

BUSINESS GUARDIAN RETAIL POLICY

Here is your new policy, arranged by LFC Shield and underwritten by Sterling Insurance Company Limited.

This policy is evidence of the contract which you have made with the Company and the completed proposal form or the statement of fact incorporating the declaration which you have signed and any other information provided by you in addition to these documents or in substitution therefore is the basis of the contract.

What forms your contract of insurance:

- the application for insurance completed by you or on your behalf (proposal form or statement of fact),
- any declaration signed by you in connection with the above,
- any written information supplied by you or on your behalf supplementary to the proposal form or statement of fact,
- any quotation or confirmation of cover letter,
- any document issued setting out any conditions that will apply to your policy,
- any document stating that this policy of insurance has been issued subject to certain outstanding items and/or actions by you or Sterling Insurance Company Limited,
- the policy, schedule, endorsements and warranties.

Please refer to the "Definitions and interpretations" in the policy. These will tell you what words have specific meanings, wherever they appear. Where a statute is referred to in this policy, this will also include any later amendments or replacements of it.

The Company will indemnify or compensate you the insured, by payment or, at its option, by replacement, reinstatement or repair in the event of loss, destruction, damage, accident or liability occurring during any period of insurance, subject to the terms and conditions of the policy.

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The policy insures solely the sections that you have selected or requested and the schedule identifies those that are operative. Please read the documents carefully to make sure they meet with your requirements. If you are unsure of the meaning of any part of the documents or you feel it does not meet with your requirements you should consult us or your professional adviser.

Alterations to the cover will be confirmed by the issue of a new schedule which you should file with your policy. Please refer to these replacement documents and the policy to obtain precise details of the cover currently in force. If you require cover under any of the other sections please contact your insurance adviser who arranged this policy.

Business Guardian policies are exclusive to and administered by LFC Shield on behalf of Sterling Insurance Company Limited.

Our promise of satisfaction and service

We are confident that your Business Guardian policy will bring you complete satisfaction.

We undertake to refund the premium in full if you are not satisfied with the cover provided by your policy if it is returned within 14 days of issue, but if there has been an incident which has resulted or could result in a claim you must reimburse us for any amounts we have paid or may be required to pay in respect of that incident.

We wish to provide you with a high standard of service and to meet any claims covered by this policy fairly and promptly. The next page of your policy provides information on how to proceed with enquiries or complaints and gives details of Sterling's important and valuable Helplines - there to provide you with quality advice.

Confidentiality

We promise complete confidentiality and security in all matters relating to your insurance arrangements.



John Blundell
Managing Director
Sterling Insurance Company Limited
Registered in England and Wales No. 498605
Registered Office: Ambassador House, Paradise Road, Richmond upon Thames, Surrey, TW9 1SQ

Customer service information

1. Sterling Insurance Company Limited: Sterling Insurance Company Limited is a private company limited by shares, registered in England and Wales number 498605. It underwrites General Insurance Business.

It is authorised and regulated by the Financial Services Authority (FSA). The FSA is the independent watchdog that regulates financial services.

Our FSA register number is 202012. You can check this on the FSA's register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Sterling Insurance Company Limited is a member of Sterling Insurance Group Limited, Registered Office: Ambassador House, Paradise Road, Richmond upon Thames, Surrey TW9 1SQ.

2. Claims: If you have a claim, or are aware of an incident that could result in a claim, please contact LFC Shield on 01206 212960 or 01206 213246 evenings and weekends. Alternatively, you may contact Sterling on 0845 2711300.

3. Disability Discrimination Act 1995: In accordance with the Disability Discrimination Act 1995 we are able to provide upon request a textphone facility, audio tapes, large print documentation and Braille documentation. Please advise us if you require any of these services to be provided so that we can communicate in an appropriate manner.

4. Duration of contract: The first period of insurance under your Business Guardian policy will be 12 months unless otherwise requested by you and agreed by us.

5. Enquiries or complaints: If you have any enquiry or are dissatisfied regarding the suitability of this policy for your needs or the information you received whilst it was originally being arranged or discussed by LFC, please contact LFC Shield at LFC Insurance Group, LFC House, Knight Street, South Woodham Ferrers, Essex, CM3 5ZL, telephone 01245 320033. It would be useful if you have the policy and/or the claim number available when you contact LFC.

If you have a complaint concerning a claim or about the policy or any issues regarding Sterling Insurance Company Limited, you should contact, the Customer Services Manager at Sterling Insurance Company Limited, at 3rd Floor, Blackburn House, 22-26 Eastern Road, Romford, Essex RM1 3PJ, telephone 01708 777900. It would be useful if you have the policy and/or claim number available when you contact Sterling.

(A copy of Sterling's complaints procedure is available on request by writing to the Customer Services Manager, at 3rd Floor, Blackburn House, 22-26 Eastern Road, Romford, Essex RM1 3PJ or by telephoning 01708 777900)

If you are not satisfied with the way your complaint has been handled, you may be able to refer to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR; telephone 0845 080 1800. Please note that the Financial Ombudsman Service will normally only consider a complaint once Sterling or LFC have issued a final decision.

Nothing in the terms and conditions of this policy will reduce your statutory rights relating to faulty or mis-described goods or services. For further information about your statutory rights, you should contact your local authority Trading Standards Department or Citizen's Advice Bureau.

Following this procedure will not affect your legal rights.

6. Financial Services Compensation Scheme: We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claims. Further information about compensation scheme arrangements is available from the FSCS.

7. Law applicable to the contract: We propose to choose English law as the law applicable to the contract unless we agree another choice of law with you prior to the start date. The policy terms and conditions and other information we are required to send you will be supplied in English and we will communicate with you in English throughout the duration of the policy, unless you and we agree otherwise.

8. Premiums: Premiums are payable to your professional adviser. Insurance premium tax, as imposed by current legislation, is incorporated into all premiums.

Helplines

Premises helpline: 0117 934 0192

In the event of an unforeseen emergency affecting the insured's business premises which causes damage or potential danger, DAS will contact a suitable repairer or contractor and arrange assistance on behalf of the insured. All costs of assistance provided are the responsibility of the insured.

Legal helpline: 0117 934 0192

Your own helpline to a qualified lawyer with legal help and advice. Areas of the law covered include employment, statutory regulations, landlord and tenant disputes, VAT and other taxation matters concerning the consumer, contracts and data protection.

In certain circumstances the advice given will be confirmed in writing.

Counselling helpline: 0117 934 2121

DAS will provide all employees (including any member of their immediate family who permanently live with them) of the insured with a confidential counselling service over the phone, including where appropriate onward referral to relevant voluntary and/or professional services.

These telephone services are operated by DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

DAS provide these services 24 hours a day, 7 days a week during the period of insurance. To help DAS check and improve their service standards, DAS record all calls other than those to the Counselling helpline.

Glass helpline: 0800 474747

A fast and efficient glass and frame replacement service arranged with Solaglas utilising their nationwide fleet of radio controlled mobile glaziers. If the glass breakage or frame damage is insured by your policy the Company will be debited direct by Solaglas. You pay only the policy excess and VAT where appropriate.

Solaglas Replacement Glazing, Ashbourne House, Fishponds Road, Bristol BS5 6SH.

All telephone helpline services operate twenty four hours a day, every day of the year.

