insurer's** rights under Condition 5.5.1 – Average, it being a condition of this Section that the full values of property insured are provided to the **Insurer** and any additions during the **Period of the Insurance** are likewise provided.

Where the Sum Insured is stated to be first loss, the Sums Insured are in excess of any applicable **Excess**. Condition 5.5.1 – Average will only apply if a total value at risk is also stated. Further, where a Sum Insured is first loss, the Sum Insured is the most the **Insurer** will pay in respect of any one **Occurrence** and the Sum Insured will not be reduced by the amount of any loss in respect of any subsequent events.

5.2 Specifications

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

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



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

5.2.1 **Buildings**

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

- (a) are owned by, or are the legal responsibility of, the **Insured**;
- (b) are listed on the **Schedule**;
- (c) are built at least eighty per cent (80%) of brick, stone, concrete or other non-combustible construction and no more than twenty per cent (20%) combustible construction;
- (d) are roofed with concrete, asphalt, tiles, slates, metal, or sheets or slabs composed entirely of non-combustible materials;
- (e) incorporate permanent foundations below ground level; and
- (f) are capable of being secured against entry by people and animals and against the elements.

The cover includes:

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

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

The cover does not include playing surfaces.

5.2.2 **Ancillary Buildings**

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

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

The cover does not include fixed rides or playing surfaces.



5.2.3 **Playing Surfaces**

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

5.2.4 **Machinery, Plant and Equipment**

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

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

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

This Specification also includes:

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

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

The maximum liability of the **Insurer** under the Machinery, Plant and Equipment and Portable Equipment Specifications combined for **Damage** arising from mechanical, chemical or electrical breakdown, short-circuiting, overrunning or derangement of any office equipment (including computer hardware) is GBP 50,000 (or, if less, the Sub-Limit stated in the **Schedule**) in respect of any one **Occurrence** and in the aggregate for the



Period of Insurance, which shall be inclusive within the overall limit for those Specifications stated in the **Schedule**.

5.2.5 **Stock**

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

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

5.2.6 **Frozen or Refrigerated Goods**

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

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

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

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

5.2.7 **Miscellaneous Contents**

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

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

5.2.8 **Property in Transit**

(a) **Cover**

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

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



(b) **Period of Cover**

Cover for property in transit starts with the lifting of the property at the **Premises** and continues during periods of temporary storage up to a maximum of thirty (30) days and while awaiting loading or unloading and ends when the property is returned and back in place in any of the **Premises**.

If the policy is cancelled before its natural expiry date or is not renewed other than in respect of non-payment of premium, coverage in respect of property that had commenced a journey and was in transit at the time of cancellation or expiry will continue in full force until such property is no longer in transit as described above up to a maximum of thirty (30) days.

(c) **Waivers**

With the **Insurer's** prior written consent the **Insured** may waive rights of recovery in writing prior to loss against private and contract carriers and accept bills of lading or receipts from carriers, bailees, warehousemen or processors prior to loss limiting their liability, but the coverage this Section provides will not inure to the benefit of any carrier, bailee, warehouseman or processor.

(d) **Basis of Valuation**

The basis of valuation for property in transit is the basis applicable to the Material Damage Specification that the property in transit would have fallen under if it were not in transit.

In all cases deduction will be made for any costs, taxes, duties and charges which the **Insured** saves because the property did not arrive intact at its destination.

(e) **Exclusions**

This Specification excludes:

- (i) Money;
- (ii) anything on or in or forming part of a construction site;
- (iii) glass;
- (iv) property in any mode of transport where there is no one in charge of it, keeping it under observation, and able to interfere with any attempt by anyone to break into it or steal it or anything in it;
- (v) property stored during the course of a transit where the intended duration of the storage is in excess of thirty (30) days;
- (vi) personal, portable equipment of general utility whilst being carried as such, including carrying cases, computers, computer peripherals, cameras, video cameras and playing devices, watches, mobile telephones, data carrying devices, satellite navigation equipment, audio playing and recording equipment;
- (vii) personal tools and equipment of Employees or contractors.

5.2.9 **Money**

(a) **Cover**

The cover is for **Money** and applies up to the following sub-limits in respect of any one loss whilst the **Money** is:

at the **Premises**:

- (1) not kept in locked safes and/or strongroom during **Business Hours** GBP 1,000
- (2) not kept in locked safes and/or GBP 250



strongroom outside **Business Hours**

- | | | |
|-----------------|--|--|
| (3) | secured in a locked safe or strongroom (the keys to which have been removed from the Premises) out of Business Hours | Sum Insured if stated in the Schedule , otherwise Nil |
| (4) | which is personal money of the Insured or any Employee | GBP 500 |
| (5) | from vending machines, automated teller machines (ATMS), entertainment or gaming machines | Sum Insured if stated in the Schedule , otherwise Nil |
| (i) in transit: | | |
| (1) | carried by the Insured , partner, director or authorised Employee with a minimum number of able-bodied adult persons in attendance as below: | Sum Insured if stated in the Schedule , otherwise Nil |
| | Up to GBP 2,500 - 1 person | |
| | Up to GBP 6,000 - 2 persons | |
| | Up to GBP 12,500 - 3 persons | |
| (2) | with a professional security company | Sum Insured if stated in the Schedule , otherwise Nil |
| (ii) | deposited in a bank night safe: | GBP 2,500 |
| (iii) | at the private residences of the Insured or any partner, director or authorised Employee whether or not kept in locked safe: | GBP 500 |

but only whilst within the Territorial Limits stated in the **Schedule** and subject to the conditions, exclusions and limitations below.

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

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

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

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

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



inclusive within the overall limit for this Money Specification stated in the **Schedule**.