Definitions and interpretation

In this policy

accidental damage means damage caused by accidental and external means

act of terrorism means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's Government in the United Kingdom or any other government de jure or de facto

alarmed premises means the premises or those portions of the premises protected by the intruder alarm installation

asbestos means asbestos, asbestos fibres, any derivatives of asbestos and any product containing asbestos, asbestos fibres or any derivatives of asbestos

buildings means the buildings and outbuildings including landlord's fixtures and fittings, constructed as stated in accordance with details lodged with the Company, and their foundations, extensions, annexes, gangways, conveniences, outbuildings and sub-stations; walls, fences and gates; piping, ducting, cable wires and associated control gear and accessories, fuel tanks, telephone, gas, water and electric meters, fibre optic or integrated services, digital network lines, on the premises or in the buildings and extending to the perimeter thereof or the public mains but only to the extent of the insured's legal responsibility therefore, yards, car-parks, pavements, pathways and roadways; sanitary ware, fixed glass other than such glass and its framework in shop windows and shop doors, fanlights, skylights and partitions for which the insured is legally responsible

business means the business as stated in the schedule

business hours means the period during which the premises are open for business or otherwise occupied for the purposes of the business by the insured or any authorised employee

Company, we, us, our means Sterling Insurance Company Limited

employee means any person under a contract of service or apprenticeship with the insured or supplied to or hired to or borrowed by the insured including any person under a Government or otherwise authorised work experience, training, study, exchange or similar scheme, whilst engaged in work in connection with the business

excess means the amount for which the insured will be responsible and which will be deducted from each and every claim

fixtures and fittings means trade and office fixtures, fittings, furniture, blinds, signs, all other trade contents, tenant's improvements and landlord's fixtures and fittings used in connection with the business, as shown in the schedule under the short title of Fixtures and fittings being the property of the insured or for which the insured is legally responsible but excluding property more specifically insured, money, glass, specified stock and stock

intruder alarm installation means the component parts of the alarm including the means of communication used to transmit signals

keyholder means the insured or any person or keyholding company authorised by the insured who is available at all times to accept notification of faults or alarm signals relating to the intruder alarm installation and attend and allow access to the premises

keys means devices, implements or instruments designed and intended to operate locking mechanisms

landlord's fixtures and fittings means sanitary fittings, air conditioning and central heating systems and additional fixtures and fittings which form part of the permanent structure of the building

money means current currency, crossed and uncrossed bankers drafts national giro drafts and payment orders postal and money orders dividend warrants and cheques other than pre-signed blank cheques, travellers cheques, national savings stamps and certificates, bus and rail travel cards and passes, telephone cards, current postage stamps and unused postal franking machine units, luncheon vouchers, gift tokens, trading stamps, national insurance stamps and stamped or impressed national insurance cards, holiday with pay stamps, premium bonds, VAT purchase invoices, credit card cheque card and debit card sales vouchers, savings stamps, consumer redemption vouchers and National Lottery 'Instants' and other scratch cards, all pertaining to the business and belonging to the insured or for which the insured is legally responsible

period of insurance means the period stated in the schedule or any other period for which the Company has agreed to accept and for which the insured has paid or agreed to pay a premium

personal effects means personal effects, clothing, tools and pedal cycles not otherwise insured belonging to directors, partners, employees, customers and visitors

pollution or contamination means pollution, contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease (including but not limited to foot and mouth disease), adulteration, impurification, or limitation or prevention of the use of objects because of hazards to health

premises means that part of the buildings, situate at the risk address or locations stated in the schedule, occupied by the insured for the purposes of the business

responsible person means the insured or any person authorised by the insured to be responsible for the security of the premises

specified stock means tobacco, cigarettes, cigars, wines, spirits, jewellery, watches, precious metals and stones, non-ferrous metals, computer games and discs, compact discs, cassettes, audio, television, video and photographic equipment, computer hardware software and ancillary equipment and clothing, all pertaining to the business, as shown in the schedule being the property of the insured or held by the insured in trust or on commission for which the insured is legally responsible but excluding property more specifically insured

stock means stock and materials in trade and work in progress all pertaining to the business, as shown in the schedule under the short title of Stock in trade being the property of the insured or held by the insured in trust or on commission for which the insured is legally responsible but excluding property more specifically insured and specified stock

tenant's improvements means tenant's improvements, alterations and decorations, as shown in the schedule under the short title of Tenant's improvements but excluding glass

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

the insured means the person, persons or company named in the schedule

unattended vehicle means any vehicle left without the insured or any employee or a responsible adult remaining therein at any time other than whilst the vehicle is being loaded, unloaded or refuelled

unoccupied means empty, vacant, unattended or no longer in use for a period of 30 consecutive days or longer

working day of the driver means the period in any day during which a vehicle is being used for purposes in connection with the business

you, your means the insured under this policy.

General Conditions

1 Adjustment

If the premium for this policy or any section or any item thereof has been based wholly or partly on any estimates given by the insured then the insured must keep an accurate record of all the relative particulars and such record must at all times be available for examination by the Company.

Within three months of the expiry of each period of insurance (unless stipulated otherwise in any section) the insured must supply to the Company such particulars as the Company may require and the premium for such expired period will then be adjusted and the difference shall be paid by or returned to the insured as the case may be subject to the retention by the Company of any minimum premium under this policy or any section thereof.

2 Avoidance of policy

This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

3 Basis of claims settlement

Following loss, destruction or damage insured by Section 1 - Property Damage, Section 8 - Deterioration of Refrigerated Stock, Section 9 - All Risks or Section 11 - Goods in Transit and subject to the adequacy of the sums insured and to the Limits of liability there under the Company will pay in respect of

- a) stock and specified stock - the cost price of replacing the goods at the time of the loss, destruction or damage
- b) deeds, documents and business books - their value as stationery only together with the cost of clerical labour expended in writing up and not for the value to the insured of the information contained therein
- c) computer systems records - the value of the materials only together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein) and not for the value to the insured of the information contained therein
- d) patterns, models, moulds, plans and designs - the value of the materials only together with the cost of labour expended in reinstatement of such property
- e) directors', partners', employees', customers' and visitors' personal effects not otherwise insured - the cost of repair or replacement at the time of the loss, destruction or damage after due allowance for wear, tear or depreciation, for an amount not exceeding, in respect of any one person, £500 or such other amount stated by an endorsement in the schedule
- f) rent- the loss of rent payable or rent receivable by the insured for the term of twelve months or such other term stated in the schedule during any period necessary for reinstatement or repair as a result of the buildings or any part thereof being rendered uninhabitable due to loss, destruction or damage caused by any of the perils insured by this section provided that the Company's liability for such loss of rent will not exceed such proportion of the sum insured on rent as the period necessary for reinstatement or repair bears to the term of rent insured
- g) all other property including buildings - subject to the following Special conditions the cost of reinstatement of the property lost, destroyed or damaged

Definition and interpretation - for the purposes of Basis of claims settlement sub-paragraph g) only **reinstatement** means

- a) the rebuilding or replacement of the property lost, destroyed or damaged which provided the liability of the Company is not increased may be carried out
 - i) in any manner suitable to the requirements of the insured
 - ii) upon another site
 - b) the repair or restoration of property damaged
- in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Special conditions

- 1) No payment beyond the amount which would have been payable in the absence of Basis of claims settlement sub-paragraph g) shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have actually been incurred
 - c) if the property insured at the time of its loss, destruction or damage shall be insured by any other insurance effected by or on behalf of the insured which is not upon the same basis of claims settlement.
- 2) The liability of the Company for reinstatement of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed.
- 3) All the terms and conditions of the policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of claims settlement sub-paragraph except in so far as they are varied hereby
 - b) where claims are payable as if this Basis of claims settlement sub-paragraph had not been incorporated
- 4) General Condition 20 - Underinsurance is deemed to read
If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstatement of the whole of the property covered by any item subject to this Basis of claims settlement sub-paragraph exceeds its sum insured at the commencement of any loss, destruction or damage, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss

- 5) Where for any reason no payment is to be made on the basis of reinstatement (liability being otherwise admitted) then the liability of the Company will be arrived at as if this basis of claims settlement had not been incorporated herein and sub-paragraph g) shall then be deemed to read - all other property including buildings - in the case of buildings, the value of the buildings at the time of the loss, destruction or damage, or the amount of such loss, destruction or damage as the case may be, after due allowance for wear, tear or depreciation or at its option replace, reinstate or repair the lost, destroyed or damaged property and in the case of all other property, the cost of repair or replacement at the time of the loss, destruction or damage after due allowance for wear, tear or depreciation.

4 Cancellation

The insured may cancel this policy by giving written instructions to LFC Shield or the Company

- a) within 14 days of issue, returning the policy document and schedule and receive a full refund of premium but if there has been an incident which has resulted or could result in a claim, the insured must reimburse the Company for any amounts we have paid or may be required to pay, in respect of that incident
- b) after 14 days of issue and receive pro rata proportional refund of the premium in respect of the unexpired term of this policy unless a claim or an incident likely to give rise to a claim has occurred during the current period of insurance;
 - i) if the cancellation occurs in the first period of insurance a maximum administration charge of 10% of the premium for that period of insurance will be deducted from any refund
 - ii) if the cancellation occurs in any subsequent period of insurance a maximum administration charge of 5% of the premium for that period of insurance will be deducted from any refund.

The Company may cancel this policy or any section by sending a recorded delivery letter to the last known address of the insured giving seven days notice. In the event of cancellation by the Company, the Company will refund a pro rata proportion of the premium paid in respect of the unexpired term of this policy unless a claim or an incident likely to give rise to a claim has occurred during the current period of insurance.

If the insured is paying by monthly instalments the Company

- will stop applying for the monthly premium
- may exercise its right to collect the balance of any outstanding premium in the event of a claim.

If the insured has agreed to pay the premiums by instalments and fails to pay any of those instalments, the Company reserves the right to cancel the policy.

5 Change in risk

This policy shall be voidable from the date of the change if

- a) the insured's interest ceases other than by death or
- b) the business be wound up or carried on by a liquidator or receiver or permanently discontinued or
- c) any alteration be made either in the business or in the premises or in any property therein or in any other circumstances which may increase the possibility of loss, destruction, damage or accidental bodily injury covered by this policy

at any time after the commencement of this insurance unless the Company has agreed in writing to its continuance.

6 Claims

It is a condition precedent to the liability of the Company that on the happening of any event which could result in a claim under this policy the insured shall

- a) advise LFC Shield or the Company in writing as soon as practicable and in writing if required
- b) not make any admission of liability or promise of payment without the Company's written consent
- c) immediately notify the police following loss, destruction or damage by theft, riot, vandalism or malicious act or if property be accidentally lost
- d) in respect of any loss, destruction or damage to the property insured submit, at the insured's own expense, a claim in writing with all such particulars and proofs as may be reasonably required within
 - i) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikes, labour disturbances or malicious persons
 - ii) thirty days in the case of any other loss, destruction or damage
- e) inform the Company immediately of any claim being made, or of any pending prosecution, inquest or fatal accident inquiry. Every letter, claim, writ or other document relating to any accident, claim, prosecution or civil proceedings must be sent to the Company immediately, unacknowledged
- f) give all such information and assistance as the Company may request.

7 Contracts (Rights of Third Parties) Act 1999

No person, persons, company or other party who is not named as the insured in this policy shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms or conditions of this policy. This shall not affect any right or remedy of a third party that exists or is available apart from that Act.

8 Death of the insured

In the event of the death of the insured the Company will in respect of liability or loss incurred by the insured indemnify the insured's personal representatives in the terms of and subject to the limitations of this policy, provided that such personal representatives shall as though they were the insured observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply.

9 Disputes

Provided that liability under this policy has been admitted, if there is any dispute over the amount to be paid by the Company the matter will be referred to arbitration and the arbitrator will be appointed by the parties concerned according to the relevant statutory provisions in force at the time. In such a case there will be no right of action against the Company until an award is made.

- 10 Fraud**
If the insured or anyone acting for the insured makes a claim under this policy knowing the claim to be false or fraudulent in any respect or if any damage is caused by wilful act of or with the connivance of the insured the Company will not pay the claim and all cover under the policy will cease from the date of the incident or circumstances in respect of which the fraudulent claim was made.
- 11 Insurance Premium Tax**
Effective from 1st October 1994, the premium will be subject to insurance premium tax as set out in the Finance Act 1994 (or as amended by subsequent legislation) and detailed in the policy schedule or renewal notice issued from that date.
- 12 Law applicable**
Under United Kingdom law the parties to the contract have the right to choose the law which should apply. In the absence of any agreement to the contrary, English law will apply.
- 13 Other insurance**
If at the time of any loss, destruction or damage or at the time of the occurrence of any incident which may result in the insured being held legally liable for the consequences thereof and which is covered under this policy, there is any other insurance in force which covers the same loss, destruction, damage or legal liability, the Company's liability will be limited to its rateable proportion.
- 14 Reasonable care**
It is a condition precedent to the liability of the Company that the insured shall at his own expense
- a) take all reasonable precautions to prevent loss, destruction, damage, accident or bodily injury
 - b) keep the premises, buildings and other maintainable property which is insured by this policy in a satisfactory state of repair
 - c) comply with all relevant statutory requirements and other regulations imposed by any authority and manufacturers' recommendations all relating to the use inspection and safety of property and the safety of persons
 - d) as soon as possible after discovery, cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be effected as the circumstances may require
 - e) exercise due care in the selection and supervision of employees.
- 15 Reinstatement of sum insured**
It is agreed that in the absence of written notice by the insured or the Company to the contrary, the Company's liability shall not stand reduced by the amount of any loss, provided the insured undertakes to pay any appropriate premium for such automatic reinstatement of cover and implements immediately any recommendations made by the Company to prevent further loss, destruction or damage and effects all repair or replacement work without delay.
- 16 Rights**
In the event of loss, destruction or damage to the property insured the Company will be entitled to enter any building where such loss, destruction or damage has happened and to take and keep possession of such property insured and to deal with the salvage in a reasonable manner and this policy shall be proof of leave and licence for such purpose. No property may be abandoned to the Company.
- 17 Security**
It is a condition precedent to the liability of the Company that the insured shall ensure that all
- a) security devices are put into full and effective operation whenever the premises are closed for business or left unattended
 - b) keys and all details of any codes or combinations relating to any part of the intruder alarm installation and any safe or strongroom be removed from the premises whenever the premises are closed for business or left unattended
 - c) fire break doors and shutters in the buildings be maintained in efficient working order and that the openings protected by such doors and shutters be kept clear of obstruction at all times and that all such doors and shutters other than those fitted with fusible links be kept closed except during business hours
 - d) alterations or additions to or changes in or removal of security devices be advised to LFC Shield immediately.
- 18 Subjectivity**
This policy, the proposal form or statement of fact incorporating the declaration signed by the insured and the schedule should be read together and form the contract of insurance between the insured and the Company.
- a) The Company will clearly state in the schedule if the cover provided by the policy is subject to the insured
 - i) providing the Company with any additional information requested by the required date(s)
 - ii) completing any actions agreed between the insured and the Company by the required date(s)
 - iii) allowing the Company to complete any actions agreed between the insured and the Company.
 - b) If required by the Company the insured must allow the Company access to the premises and/ or the business to carry out survey(s) within 60 days of the inception or renewal date unless the Company agree otherwise in writing.
- Upon completion of these requirements (or if they are not completed by the required dates) the Company may, at the Company's option
- i) modify the insured's premium
 - ii) issue a mid-term amendment to the insured's policy or section terms and conditions
 - iii) require the insured to make alterations to the premises insured by the required date(s)
 - iv) exercise the Company's right to cancel the policy
 - v) leave the policy or section terms and conditions and the premium unaltered

The Company's decision will be notified to the insured and where applicable specify the date(s) by which any action(s) agreed needs to be completed by the insured and/ or any decision by the Company will take effect.