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

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

(d) **Basis of Valuation**

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

(e) **Exclusions**

This Specification does not cover:

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

(f) **Conditions**

(i) The **Insurer** shall be entitled to refuse to pay any **Claim** under this Specification in its entirety if the **Insured** does not take all precautions:

- (1) for the security of **Money** and maintain records of any **Money**, whether in transit or at the **Premises** and such records are to be kept in a secure place other than the safe or strongroom;
- (2) to monitor and control the custody of keys to the **Premises** or any part thereof which protects the **Premises** or **Money** and to prevent the possession of keys to the **Premises** by unauthorised persons;
- (3) to monitor and control access to any security device which protects the **Premises**, including any random key code numbers, and to prevent the possession of such information by unauthorised persons;
- (4) to ensure any random key code numbers used are altered at regular intervals.

(ii) The **Insurer** shall be entitled to refuse to pay any **Claim** under this Specification in its entirety if the **Insured** does not report immediately to the police any theft or assault and offer them all assistance.

5.2.10 **Personal Assault**

(a) **Cover**

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

The maximum payable to any one **Insured Person** during the whole of the **Period of Insurance** is one hundred per cent (100%) of the Capital Sum stated in the **Schedule**.

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



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

(b) **Basis of Valuation**

The amount payable shall be the compensation as stated in the **Schedule** subject to the percentages in the table below:

(1)	Death	100%
(2)	Loss of Sight – one eye	50%
(3)	Loss of Sight – both eyes	100%
(4)	Loss of Limb – one limb	50%
(5)	Loss of Limb – two limbs	100%
(6)	Loss of Sight and Loss of Limb	100%
(7)	Permanent Total Disablement	100%
(8)	Temporary Total Disablement – amount per week during such disablement but not beyond fifty (50) weeks in excess of the first two (2) weeks from the date on which the Insured Person first sustained Injury .	2%

(c) **Exclusion**

Compensation shall not be payable to any person whose age exceeds seventy (70) years at the date **Injury** was sustained.

(d) **Conditions**

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

5.2.11 **Glass**

(a) **Cover**

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



(b) **Basis of Cover**

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

(c) **Basis of Valuation**

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

(d) **Exclusions**

This Specification does not cover:

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

5.2.12 **Portable Equipment**

- (a) The cover is for the **Insured's**: portable sport and/or leisure activity equipment; and
- (b) other equipment including carrying cases, computers, computer peripherals, cameras, video cameras and playing devices, watches, mobile telephones, data carrying devices, satellite navigation equipment, audio playing and recording equipment;

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

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

Under this Specification, the **Insurer** will pay: (i) the depreciation in value of the **Insured's** interest in the **Premises** arising solely and directly from the withdrawal of, suspension of or refusal to renew by the relevant licensing authority any licence held by the **Insured** to supply alcohol at the **Premises**; and (ii) costs incurred with the **Insurer's** prior written consent in connection with any appeal to have any such licence reinstated.

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

- (a) any withdrawal, suspension or refusal to renew the licence;
- (b) any complaint in relation to the operation and control of the **Premises**;



- (c) any objection or renewal or other circumstance which might compromise the licence;
- (d) any actual or alleged breach of the applicable licensing laws at the **Premises**;
- (e) any change in management or use of the **Premises**; and
- (f) any transfer or proposed transfer of the licence.

This Specification does not cover any loss arising from:

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

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

5.2.14 **Rent Payable**

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

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

5.3 **Basis of Valuation**

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

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

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

- (a) repairing to a condition equivalent to but not better or more extensive than when new; or
- (b) replacing, rebuilding or reinstating to the same quality, size and extent and (in the case of buildings) on the same site with new materials.

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

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

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

The necessary costs of:



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

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

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

- (1) costs incurred in complying with any laws or ordinances under which notice to comply has been served upon the **Insured** prior to the happening of the **Damage**;
- (2) additional costs that would have been incurred to make good the property which has been **Damaged** to a condition equal to its condition when new had the necessity to comply with any laws or ordinances not arisen;
- (3) any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by its owner by reason of compliance with any laws or ordinances;
- (4) costs associated with the preparation of the **Insured's** claim under this policy.

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

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

5.3.3 **Property due for Demolition**

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

5.3.4 **Property offered for Sale**

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



5.3.5 **Technical Equipment**

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

Notwithstanding Policy Exclusion 3.6, where computer hardware used to store and/or process **Electronic Data** is in fact repaired or replaced following **Damage** covered under this policy, the cost of repair or replacement shall be extended – up to a limit of GBP 15,000 any one **Occurrence** and in the aggregate for the **Period of Insurance**, and subject always to the applicable Sum(s) Insured and any other applicable limit – to include the reasonable and necessary costs of restoring or reproducing any **Electronic Data** contained on that hardware or equipment. The limit of GBP 15,000 shall be inclusive within the Sum Insured for the Machinery, Plant and Equipment and/or Portable Equipment Specifications as applicable. For the avoidance of doubt, this policy does not insure any amount pertaining to the value (commercial or otherwise) of data.