The Company's requirements and decisions will take effect from the date(s) specified unless and until the Company agree otherwise in writing. If the insured disagree with the Company's requirements and/ or decisions the Company will consider the insured's comments and where the Company consider appropriate will continue to negotiate with the insured to resolve the matter to the insured's and the Company's satisfaction.

In the event that the matter cannot be resolved the insured and the Company may exercise the right to cancel this policy in accordance with the terms of General Condition 4 Cancellation.

Except where stated all other policy and section terms and conditions will continue to apply.

The above conditions do not affect the Company's right to void the policy if the Company discover information material to the Company's acceptance of the risk.

19 Subrogation

Before or after the Company has indemnified the insured the Company will be entitled to undertake in the name of and on behalf of the insured the absolute conduct, control and settlement of any proceedings and to take proceedings at its own expense and for its own benefit but in the name of the insured to recover compensation or secure indemnity from any third party in respect of anything covered by this policy.

20 Underinsurance

Each item insured under Section 1 – Property Damage, Section 8 – Deterioration of Refrigerated Stock and Section 9 – All Risks is declared to be subject to this underinsurance condition. If the property insured by such item shall at the commencement of any loss, destruction or damage hereby insured against be collectively of greater value than such sum insured, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss.

Whenever this General Condition applies to a claim the provisions of this condition shall precede the application of any excess relevant to that claim.

21 Warranty

Every warranty shall from the time the warranty attaches apply and continue to be in force during each subsequent period of insurance. Non-compliance with any such warranty in so far as it increases the risk of loss, destruction, damage or accidental bodily injury shall be a bar to any claim for such loss, destruction, damage or accidental bodily injury but this shall only apply to that section of the policy to which the loss applies.

General Exclusions

The Company will not be liable for

- 1 loss, destruction or damage to property or any cost or expense, consequential loss or bodily injury directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter d) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - e) an act of terrorism or any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to an act of terrorism (other than in respect of bodily injury to an employee arising out of and in the course of employment in the business).If the Company alleges that by reason of this sub-paragraph any loss, destruction, damage, cost, expense, consequential loss or bodily injury is not covered by this policy the burden of proving the contrary shall be upon the insured
 - f) pressure waves caused by aircraft or other aerospace devices travelling at sonic or supersonic speeds
 - g) confiscation, nationalisation or requisition by order of any government or public, municipal, local or customs authority
 - h) erasure, loss, distortion or corruption of information on, or reduction in the functionality, availability or operation of any computer system, or any hardware, program, software, data, information repository, disk, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not, caused by the malicious introduction or incursion of any unauthorised, unintended, undesired or unexpected program, instruction or command or any other computer or electronic virus.
- 2 a) loss, destruction or damage to property caused by pollution or contamination except (unless otherwise excluded) loss, destruction or damage to the property insured caused by
 - i) pollution or contamination which itself results from a contingency hereby insured against (other than by leakage of oil or by accidental damage to underground service pipes or cables) which comprises a sudden, identifiable, unintended and unexpected event and occurs in its entirety at a specific time and place during the period of insurance
 - ii) any contingency hereby insured against (other than by leakage of oil or by accidental damage to underground service pipes or cables) which itself results from pollution or contamination
- b) loss under Section 2 - Business Interruption of this policy resulting from pollution or contamination but this will not exclude loss resulting from damage at the premises to property used by the insured for the purpose of the business (unless otherwise excluded) caused by
 - i) pollution or contamination at the premises which itself results from a contingency hereby insured against (other than by leakage of oil or by accidental damage to underground service pipes or cables) which comprises a sudden, identifiable, unintended and unexpected event and occurs in its entirety at a specific time and place during the period of insurance
 - ii) any contingency hereby insured against (other than by leakage of oil or by accidental damage to underground service pipes or cables) which itself results from pollution or contamination
- c) loss under Section 6 - Public Liability and Section 7 - Products Liability of this policy resulting from legal liability directly or indirectly caused by or arising from pollution or contamination unless caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during the period of insurance provided that
 - i) all pollution or contamination arising out of such event will be deemed to be one occurrence irrespective of the length of time or number of periods of insurance over which such pollution or contamination occurs
 - ii) the liability of the Company for all damages payable arising out of all pollution or contamination which is deemed to have occurred during any one period of insurance will not exceed the amount stated against Section 6 - Public Liability and Section 7 - Products Liability in the schedule

Definition and interpretation - for the purposes of General Exclusion 2 c) only
pollution or contamination includes

 - a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere and
 - b) all loss or damage or injury directly or indirectly caused by such pollution or contamination.
- 3 loss, destruction or damage
 - a) to property undergoing any process involving the application of heat
 - b) to any electrical machine or apparatus or component thereof occasioned by its over-running, excessive pressure, short-circuiting or self-heating not resulting in fire
 - c) arising from theft or attempted theft where the insured or any director, partner or employee of the insured or any member of the insured's family or household be concerned as principal or accessory
 - d) due to theft or attempted theft, malicious damage, leakage of water following bursting or overflowing of water pipes, water apparatus or water tanks or from any automatic sprinkler installation, leakage of oil or breakage of glass and sanitary ware
 - i) during any period when the business has ceased to trade whether the premises are unfurnished or otherwise
 - ii) whilst the buildings are unfurnished or untenanted
 - e) due to disappearance, unexplained loss, inventory shortage, misfiling or misplacing of information

- 4 loss, destruction or damage or any expense or consequential loss happening in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of loss, destruction or damage or any expense or consequential loss by fire or explosion) strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
- 5
- i) loss, destruction or damage
 - ii) consequential loss, additional expenditure or extra expenses
 - iii) legal liability
 - iv) other fees, costs, disbursements, awards or other expenses of whatsoever nature

directly or indirectly caused by or consisting of or contributed to by or arising from the failure in whole or in part of -

- a) any computer
- b) any data processing equipment or media, microchip, integrated circuit or similar device
- c) any computer software

whether the property of the Insured or not and whether occurring before, during or after the year 2000 to achieve all or any of the purposes and effects intended by the use of any number and/or word to denote a date, including the failure to -

- i) correctly recognise any date as its true calendar date
- ii) recognise, capture, save, retain or restore and/or correctly manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
- iii) recognise, capture, save, retain, restore and/or correctly manipulate, interpret, calculate or process any data or information as the result of the operation of any command which has been programmed into any computer software or hardware being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore and/or correctly manipulate, interpret, calculate or process any data on or after any date

but in respect of all sections other than Section 5 - Employers' Liability, Section 6 - Public Liability or Section 7 - Products Liability this shall not exclude subsequent loss, destruction or damage to property specifically insured by any item, section or endorsement of this policy, or any expense or any consequential loss additional expenditure or extra expense (not otherwise excluded) which itself results from the following contingencies or perils -

Fire, lightning, explosion, aircraft and other aerospace devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, subterranean fire, impact by any mechanically propelled vehicle or by goods falling therefrom or by animals, theft or any attempt thereat, storm, flood, or escape of water or oil from any pipe tank or apparatus.