5.3.6 **Stock**

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

5.3.7 **Groundsmen's Machinery and Equipment**

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

5.3.8 **Personal Effects**

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

5.3.9 **Valuable Papers**

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

5.3.10 **Other Debris Removal**

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

5.4 **Basis of Cover – All Risks**

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

- (a) **Damage** to any property caused by or consisting of its:
 - (i) spontaneous fermentation;
 - (ii) spontaneous heating;
 - (iii) spontaneous ignition;
 - (iv) undergoing any heating process or any process involving the application of heat;
 - (v) bursting, overflowing, exploding or leaking;



- (vi) mechanical, chemical or electrical breakdown, short-circuiting, overrunning or derangement, other than in the case of office equipment (including computer hardware);
 - (vii) being used for a purpose other than it was designed for or in excess of design tolerances or in breach of any manufacturer's instructions as to use or operation;
 - (viii) defective design, defective manufacture or defective construction or having any natural or man-made inherent flaws or defects;
 - (ix) wearing out or gradually deteriorating, shrinking, evaporating rusting, corroding, being scratched or discolouring or other chemical or biological transformation or being affected by loss of flavour, crispness or texture, damp, dryness, wet or dry rot, vermin, insects or mould;
- (b) **Damage** by flood or any other weather conditions to fences or gates or playing surfaces or moveable property in the open or in open sided buildings or other structures covered under the Ancillary Buildings or Playing Surfaces Specifications;
- (c) **Damage** by theft of moveable property in the open or from structures covered under the Ancillary Buildings Specification other than by forcible and violent means;
- (d) **Damage** by bursting, overflowing or leaking of water, oil, fuel or beverages from any container, pipe, dispenser or installation:
- (i) as a result of repair, testing, removal, alteration or extension not carried out by a qualified engineer or plumber;
 - (ii) occurring at a vacant or unoccupied building or structure covered under the Buildings or Ancillary Buildings Specifications. Buildings in normal use but closed outside **Business Hours** or for holidays or weekends for less than twenty-one (21) consecutive days are not considered vacant or unoccupied; or
 - (iii) from sprinkler installations occurring during repairs or alterations to the **Premises**;
 - (iv) arising from any water pipe which has not been lagged;
- (e) **Damage** by malicious persons at or to vacant or unoccupied buildings or structures covered under the Buildings or Ancillary Buildings Specifications. Buildings in normal use but closed outside **Business Hours** or for holidays or weekends for less than twenty-one (21) consecutive days are not considered vacant or unoccupied;
- (f) **Damage** by subsidence, ground heave, landslip or landslide to yards, car parks, roads, pavements, swimming pools, paved terraces, walls, gates, fences or any water, gas, electricity, sewerage or communications services unless there is damage to buildings covered under the Buildings Specification at the same time and from the same cause;
- (g) **Damage** by subsidence, ground heave, landslip or landslide caused by or consisting of:
- (i) the settlement or bedding down of structures which are less than twelve (12) months old since completion;
 - (ii) the settlement or movement of made-up ground which is less than twelve (12) months old since completion;
 - (iii) coastal or riverbank erosion;
 - (iv) demolition, construction, structural alteration or repair of any property, groundwork or excavation;
- (h) **Damage** by or during or consisting of an act of theft or attempted theft from any vehicle outside the **Premises** where there is no one in charge keeping the vehicle under observation and able to interfere with any attempt by anyone to break into it or steal it or anything in it;
- (i) **Damage** caused by or consisting of confiscation, requisition, seizure or destruction by order of the Government or any public authority;



- (j) **Damage** caused by total or partial cessation or interruption or retarding of work;
- (k) voluntary parting with title or possession;
- (l) **Damage** caused or contributed to by acts of fraud or dishonesty on the part of the **Insured** or any partner, director or **Employee** of the **Insured**, members of their families or any other person to whom property insured has been entrusted or in collusion with any of such persons;
- (m) simple or mysterious disappearance or inventory shortage or error or omission;
- (n) **Damage** to anything while it is being repaired, renovated, tested or otherwise worked on;
- (o) **Damage** caused or contributed to by **Pollution** in any sequence unless such **Pollution** was a single isolated event occurring in its entirety during the **Period of Insurance** stated in the **Schedule**;
- (p) **Damage** caused by or consisting of fungal pathogens or bacteria. For the purposes of this exclusion “fungal pathogens” shall mean any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols;
- (q) **Damage** caused or contributed to in any sequence by solar flares or coronal mass ejections.

5.5 **Conditions**

5.5.1 **Average**

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

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

5.5.2 **Capital Additions**

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

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

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

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

5.5.3 **Claim Notification**

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

- (a) notify the **Insurer** as soon as possible and at the latest within fourteen (14) days;
- (b) notify the police authority as soon as possible if it becomes evident that any **Damage** has been caused by malicious persons;
- (c) notify the police authority as soon as possible and take all practical steps to discover any guilty person and to trace and recover the property insured as a result of theft;



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

5.5.4 **Equipment Inspection**

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

5.5.5 **Other Insurance**

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

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

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

5.5.6 **Other Interests**

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

5.5.7 **Protection, Preservation and Security of Property**

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section if the **Insured** does not use the utmost diligence and take all practical and necessary steps to protect, recover and save property insured and minimise any actual or potential **Damage** when property has sustained or is in imminent danger of sustaining **Damage**.

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

The **Insurer** shall also be entitled to refuse to pay any claim under the Material Damage Section if the **Insured** does not at all times maintain all property in a good, proper and workmanlike manner and ensure that all protection and security systems (including those



set out in Condition 5.5.9 – Minimum Security Protections) are in force at all times.

5.5.8 **Survey and Risk Improvement**

If this policy has been issued subject to receipt by the **Insurer** of a satisfactory survey of the **Premises**:

- (a) the **Insured** shall allow the **Insurer** and its representatives access to the **Premises** for the purpose of carrying out that survey within any timeframe specified by the **Insurer** at the time this policy was issued, failing which the **Insurer** shall be entitled to impose additional terms and conditions or withdraw cover;
- (b) the **Insurer** shall have the right to (i) terminate cover under this policy by giving seven (7) days' written notice to the **Insured** if in the opinion of the **Insurer** the result of the survey is unsatisfactory, or (ii) impose risk improvements; and
- (c) the **Insured** shall comply with any such risk improvements within any timeframe specified by the **Insurer** failing which the **Insurer** shall be entitled to impose additional terms and conditions or withdraw cover.

5.5.9 **Minimum Security Protections**

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section unless the following minimum security protections are complied with.

In respect of buildings covered under the Buildings Specification:

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

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

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

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

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

5.5.10 **Transfer of Interest**

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

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



5.5.11 **Unoccupied Property**

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section in its entirety if the **Insured** fails to take the following steps in respect of any building or structure covered under the Buildings or Ancillary Buildings Specifications which is not in normal occupation for a period of more than thirty (30) days:

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

5.5.12 **Weakening of Support**

The **Insurer** shall be entitled to refuse to pay any **Claim** under the Material Damage Section in its entirety if the **Insured** does not immediately notify the **Insurer** if they become aware of any demolition, groundwork, excavation or construction being carried out on any adjoining site.



6 Business Interruption Section

6.1 Operative Clause

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

- (a) any event which gives rise to a payment by the **Insurer** under the Material Damage Section or under any extension of that Section (other than 5.2.13 – Loss of Licence); or
- (b) other events as set out in each Business Interruption Specification;

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

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

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

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

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

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

6.2 Specifications

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

6.2.1 Loss of Gross Profit

- (a) Cover

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

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

The amount payable under this Specification shall be:

- (1) in respect of reduction in **Turnover**, the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** shall, in consequence of the **Damage**, fall short of the **Standard Turnover**;
- (2) in respect of increase in cost of working, the additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided;

less any sum saved during the **Indemnity Period** in respect of such of the **Standing Charges** as may cease or be reduced in consequence of the **Damage**.



(b) **Conditions**

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

6.2.2 **Loss of Gross Revenue**

(a) **Cover**

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

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

The amount payable under this Specification shall be:

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

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

(b) **Conditions**

- (i) If during the **Indemnity Period**, **Business** is conducted elsewhere than at **Premises**, the money paid or payable in respect of such **Business** shall be taken into account in arriving at the **Revenue** during the **Indemnity Period**.
- (ii) This Specification is subject to the condition of average, that is to say, if the Estimated Annual Gross Revenue for the Period stated in the **Schedule**, when estimated immediately prior to the date of loss without taking the loss into account, is greater than the estimate stated in the **Schedule**, then a percentage contribution shall be applied, being the percentage the excess



amount bears to the estimate immediately prior to the date of loss. This percentage contribution shall be applied to the amount of the **Insured's** loss of **Revenue** after the application of any excess and borne by the **Insured** and the Sum Insured shall be reduced by the same proportion. However, this condition will only be applied if the percentage contribution is equal to or exceeds thirty-five per cent (35%).

6.2.3 Loss of Gross Rentals

(a) Cover

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

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

The amount payable under this Specification shall be:

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

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

(b) Conditions

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



6.2.4 **Stand Alone Increased Cost of Working**

This Specification provides cover for the increased cost of continuing the **Business** during the **Indemnity Period** specified in the **Schedule** over and above the costs that would have been incurred during the same period had no **Damage** occurred. Such increased cost shall include but not be limited to the cost of moving to and from and the additional rent of temporary premises, additional rates and taxes on such premises and expenses incurred in equipping the said premises to make them suitable for the **Business**, additional cost in respect of additional staff and overtime and allowances for meals to existing staff incurred in order to minimise any interruption or interference with the **Business** during the **Indemnity Period**.

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

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

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

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

6.2.5 **Additional Increased Cost of Working**

This Specification provides cover for the reasonable and necessary additional expenditure incurred during the **Indemnity Period** (over and above the amount of the increased cost of working under the Loss of Gross Profit, Loss of Gross Revenue or Loss of Gross Rentals Specifications) for the sole purpose of avoiding or diminishing a reduction in **Turnover** in consequence of the **Damage**.

6.2.6 **Book Debts**

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

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

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

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

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



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

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

6.3 **Specification Extensions**

The maximum amount payable under each of the following Specification Extensions is GBP100,000 or ten per cent (10%) of the Sum Insured under Gross Profit, or Gross Revenue, or Gross Rentals, or Stand Alone Increased Cost of Working as stated in the **Schedule**, whichever is the lesser.

The **Indemnity Period** under each of the following Specification Extensions shall be twelve (12) months, unless otherwise stated in the Schedule.

6.3.1 **Denial of Access**

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

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

This Specification shall be subject to a waiting period of twenty-four (24) hours.

6.3.2 **Customers and Suppliers**

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

The amount stated in the **Schedule** for unspecified customers and suppliers is the total amount payable under this Specification in respect of all unspecified customers and suppliers combined per **Occurrence**. This Specification only applies to loss at premises within the Territorial Limits and in the same country as the unspecified customer or supplier.

This Specification shall be subject to a waiting period of twenty-four (24) hours.

6.3.3 **Loss of Attraction**

This Specification provides cover for loss caused by **Damage** to any property within a one (1) mile radius of the **Premises** which would be insured under any of the other Business Interruption Specifications were it not solely for the fact that the **Damage** was to property at a premises not covered by this policy.

The maximum number of days the **Insurer** will pay for is the number of consecutive days comprising the **Indemnity Period** as specified in the **Schedule**, provided that the **Insurer** shall in no case be liable for the first seven (7) days of any loss.

The **Insurer** shall not be liable under this Specification for any loss covered by the Denial of Access Specification.



6.3.4 **Public Utilities**

This Specification provides cover for the **Insured's** loss resulting from lack of or failure in incoming electricity, gas, water, steam, refrigerant or other fuel or power from outside the **Premises** or from the failure of sewerage or telecommunication services and which would be insured under any of the other Business Interruption Specifications were it not solely for the fact that the service failure arose from **Damage** at a premises not covered by this policy.