Additional Clauses

The following Additional Clauses, as detailed below, are applicable to Section 1 – Property Damage and Section 9 – All Risks:

- 1 Architects' and surveyors' fees
- 3 Capital additions
- 5 Collusion
- 9 Debris removal costs
- 10 Designation
- 14 Extinguishment expenses
- 16 Incompatibility of computer records
- 18 Involuntary betterment
- 20 Landscapes
- 24 Other interests
- 27 Service pipes or cables
- 29 Temporary removal
- 30 Temporary removal – documents and computer systems records
- 31 Theft damage to the premises
- 33 Trace and access
- 36 Waiver of subrogation rights
- 36 Workmen

The following Additional Clauses, as detailed below, are applicable to Section 1 – Property Damage only:

- 2 Buildings theft of fixed materials
- 4 Coal, coke and wood blocks
- 6 Contract price
- 7 Contracting purchaser
- 8 Customers' goods
- 11 Exhibitions
- 12 Extensions
- 13 External CCTV equipment and security lighting
- 15 Foundations
- 17 Interested parties
- 19 Keys
- 21 Loss of metered water
- 22 Loss of metered gas
- 23 Non-invalidation
- 25 Public authorities costs
- 26 Seasonal increase
- 28 Subrogation waiver
- 32 Tobacco and alcohol
- 34 Unoccupied buildings

1 Architects' and surveyors' fees

Within the overall limit of the sum insured on buildings and other property except stock and specified stock, the Company will pay the cost of architects', surveyors', consulting engineers' legal and other fees necessarily and reasonably incurred in the reinstatement or repair of the property following loss, destruction or damage caused by any peril insured against but excluding fees charged for the preparation of any claim.

2 Buildings theft of fixed materials

This section extends to include loss, destruction or damage caused by theft or any attempted thereof of fixed materials forming part of the buildings but excluding loss, destruction or damage to walls, gates and fences.

The Company's liability will not exceed £5,000 in any one period of insurance.

3 Capital additions

The insurance by this section extends to include

- a) newly acquired and/or newly erected fixtures and fittings and buildings anywhere within Great Britain, the Isle of Man or the Channel Islands in so far as such property is not otherwise insured
- b) alterations, additions and improvements to existing fixtures and fittings and buildings at the premises but excluding any appreciation in value of such property during the period of insurance

Provided that

- i) at any one situation or premises the liability of the Company shall not exceed 10% of the relevant sum insured on such property stated in the schedule or £500,000 whichever is the lesser
- ii) the insured shall notify the Company of such capital additions as soon as possible and pay the appropriate additional premium that may be required to provide retrospective cover from the commencement date of the insured's liability for such property
- iii) following such notification the provisions of this clause are fully reinstated.

4 Coal, coke and wood blocks

The insurance by this section extends to include loss or destruction of or damage to coal, coke and wood blocks if insured hereby caused by their own spontaneous heating or combustion, whether fire ensues or not.

- 5 Collusion**
This section extends to include loss, destruction or damage caused by theft caused by theft or attempted theft where any employee of the insured be concerned as principal or accessory.
- Provided that
- (a) General Exclusion 3c) shall not apply in respect of the insurance by this extension
 - (b) such loss or damage is accompanied by visible evidence of forcible and violent entry to or exit from the premises.
- 6 Contract price**
In respect of goods sold but not delivered for which the insured is legally responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of loss, destruction or damage hereby insured against either wholly or to the extent of the loss, destruction or damage the liability of the Company shall be based on the contract price and for the purpose of General Condition 20 Underinsurance the value of all goods to which this clause would in the event of loss, destruction or damage be applicable shall be ascertained on the same basis.
- 7 Contracting purchaser**
If at the time of loss, destruction or damage to the buildings the insured shall have contracted to sell his interest in such buildings and the purchase shall not have been but shall be thereafter completed, the purchaser on the completion of the purchase if and so far as the buildings are not otherwise insured by or on behalf of the purchaser against such loss, destruction or damage shall be entitled to the benefit of this policy so far as it relates to such loss, destruction or damage without prejudice to the rights and liabilities of the insured or the Company under this policy up to the date of completion.
- 8 Customers' goods**
The insured having intimated to their customers that they will accept responsibility for loss, destruction or damage to goods, the property of their customers or for which their customers are legally responsible whether manufactured by the insured or not, upon which work is to be, is being or has been done on behalf of their customers by the insured, or which may be left in the insured's hands for storage or despatch, or otherwise temporarily in the insured's custody, it is understood and agreed that all such goods shall be held to be insured by any items insuring stock but excluding property more specifically insured.
- 9 Debris removal costs**
The insurance by each item insuring buildings and other property and the sums insured in respect thereof extends to include costs and expenses necessarily incurred by the insured with the consent of the Company in
- i) removing debris
 - ii) dismantling or demolishing
 - iii) shoring up or propping
 - iv) clearance of drains
- of the portion or portions of such insured property lost, destroyed or damaged by any peril insured against .
- Provided that the Company will not be liable under this clause for any such costs or expenses
- (a) incurred in removing debris except from the site of such insured property so lost, destroyed or damaged and from the area immediately adjacent to such site
 - (b) arising from pollution or contamination of property not insured by this section.
- 10 Designation**
For the purpose of determining where necessary the item against which any property is insured the Company agrees to accept the designation under which such property has been entered in the insured's books.
- 11 Exhibitions**
This section extends to include loss, destruction or damage caused by any peril insured to property insured whilst within the premises of any trade show or exhibition within the territorial limits at which the insured is participating as an exhibitor, including whilst in transit thereto and therefrom but excluding theft or attempted theft of the property insured from any unattended vehicle.
- The Company's liability will not exceed £10,000 in any one period of insurance.
- 12 Extensions**
Except where specifically insured the buildings and contents of
- a) outbuildings, annexes, tanks, bunds, gangways and conveniences
 - b) extensions adjoining or communicating with main buildings described herein
- are deemed to be insured under the most appropriate item operative in the policy schedule.
- 13 External CCTV equipment and security lighting**
This section extends to include loss, destruction or damage to external CCTV equipment and security lighting at the premises for which the insured is legally responsible provided that such property is located and fixed in an inaccessible position.
- The Company's liability will not exceed £5,000 in any one period of insurance.
- 14 Extinguishment expenses**
This section extends to include the reasonable cost of refilling fire extinguishing equipment and replacing sprinkler heads used solely as a consequence of loss, destruction or damage caused by any peril insured.

15 Foundations

It is understood and agreed that those portions of the foundations and incombustible floors of buildings more than 8cm below the level of the floors of the lowest storeys (whether such floors constitute the flooring of the basement or otherwise) are excluded from this insurance, except where such portions are within a radius of 60cm around and below any structural column or similar superstructure support.

16 Incompatibility of computer records

The insurance by each item insuring fixtures and fittings or any item in respect of computing or communication equipment is extended to include

- a) the costs of modification of computing equipment; or
 - b) the costs of replacing computer records including reinstatement of programs and the information thereon
- whichever costs are the lesser, to achieve compatibility in the event that undamaged computer records which beyond the control of the insured are rendered incompatible with replacement computing equipment, where such replacement is consequent upon loss, destruction or damage by any peril insured by this section.

The Company's liability will not exceed £50,000 in any one period of insurance.

17 Interested parties

Any act or omission by the leaseholder, lessee, mortgagor or the insured or by any tenant occupying or using the buildings which increases the possibility of loss, destruction or damage shall not prejudice the insured interest of the freeholder, lessor or mortgagee. Provided that

- a) such act or omission is entirely without the authority of and is unknown to or beyond the control of the freeholder, lessor or mortgagee
- b) immediately the freeholder, lessor or mortgagee shall become aware of any such act or omission they shall give immediate written notice thereof to the Company and pay an additional premium if required.

18 Involuntary betterment

In the event of loss, destruction or damage to property insured and where new property of like kind and quality is not obtainable, property as similar as possible to that lost, destroyed or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and shall not be considered as betterment to the insured.

Provided that

- a) In the event of replacement with new property, the Company will pay the cost of purchasing and installing technologically current equipment, which is necessitated by incompatibility between
 - i) new equipment installed to replace lost, destroyed or damaged equipment; and
 - ii) undamaged existing equipment at the same or an interdependent location
- b) The Company shall only be liable for the amount sufficient to enable the insured to resume operations in substantially the same manner as before the loss, destruction or damage
- c) The Company shall only be liable for the difference between
 - i) the highest sales value of the undamaged existing equipment at the same or an interdependent location; and
 - ii) the installed cost of the technologically current equipment
- d) For the purposes of the application of any excess the loss, destruction or damage and the necessity to replace incompatible equipment shall be regarded as one occurrence.

The Company's liability under this clause is limited to 10% of the agreed reinstatement value of the damaged property or £50,000, whichever is the lesser amount.

19 Keys

This section is extended to include the reasonable costs necessarily incurred in replacing locks or keys to the premises or any safe or strongroom or intruder alarm therein or thereon following their theft or accidental loss

- a) from the premises or the home of the insured or any director, partner or employee authorised to hold such keys or,
- b) anywhere else within the territorial limits whilst in the personal custody of the insured or any employee authorised to hold such keys

Provided that the Company will not be liable for the cost of replacing locks or keys of any safe or strongroom or intruder alarm following theft of the keys if they are left on the premises outside business hours.

The Company's liability will not exceed £2,000 in any one period of insurance.

20 Landscapes

This section extends to include costs and expenses incurred by the insured with the consent of the Company in repairing or reinstating damage to the landscaped gardens and grounds, at the premises, caused by emergency services equipment and personnel attending the premises in response to fire or any other peril insured against.

Provided that the insured is legally responsible for the repair or reinstatement of such damage.

The Company's liability will not exceed £50,000 in any one period of insurance.

21 Loss of metered gas

This section extends to include the cost of loss of metered gas for which the insured is legally responsible arising from loss, destruction or damage at the premises caused by any peril insured.

The Company's liability will not exceed £10,000 in any one period of insurance.

- 22 Loss of metered water**
 This section extends to include the cost of loss of metered water for which the insured is legally responsible arising from loss, destruction or damage at the premises caused by any peril insured.
- The Company's liability will not exceed £10,000 in any one period of insurance.
- 23 Non-invalidation**
 The insurance by this section shall not be invalidated by any act or omission or by any alteration unknown to or beyond the control of the insured whereby the risk of loss, destruction or damage is increased.
- Provided that immediately the insured shall become aware of any such act or omission or alteration they shall give immediate written notice thereof to the Company and pay an additional premium if required.
- 24 Other interests**
 The interest of other parties is noted in this section and the nature and extent of such interest is to be advised to the Company, if necessary, in the event of any claim.
- 25 Public authorities costs**
 Within the overall limit of the sum insured on buildings and other property except stock and specified stock and following loss, destruction or damage caused by any peril insured, the Company will pay the additional cost of reinstatement necessarily and reasonably incurred solely to comply with European Union Legislation or building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority in respect of
- a) the lost, destroyed or damaged property insured
 - b) undamaged portions thereof
- excluding
- a) any cost incurred in complying with such Legislation or regulations
 - i) in respect of damage occurring prior to the inception of this section
 - ii) under which notice has been served upon the insured prior to the occurrence of any loss, destruction or damage hereby insured
 - iii) for which there is an existing requirement which has to be implemented within a given period
 - iv) in respect of property entirely undamaged
 - b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with such Legislation or regulations not arisen
 - c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with such Legislation or regulations
- Provided that
- 1 the work of reinstatement must be completed within 12 months of the date of the loss, destruction or damage insured or within such additional time as the Company may allow and may be carried out upon another site if such Legislation or regulations so necessitate subject to the liability of the Company not being increased
 - 2 if the liability of the Company under any item of this section apart from this clause shall be reduced by the application of any of the terms and conditions of the policy then the liability of the Company under this clause in respect of such item shall be reduced in the same proportion
 - 3 the total amount recoverable under any item insured by this section in respect of this clause shall not exceed:
 - i) in respect of any property lost, destroyed or damaged its sum insured
 - ii) in respect of undamaged portions of property (other than foundations) 15% of the total amount for which the Company would have been liable had the property been wholly destroyed
 - 4 the total amount recoverable under any item insured by this section shall not exceed its sum insured
- 26 Seasonal increase**
 During the months of November, December and January, for 14 days either side of Easter and for the seven days either side of and including each public holiday the sums insured in respect of stock and specified stock are increased by 25%.
- 27 Service pipes or cables**
 This section extends to include the cost of reinstatement or repair following loss, destruction or damage to telecommunications, gas, water and electric service pipes, cables, instruments, meters and the like including their accessories and such property in adjoining yards, roadways or underground belonging to the insured or for which the insured is legally responsible.
- 28 Subrogation waiver**
 In the event of a claim arising under this section the Company agrees to waive any rights remedies or relief to which it may become entitled by subrogation against
- a) any company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the insured as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the loss, destruction or damage
 - b) any company which is a Subsidiary of a Parent Company of which the insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the loss, destruction or damage.

29 Temporary removal

This section extends to include loss, destruction or damage caused by any peril insured to the property insured (other than stock and specified stock) whilst temporarily removed for cleaning renovation repair or other similar purposes, elsewhere on the same or to any other premises anywhere within the territorial limits including transit by road rail or inland waterway.

Provided that

- (a) the liability of the Company under this extension in respect of each item insured by this section for loss, destruction or damage occurring elsewhere than at the said premises shall not exceed 10% of the sum insured by the item
- (b) the Company will not be liable for
 - i) property more specifically insured
 - ii) motor vehicles and motor chassis licensed for normal road use
 - iii) property held by the insured in trust other than machinery and plant.

30 Temporary removal – documents and computer systems records

This section extends to include loss, destruction or damage caused by any peril insured to the undernoted property insured whilst temporarily removed to any premises not in the insured's occupation anywhere within the territorial limits including transit by road rail or inland waterway

- a) computer systems records
- b) deeds and documents (including stamps thereon) manuscripts plans and writing of every description and books (written and printed)

The Company's liability will not exceed 10% of the total value of such property.

31 Theft damage to the premises

If this section insures loss, destruction or damage as described by peril 5 of Section 1 – Property Damage then this section is extended to include damage to the premises resulting from theft or any attempt thereat involving forcible and violent entry thereto or exit therefrom.

Provided that the insured is legally responsible for the repair of such damage.

32 Tobacco and alcohol

This section extends to include loss, destruction or damage caused by any peril insured to tobacco, cigarettes, cigars, wines and spirits kept solely for entertainment purposes being the property of the insured or for which the insured is legally responsible.

The Company's liability will not exceed £500.

33 Trace and access

In the event of loss, destruction or damage at the premises caused by peril 12 or peril 15 as described under Section 1 – Property Damage, this section extends to include costs necessarily and reasonably incurred with the consent of the Company in

- a) locating the source of such loss, destruction or damage in order to effect repairs
- b) making good.

The Company's liability will not exceed £10,000 in any one period of insurance.

34 Unoccupied buildings

Notice is to be given to the Company when any buildings or portions thereof become unoccupied by any authorised person or when any such unoccupied building or portion thereof is again occupied by any authorised person and a suitable additional premium paid if required.