This Specification is limited to those supply premises where the service originates from within the Territorial Limits stated in the **Schedule** and in the same country as the affected **Premises** and does not apply to loss arising from **Damage** to lines, pipes and cables between the terminal point of the **Insured's Premises** and the originating premises of the supplier or to transmission, relay or routing equipment or the like, whether on land, in the sea, air or in space.

The **Insurer** will not be liable if the partial or total interruption of the service lasts less than twenty-four (24) hours but if it lasts more than twenty-four (24) hours then the twenty-four (24) hours will not be deducted from the loss.

The **Insured** must notify the service provider as soon as practicably possible in the event of a failure or partial failure of the service and comply with all the terms and conditions of the service contract, whether express or implied, at all times.

6.3.5 **Murder, Suicide and Notifiable Diseases**

This Specification provides cover for the **Insured's** loss resulting from murder, suicide or a **Notifiable Disease** occurring at the **Premises** during the **Period of Insurance**.

This Specification shall be subject to a waiting period of twenty-four (24) hours.

6.4 **Auditors Charges**

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

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

6.5 **Conditions**

6.5.1 **Adjustments**

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

6.5.2 **Alterations**

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

- (a) If the alteration increased the likelihood of **Damage** happening and loss resulted from that alteration which falls under this Section, then no cover will be given under this Section in respect of such loss.



- (b) If the alteration did not increase the likelihood of **Damage** happening but increased the likelihood of a greater loss under this Section following any **Damage** than would otherwise have been incurred, then the liability under this extension will be reduced to what it would have been if the alteration had not been made.

6.5.3 **Diligence**

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

6.5.4 **Claim Notification**

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

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

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

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

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

6.5.5 **Winding Up**

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



7 Liability Section

7.1 Section Extensions

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

7.1.1 Automatic Acquisitions

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

Provided always that:

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

7.1.2 Court Attendance Costs

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

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

7.1.3 Cover for Others

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

- (a) **Employees** in their Business capacity for legal liabilities arising out of the performance of the Business;
- (b) the officers, committees and members of the Insured's canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such (but excluding medical practitioners while working in a professional capacity);
- (c) any person or firm for legal liabilities arising out of the performance of a contract with the Insured constituting the provision of labour only;
- (d) any principal for legal liabilities arising out of work carried out by the Insured under a contract or agreement in respect of which the Insured would have been entitled to cover under this policy if the Claim had been made against the Insured;
- (e) the personal representatives of any person insured by reason of this Cover for Others clause in respect of legal liability incurred by such person.



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

7.1.4 **Criminal Proceedings Legal Defence Costs**

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

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

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

The cover will not apply:

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

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

7.2 **Section Exclusions**

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

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

7.2.1 **Data Protection**

compensation, damages, losses, costs, expenses, fines, penalties or any other sum arising out of breach of privacy rules or legislation including for example the Data Protection Act 2018, whether the liability of the **Insured** arises directly or indirectly.

This exclusion does not apply to the cover provided by Extensions 8.4.3 – Data Protection Act 1998, 8.4.4 – Data Protection Act 2018, 11.4.1 – Data Protection Act 1998 and 11.4.2 – Data Protection Act 2018.

7.2.1 **Known Prior Circumstances**

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

7.2.2 **Liquidated Damages**

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

7.2.3 **Tobacco**

raw, dried or cured tobacco or tobacco which has been otherwise processed in any way, cigars, cigar wrappers, pipe tobacco, cigarette filter or filter materials, snuff, chewing tobacco, "smokeless" tobacco products, cigarettes and cigarette paper, tobacco smoke, gaseous or solid residues or by-products of tobacco, tips or filters, any chemical, mineral or



other product sprayed on, applied to or found within or used in conjunction with any tobacco, smoking pipes, cigarette holders and any ingredients found within or used in conjunction with tobacco or any of its constituent parts (collectively “tobacco”).

This exclusion shall not apply to liability arising from **Injury or Damage** by fire caused by lit tobacco.

7.2.4 **Contractual Liability**

the terms of any contract unless liability to the same extent would have existed in the absence of the contract.

7.2.5 **Biological or Chemical Materials**

the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials by any person.

7.3 **Section Conditions**

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

7.3.1 **Assistance and Co-operation**

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

7.3.2 **Claim Notification**

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

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

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

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

7.3.3 **Documents Relevant to a Claim**

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

7.3.4 **Entitlement to Defend**

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



7.3.5 **Limit of Liability**

(a) **Occurrence**

The **Insurer's** total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the **Schedule** in respect of any one **Occurrence**.

(b) **Occurrence Limit**

For any **Occurrence** which involves liability under more than one Sub-Section, the **Insurer's** total liability in respect of that **Occurrence**:

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

provided that the Limit of Liability under the Employers' Liability Sub-Section shall not be affected or eroded by loss under any other Sub-Section.

(c) **Aggregate**

Where an aggregate Limit of Liability is stated in the **Schedule** to apply, the **Insurer's** total liability in respect of the entire **Period of Insurance** shall not exceed the stated aggregate Limit of Liability regardless of the number or severity of **Occurrences** or **Claims**.

(d) **Excess**

No cover shall be granted under any liability Sub-Section for the amount of the **Excess** stated in the **Schedule** in respect of the first amount of each **Occurrence**. The **Excess** amount includes any **Defence Costs**. The Limits of Liability stated in the **Schedule** are in excess of and not reduced by the amount of any **Excess**. Only the largest **Excess** of the relevant Sub-Sections shall apply in the event of an **Occurrence** involving liability under more than one Sub-Section.