35 Waiver of subrogation rights

In the event of a claim arising under this section of the policy the Company agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against any company standing in the relation of parent or subsidiary (or subsidiary to parent) to the insured, or any company which is a subsidiary of a parent company of which the insured are themselves a subsidiary, in each case as defined in current legislation.

36 Workmen

Workmen are allowed to work at the premises for the purposes of effecting any repairs, additions, alterations or decorations without prejudice to this insurance.

Section 1 – Property Damage

Cover

The Company will indemnify the insured in respect of loss, destruction or damage occurring at the premises to the property insured described in the schedule or any part of such property caused by the following perils

- 1 fire (whether resulting from explosion or otherwise) not occasioned by or happening through
 - a) its own spontaneous fermentation or heating
 - b) earthquake or subterranean fire
- 2 lightning
- 3 explosion but excluding loss, destruction or damage (other than loss, destruction or damage by fire resulting from explosion)
 - a) caused by or consisting of the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the insured
 - b) in respect of and originating in any vessel machinery or apparatus or its contents, belonging to or under the control of the insured which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service
- 4 aircraft and other aerospace devices or articles dropped therefrom.
- 5 theft or any attempt thereof involving
 - a) forcible and violent entry to or exit from the premises or, when the buildings only are insured, forcible and violent entry to or exit from the buildings
 - b) assault or violence or threat thereof to the insured or any of his employeesbut excluding loss, destruction or damage to property from a garden, yard, open space or any open fronted or open sided building therein
- 6 riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation but excluding loss, destruction or damage caused in Northern Ireland or resulting from cessation of work
- 7 malicious persons not acting on behalf of or in connection with any political organisation but excluding loss, destruction or damage by theft or any attempt thereof
- 8 earthquake or subterranean fire
- 9 impact by any mechanically propelled vehicle (whether the vehicle be licensed for normal road use or not) or by goods falling therefrom or by animals but excluding loss or destruction of or damage to property in transit
- 10 storm but excluding loss, destruction or damage
 - a) caused by
 - i) the escape of water from the normal confines of any natural or artificial watercourse, lake, reservoir, canal or dam
 - ii) inundation from the sea, whether resulting from storm or otherwise
 - iii) frost, subsidence, ground heave or landslip
 - b) attributable solely to change in the water table level
 - c) to fences and gates and loose or moveable property in the open
- 11 flood but excluding loss, destruction or damage
 - a) caused by frost, subsidence, ground heave or landslip
 - b) attributable solely to change in the water table level
 - c) to fences and gates and loose or moveable property in the open
- 12 bursting or overflowing of water pipes, water apparatus or water tanks but excluding loss destruction or damage by water discharged or leaking from any automatic sprinkler installation
- 13 water accidentally discharged or leaking from any automatic sprinkler installation in the premises or the buildings not occasioned by or happening through
 - a) freezing whilst the premises or the buildings in the insured's ownership or tenancy are empty or disused
 - b) explosion, the blowing up of buildings, blasting, earthquake or subterranean fire or heat caused by firebut excluding loss or destruction of or damage to such installation other than that caused by water accidentally discharged or leaking from any such installation
subject to the following special conditions
 - i) the insured shall take all reasonable steps to prevent frost and other damage to any such automatic sprinkler installation and to prevent the freezing of water in any part of such installation and so far as his responsibility extends to maintain all such installations including the automatic external alarm signals in efficient working condition and in the event of any discharge or leakage from any such installation the insured shall do and permit to be done all things practicable whether by removal or otherwise to save and protect the property insured
 - ii) when any changes, repairs or alterations to any such automatic sprinkler installation are proposed written notice thereof is to be given to the Company and its agreement obtained in writing
 - iii) the Company shall have access to the premises and the buildings at all reasonable times for the purposes of inspection and if the Company notifies the insured of defects in the construction or condition of any automatic sprinkler installation requiring alteration or repair the Company may also at its option by notice in writing suspend this insurance until such alterations or repairs be made and approved by the Company
- 14 breakage or collapse of television or radio aerials, aerial fittings or masts or satellite receiving equipment but excluding loss, destruction or damage caused by erection, dismantling, repair or maintenance thereof
- 15 leakage of oil from any fixed installation
- 16 falling trees or branches but excluding loss, destruction or damage
 - a) caused by felling or lopping carried out by or on behalf of the insured
 - b) to fences and gates and loose or moveable property in the open

- 17 accidental damage but excluding
- a) loss, destruction or damage caused by or specifically excluded from the perils 1-16 above
 - b) wear, tear or depreciation or diminution in value
 - c) loss, destruction or damage caused by or arising from
 - i) frost, subsidence, ground heave or landslip or from settlement or bedding down of new structures
 - ii) collapse or cracking of buildings
 - iii) inherent vice, latent defect, defective design, plan or specification or the use of faulty materials
 - iv) faulty or defective workmanship operational error or omission on the part of the insured or any employee of the insured
 - v) marring, scratching, denting or mechanical or electrical defect, failure, breakdown or derangement
 - vi) atmospheric or climatic conditions or any other gradually operating cause, rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests
 - vii) any process involving heating, drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, installation, testing, commissioning, alteration or maintenance of any property
 - viii) use of any article contrary to manufacturers' instructions
 - ix) change in temperature colour flavour texture or finish
 - d) loss, destruction or damage to fences and gates and loose or moveable property in the open
 - e) breakage of glass insured by or specifically excluded from Section 4 - Glass.

Limits of liability

The Company's liability in respect of any one occurrence will not exceed the sum insured against each item in the schedule nor in all the aggregation of the sums insured by this section.

Inflation protection

The sums insured in the schedule in respect of each item for buildings are index linked and will be adjusted each month in line with the percentage change in the General Building Cost Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or suitable alternative index selected by the Company.

Provided that any adjustment made to the sum insured will be based on the latest figures available to the Company and at each renewal the premium will be calculated on the adjusted sum insured then in force.

Protection after loss

Subject to the provisions of the above Inflation protection clause the sums insured in respect of any buildings or other property insured hereby, which sustain loss, destruction or damage by any peril insured, will continue to be index linked following such loss, destruction or damage while the property is being reinstated, provided that the insured takes all reasonable steps to ensure that the reinstatement is carried out without undue delay.

Basis of claims settlement

As detailed under General Condition 3 Basis of claims settlement.

Special exclusions

The Company will not be liable under this section for

- 1 the relevant excess as stated in the schedule
- 2 loss, destruction or damage to property stored in any outbuilding or basement caused by storm, flood, leakage of oil or water following bursting or overflowing of oil or water tanks, apparatus or pipes or from any automatic sprinkler installation, unless such property is raised at least 100mm above the ground floor level of the outbuilding or the floor level of the basement
 Provided that this Special exclusion shall not apply to
 - a) any outbuilding or,
 - b) the basement of any building or outbuilding
 which is constructed of brick or stone and roofed with slate or tiles
Definition and interpretation - for the purposes of this Special exclusion only
basement means any storey of the buildings which is partially or wholly below ground level.
- 3 loss, destruction or damage caused by theft or attempted theft occurring outside business hours to any till or cash register unless its drawer has been left in an open position
- 4 loss or destruction of or damage to property which, at the time of the happening of such loss or destruction or damage, is insured by or would, but for the existence of this section, be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- 5 loss of metered gas or water other than that covered by Additional Clauses 21 and 22
- 6 loss, destruction or damage to electrical plant or apparatus caused by self ignition but this exclusion shall apply only to that part of the electrical plant or apparatus in which self ignition occurs
- 7 consequential loss of any kind or description (other than loss of rent when such loss is included in the insurance by this section)

Waste warranty

It is warranted by the insured that

- 1 all combustible trade waste will be deposited in bags, sacks or bins and removed at least once a week, as far as is practicable a safe distance from the buildings
- 2 all combustible trade waste will be removed from the premises at least once every two weeks.