(e) **Contribution**

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

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

7.3.6 **Non-Admission of Liability**

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

7.3.7 **Payment in Full**

The **Insurer** may at any time pay to the **Insured** in connection with any **Claim** or series of **Claims** under this policy to which a Limit of Liability applies the amount of such Limit after deduction of any sums already paid or any lesser amount for which such **Claims** can be settled. Upon such payment being made the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such **Claims** except for the payment of **Defence Costs** incurred prior to the date of such payment where such **Defence Costs** are stated as being payable in addition to the Limit of Liability.



7.3.8 **United States of America and Canada Jurisdiction**

Where the Covered Jurisdiction applicable to any Sub-Section is shown in the **Schedule** as Worldwide then in respect of any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part:

- (a) the Sub-Section does not cover any liability:
 - (i) for and/or arising out of **Pollution**;
 - (ii) for the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances;
- (b) the Limits of Liability stated in the **Schedule** are inclusive of **Defence Costs**;
- (c) any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained herein is subject to the law and exclusive jurisdiction of England and Wales;
- (d) the **Insurer** shall not be liable for the amount shown as the applicable **Excess** in the **Schedule**, being the first amount of each and every **Claim**. For the purpose of this condition "**Claim**" shall be deemed to include compensatory awards or damages, claimants' costs, fees and expenses and associated **Defence Costs**.

The Sub-Section shall not apply to nor insure against the loss of any **Insured** domiciled or registered in the United States of America or Canada or any country which operates under the laws of the United States of America or Canada, other than in respect of sales offices of the **Insured** where prior agreement has been sought from the **Insurer**.



8 Public Liability Sub-Section

8.1 Operative Clause

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

8.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable in addition to or inclusive of the Limit of Liability as stated in the **Schedule**. Where **Defence Costs** are payable in addition to the Limit of Liability, if the amount required in settlement of the third party **Claim** is greater than the Limit of Liability available in respect of such **Claim**, then the **Insurer** will not pay more than its corresponding proportional share of the associated **Defence Costs**.

8.3 Trigger

The **Schedule** indicates which Trigger applies to this Sub-Section.

8.3.1 Incidents Occurring During

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

8.3.2 Claims Made

This Sub-Section applies only to **Claims** first made against the **Insured** during the **Period of Insurance** and notified in accordance with Condition 7.3.2 – Claim Notification arising from any **Injury** and/or **Damage** occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

8.3.3 Claims Made and Notified

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

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

8.4 Extensions

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

8.4.1 Contingent Motor Liability

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

- (a) caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer;
- (b) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer; or
- (c) arising out of any motor vehicle or trailer temporarily in the **Insured's** custody or control for the purpose of parking.

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



8.4.2 **Cross Liabilities**

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

8.4.3 **Data Protection Act 1998**

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

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

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

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

Exclusions

The **Insurer** shall not provide cover:

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

Condition

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

8.4.4 **Data Protection Act 2018**

This Sub-Section extends to cover the **Insured** for legal liability in respect of any **Claim** for compensation as a result of **Injury** and/or **Damage** under Section 168 of the Data Protection Act 2018.

Cover in respect of such **Claims** shall be available only under the terms and conditions of this extension and nowhere else in this policy.



For the purposes of this extension non-material damage which is the subject of such **Claim** shall be considered as **Injury** and will be treated as having occurred when the claimant first had knowledge or alleges that they had knowledge of the event giving rise to that **Injury**.

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

The **Insurer's** liability under this extension shall be limited to GBP 50,000 any one **Occurrence** and in the aggregate, inclusive of **Defence Costs**, which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

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

Additional Exclusions

The **Insurer** shall not provide cover:

- (a) against liability caused by or arising from a deliberate act by or omission of any person entitled to insurance under this policy if the result could have been expected having regard to the nature and circumstances of such act or omission;
- (b) for the costs of replacing, reinstating, rectifying or erasing any Personal Data, as defined in Data Protection Act 2018;
- (c) against liability caused by or arising from the recording, processing or provision of data for reward or the determining of the financial status of a person; or
- (d) against liability which attaches by virtue of a contract or agreement but which would not have attached in the absence of such contract or agreement.

Fee Payment Condition

The **Insurer** shall be entitled to refuse to pay any **Claim** under this extension in its entirety if the **Insured** has not paid any fees required to be paid by any data protection authority.

8.4.5 Overseas Personal Liability

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

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

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

8.4.6 Sudden Pollution

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



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

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

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

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

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

8.4.7 **Work Overseas**

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

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

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

Provided that:

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

8.4.8 **Cyber**

Notwithstanding Policy Exclusion 3.6, this Sub-Section shall extend to include liability of the **Insured** arising out of electronic means including but not limited to failure or impairment of any computer or other electronic device, computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

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

8.5 **Exclusions**

This policy does not apply to or include cover for loss, damage, liability, cost or expense arising out of or relating to:

8.5.1 **Abuse**

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



8.5.2 **Aircraft, Watercraft or Offshore Installations**

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

8.5.3 **Airside**

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

8.5.4 **Care, Custody or Control**

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

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

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

8.5.5 **Defective Premises Act**

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

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

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

8.5.7 **Injury to Employees**

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

8.5.8 **Motor Vehicles**

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

8.5.9 **Pollution**

Pollution.

8.5.10 **Products**

any **Product**.

8.5.11 **Professional Liability**

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



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

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

8.6 **Condition**

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

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



9 Product Liability Sub-Section

9.1 Operative Clause

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

9.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable in addition to or inclusive of the Limit of Liability as stated in the **Schedule**. Where **Defence Costs** are payable in addition to the Limit of Liability, if the amount required in settlement of the third party **Claim** is greater than the Limit of Liability available in respect of such **Claim**, then the **Insurer** will not pay more than its corresponding proportional share of the associated **Defence Costs**.

9.3 Trigger

The **Schedule** indicates which Trigger applies to this Sub-Section.

9.3.1 Incidents Occurring During

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

9.3.2 Claims Made

This Sub-Section applies only to **Claims** first made against the **Insured** during the **Period of Insurance** and in accordance with Condition 7.3.2 – Claim Notification arising from any **Injury** and/or **Damage** occurring on or after the Retroactive Date specified in the **Schedule** and before the expiry date of the policy.

9.3.3 Claims Made and Notified

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

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

In respect of Extension 9.4.1 – Advertising Injury, if the date of the **Occurrence** is not self-evident, it shall be deemed to have occurred on the date of the first publication of material that is or is alleged to be injurious.

9.4 Extensions

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

9.4.1 Advertising Injury

The **Insurer** will cover the **Insured** against loss in respect of their legal liability to pay damages (including claimants' costs, fees and expenses) arising out of accidental:

- (a) publication (oral or written) of material that slanders or libels a person or organisation or disparages a person's or organisation's products or services; or
- (b) publication (oral or written) of material that violates a person's right of privacy; or
- (c) wrongful use of another's advertising idea or infringement of another's trading style; or



(d) infringement of copyright, title or slogan;

arising out of the distribution of promotional material to the public at large.

The **Insurer's** liability under this extension shall be limited to GBP 1,000,000 any one **Occurrence** and in the aggregate which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

Exclusions

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

- (i) any publication or utterance made with the **Insured's** knowledge of its falsity;
- (ii) any material that was first published prior to the Retroactive Date, if any, specified in the **Schedule**;
- (iii) wilful commission of a crime by or with the consent of the **Insured**;
- (iv) a contract, where the liability would not have arisen in the absence of that contract;
- (v) breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (vi) failure to conform with advertised quality or performance;
- (vii) incorrect pricing;
- (viii) internet advertising.

9.4.2 **Consumer Protection and Food Safety Acts**

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

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

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

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

Exclusions

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

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

Condition

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

9.4.3 **Cross Liabilities**

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



9.4.4 **Defective Premises Act**

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

9.4.5 **Sudden Pollution**

Exclusion 9.5.7 – Pollution shall not apply to **Pollution** which is the direct result of a sudden, identifiable, unintended and unexpected event occurring in its entirety at a specific time and place during the **Period of Insurance**.

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

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

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

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

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

9.5 **Exclusions**

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

9.5.1 **Aircraft or Watercraft**

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

9.5.2 **Care, Custody or Control**

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

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



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

9.5.3 **Contracts or Agreements**

any contract or agreement other than a warranty of fitness or quality of the **Product** established or implied by virtue of the Sale of Goods Act 1979 or equivalent legislation or a warranty that work done will be performed in a workmanlike manner.

This exclusion shall not apply to any contract or agreement:

- (a) where the liability of the Insured would have existed to the same extent in the absence of such contract or agreement; or
- (b) where the Insurer has given its prior written approval to the extension of the Insured's liability, as defined by this Sub-Section, under the contract or agreement beyond the extent which would have existed in the absence of such contract or agreement.

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

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

9.5.5 **Injury to Employees**

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

9.5.6 **Motor Vehicles**

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

9.5.7 **Pollution**

Pollution.

9.5.8 **Products Supplied Before Retroactive Date**

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

9.5.9 **Professional Liability**

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

9.5.10 **Recall**

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

9.5.11 **Repair or Replacement**

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

9.5.12 **Rides**

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



10 Employers' Liability Sub-Section

10.1 Operative Clause

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

The cover granted applies only to such liability:

(a) **United Kingdom**

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

(b) **Work Overseas**

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

Provided that:

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

10.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable in addition to or inclusive of the Limit of Liability as stated in the **Schedule**. Where **Defence Costs** are payable in addition to the Limit of Liability, if the amount required in settlement of the third party **Claim** is greater than the Limit of Liability available in respect of such **Claim**, then the **Insurer** will not pay more than its corresponding proportional share of the associated **Defence Costs**.

10.3 Trigger

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

10.4 Extensions

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

10.4.1 Cover for Principals

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

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



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

Provided always that:

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

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

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

10.4.2 **Terrorism**

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

10.4.3 **Asbestos**

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

10.4.4 **Cyber**

Notwithstanding Policy Exclusion 3.6 - Cyber, this Sub-Section will apply, subject to all its terms and conditions, to liability arising from electronic means (including but not limited to failure or impairment of any computer or other electronic device, computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon) to the extent that cover is required in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **United Kingdom**.

10.4.5 **Unsatisfied Court Judgements**

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

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

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

Provided that:

- (i) there is no appeal outstanding;
- (ii) if any payment is made by the **Insurer** the **Employee** or the said legal personal representatives shall assign the judgement to the **Insurer**;
- (iii) this Sub-Section is operative at the time that such **Injury** is caused; and



- (iv) the liability of the **Insurer** for damages costs and expenses shall not exceed the amount stated as the Limit of Liability in the **Schedule**.

10.5 Exclusions

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

10.5.1 Airside

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

10.5.2 Offshore

any work on and/or visits to any offshore rig and/or installation and/or platform from the time of embarkation onto a conveyance at the point of final departure to such offshore rig and/or installation and/or platform until disembarkation from the conveyance from such offshore rig and/or installation and/or platform.

10.5.3 Road Traffic Act

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

10.6 Condition

10.6.1 Employers' Liability Tracing Office Notice

Certain information relating to this Sub-Section, namely:

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

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

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

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



11 Professional Liability Sub-Section

11.1 Operative Clause

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

- (a) any negligent act, negligent error or negligent omission by the **Insured** or by any **Employee** or by any other person, firm or company directly appointed by and acting for or on behalf of the **Insured**;
- (b) any dishonest or fraudulent act or omission, but only on the part of any **Employee**;
- (c) libel or slander committed unintentionally but only by the **Insured** or by any **Employee**;
- (d) any unintentional:
 - (i) breach of confidentiality; or
 - (ii) loss of a **Document**; or
 - (iii) passing-off or infringement of intellectual property rights including, but not limited to, copyright, design right, trade mark, know how, broadcasting right, domain name or personality right;committed by the **Insured** or by any **Employee** or by any other person, firm or company directly appointed by and acting for or on behalf of the **Insured**;
- (e) any other civil liability unless excluded herein.

11.2 Defence Costs

The **Insurer** will also pay **Defence Costs**, provided that the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of any **Claim**, suit or proceedings. **Defence Costs** will be payable in addition to or inclusive of the Limit of Liability as stated in the **Schedule**. Where **Defence Costs** are payable in addition to the Limit of Liability, if the amount required in settlement of the third party **Claim** is greater than the Limit of Liability available in respect of such **Claim**, then the **Insurer** will not pay more than its corresponding proportional share of the associated **Defence**.

11.3 Trigger

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

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

11.4 Extensions

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

11.4.1 Data Protection 1998

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



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

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

11.4.2 **Data Protection Act 2018**

This Sub-Section extends to cover the **Insured** for legal liability in respect of any **Claim** for compensation under Section 168 of the Data Protection Act 2018 in respect of any breach of professional duty by the **Insured** or anyone acting on their behalf in the scope of the **Insured's Business**.

Cover in respect of such **Claims** shall be available only under the terms and conditions of this extension and nowhere else in this policy.

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

The **Insurer's** liability under this extension shall be limited to GBP 250,000 each and every **Claim** and in the aggregate (including defence costs and expenses), which shall be a part of and not in addition to the Limit of Liability stated in the **Schedule**.

The **Excess** under this extension shall be GBP 1,000 each and every **Claim** and shall be applicable to **Defence Costs**.

Additional Exclusions

The **Insurer** shall not provide cover:

- (a) against liability caused by or arising from bodily injury, sickness, disease, emotional distress, mental anguish, mental stress or the death of any person;
- (b) against liability caused by or arising from any damage to or destruction or loss of any property including loss of use;
- (c) against liability caused by or arising from a deliberate act by or omission of any person entitled to insurance under this policy if the result could have been expected having regard to the nature and circumstances of such act or omission;
- (d) for the costs of replacing, reinstating, rectifying or erasing any Personal Data, as defined in Data Protection Act 2018;
- (e) against liability caused by or arising from the recording, processing or provision of data for reward or the determining of the financial status of a person; or
- (f) against liability which attaches by virtue of a contract or agreement but which would not have attached in the absence of such contract or agreement.

Fee Payment Condition

The **Insurer** shall be entitled to refuse to pay any **Claim** under this extension in its entirety if the **Insured** has not paid any fees required to be paid by any data protection authority



11.4.3 **Repair, Replacement or Reconstitution of Documents**

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

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

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

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

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

11.5 **Exclusions**

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

11.5.1 **Damage**

Damage.

11.5.1 **Deliberate or Reckless Acts**

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

11.5.2 **Depreciation of Investments**

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

11.5.3 **Directors, Officers or Trustees**

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

11.5.4 **Employer Obligations**

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

11.5.5 **Fraudulent Acts**

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

- (a) in respect of any person committing or condoning such dishonest or fraudulent act or omission;
- (b) in the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives;



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

11.5.6 **Infringement of Trade Secret or Patent**

any infringement of trade secret or patent.

11.5.7 **Injury**

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

11.5.8 **Insolvency**

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

11.5.9 **Internet Business**

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

11.5.10 **Joint Ventures**

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

11.5.11 **Mould or Fungus**

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

11.5.12 **Pollution**

Pollution.

11.5.13 **Products**

any Product.



11.5.14 **Related Entities**

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

11.5.15 **Trading Losses**

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

11.5.16 **Transport or Property**

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

11.5.17 **Warranties or Guarantees**

any performance warranty, guarantee, penalty clause, liquidated damages clause or similar provision unless the liability of the **Insured** would have existed to the same extent in the absence of such warranty, guarantee or clause or similar provision.

11.6 **Conditions**

11.6.1 **Dishonest or Fraudulent Claim Recovery**

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

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

11.6.2 **Limit of Liability**

All **Claims** (including costs sought under Extension 11.4.1 – Data Protection Act 1998 or Extension 11.4.3 – Repair, Replacement or Reconstitution of Documents) whether made against or sought by one or more **Insured**, wholly or substantially arising from or having any connection with or relation to the acts, errors, omissions or breaches of a single person or persons acting together or in which such person or persons is or are concerned or implicated, shall be deemed to be one **Claim** (or single application for costs under the under Extension 11.4.1 – Data Protection Act 1998 or Extension 11.4.3 – Repair, Replacement or Reconstitution of Documents) for the purposes of deciding the applicable Limit of Liability and the application of the **Excess** under this Sub-Section. The **Insurer** shall be the sole judge as to whether the provisions of this condition shall operate in relation to any **Claim** or application for costs under Extension 11.4.1 – Data Protection Act 1998 or Extension 11.4.3 – Repair, Replacement or Reconstitution of Documents.



[axaxl.com](https://www.axaxl.com)

XL Catlin Insurance Company UK Limited
20 Gracechurch Street, London, EC3V 0BG, United Kingdom

Telephone: +44 (0)20 7626 0486 Fax: +44 (0)20 7623 9101 [axaxl.com](https://www.axaxl.com)

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