Section 2 - Business Interruption

Definitions and interpretation

For the purposes of this section only

damage means physical loss, destruction or damage by any of the perils insured by Section 1 - Property Damage except where stated to the contrary by an endorsement in the schedule or, if Section 1 - Property Damage is not insured by this policy, physical loss, destruction or damage by any peril listed in Section 1 - Property Damage and which is stated by an endorsement in the schedule

indemnity period means the period beginning with the occurrence of the damage and ending not later than the maximum indemnity period thereafter during which the results of the business shall be affected in consequence of such damage

maximum indemnity period means the term stated in the schedule

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

gross profit means the amount by which the turnover shall exceed the cost of purchases relative thereto

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 }
} to which such adjustments shall be made as may be }
} necessary to provide for the trend of the business and for }
} variations in or other circumstances affecting the business }
annual turnover means the turnover during the twelve months }
immediately before the date of the damage } either before or after the damage or which would have }
} affected the business had the damage not occurred, so }
} that the figures thus adjusted shall represent as nearly as }
standard turnover means the turnover during that period in the }
twelve months immediately before the date of the damage } may be reasonably practicable the results which but for the }
which corresponds with the indemnity period } damage would have been obtained during the relative }
} period after the damage }

Cover

The Company will indemnify the insured by payment in accordance with the provisions contained herein in respect of any item insured hereby for the amount of loss resulting from interruption or interference with the business carried on by the insured at the premises in consequence of any damage occurring at the premises to any building or other property or any part thereof used by the insured at the premises for the purposes of the business.

Provided that at the time of the happening of the damage there shall be in force an insurance covering the interest of the insured in the property at the premises against such damage and that payment shall have been made or liability admitted therefore under such insurance or that payment would have been made or liability would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

Additional cover

Loss as insured by this section resulting from interruption of or interference with the business in consequence of

- a) damage to property in the vicinity of the premises which prevents or hinders the use of or prevents access to the premises or which causes a fall in the number of customers attracted to the vicinity of and using the premises but excluding damage to property of any public utility from which the insured obtains supplies or services
- b) accidental failure of public supplies of electricity, gas or water at the terminal ends of the public supply undertaking's feed to the premises except
 - i) in consequence of a deliberate act of any supply authority or the exercise by any such authority of its power to withdraw or restrict supply
 - ii) where such failure is for a period of less than sixty minutes
 - iii) in consequence of a fault in any part of the installation belonging to the insured or for which the insured is legally responsible
- c) damage to plans, deeds, briefs, manuscripts, books, documents and office records whilst temporarily removed from the premises to elsewhere within the territorial limits
- d) the occurrence of murder, suicide or rape in the vicinity of the premises, the investigation of which prevents access to the premises, or hinders or prevents their use
- e) the occurrence at the premises of any outbreak of a human infectious or contagious disease other than acquired immune deficiency syndrome (AIDS) or an AIDS related condition
- f) the compulsory closure of the premises by order of any competent authority due to its defective sanitation or to the presence therein of vermin or pests
- g) poisoning arising from or traceable to foreign or deleterious matter in food or drink sold, supplied or provided at the premises
- h) damage at the premises of any customer of the insured situate within the territorial limits

Definition and interpretation - for the purposes of this Additional cover sub-paragraph only

customer means those companies, organisations or individuals with whom at the time of the damage the insured has contracts or trading relationships to supply goods or services

- i) damage at the premises of any of the insured's suppliers, manufacturers or processors of components, goods or materials situate within the territorial limits, but excluding damage at the premises of any public supply undertaking from which the insured obtains electricity, gas or water supplies or telecommunication services

shall be deemed to be loss resulting from damage to property used by the insured at the premises for the purposes of the business.

The Company's liability under h) and i) above will not exceed £25,000 in any one period of insurance.

Limit of liability

The Company's liability during any one period of insurance will not exceed the sum insured against each item in the schedule.

Basis of claims settlement

Following damage insured by this section the Company will pay for the following in respect of any of the undermentioned items if insured by this section.

Gross profit - loss thereof due to

- a) reduction in turnover being the amount produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall fall short of the standard turnover in consequence of the damage
- b) increase in cost of working being the additional expenditure necessarily and reasonably 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 charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the damage.

Provided that if the sum insured by this item be less than the sum produced by applying the rate of gross profit to the annual turnover (or to a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months) the amount payable shall be proportionately reduced.

Additional expenditure

Additional expenditure necessarily and reasonably incurred by the insured during the indemnity period within which increases in the cost of working are incurred in consequence of the damage for the sole purpose of avoiding or diminishing a reduction in turnover or in gross revenue earned as applicable at the premises or for the purpose of resuming or maintaining the business less any savings in charges or expenses that may be made in consequence of the damage.

Additional clauses

- 1 **Accounting adjustments**
For the purposes of the **Definitions and interpretation** applicable to this section only, any adjustment implemented in current cost accounting shall be disregarded.
- 2 **Alternative trading**
If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover or gross revenue or gross rent receivable as applicable during the indemnity period.
- 3 **New business**
For the purposes of any claim arising from damage occurring before the completion of the first year 's trading of the business at the premises, the terms 'rate of gross profit', 'annual turnover', 'standard turnover' shall bear the following meanings and not as within stated

rate of gross profit means the rate of gross profit earned on the turnover during the period between the date of the commencement of the business and the date of the damage	}	
	}	to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage
annual turnover means the proportional equivalent, for a period of twelve months, of the turnover realised during the period between the commencement of the business and the date of the damage	}	
standard turnover means the proportional equivalent, for a period equal to the indemnity period, of the gross revenue realised during the period between the commencement of the business and the date of the damage	}	
- 4 **Payments on account**
Payments on account may be made to the insured during the indemnity period at the discretion of the Company subject to any necessary adjustment at the termination of such period.
- 5 **Professional accountants**
Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the Company under the terms of General Condition 6 for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Company will pay to the insured under this section the reasonable charges payable by the insured to their professional accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the Company under the terms of General Condition 6 and reporting that such particulars or details are in accordance with the insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the section shall in no case exceed the limit of liability.

6 Salvage sale

If, following damage giving rise to a claim under any item in respect of gross profit insured by this section, the insured shall hold a salvage sale during the indemnity period, the Basis of claims settlement sub-paragraph a) shall, for the purposes of such claim, read as follows

- a) reduction in turnover being the amount produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the standard turnover, from which amount shall be deducted the gross profit earned during the period of the salvage sale.

7 Separate departments

If the business be conducted in departments, the independent trading results of which are ascertainable, the provisions of the Basis of claims settlement sub-paragraphs a) and b) of any item on gross profit shall apply separately to each department affected by the damage.

8 Uninsured standing charges

If any standing charges of the business be not insured by this section (having been deducted in arriving at the gross profit as defined herein) then in computing the amount recoverable hereunder as increase in cost of working when any item on gross profit is insured, that proportion only of any additional expenditure shall be brought into account which the gross profit bears to the sum of the gross profit and the standing charges which have not been insured.

9 Value Added Tax

To the extent that the insured is accountable to the tax authorities for Value Added Tax, all terms in this section shall be exclusive of such tax.

Special exclusions

The Company will not be liable under this section for

- 1 increased metered water charges except where such increased charges are caused by any peril insured against
- 2 loss due to
 - a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
 - b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from any of the perils 1 to 16 of Section 1 - Property Damage of this policy in so far as it is not otherwise excluded

Special conditions

- 1 The insurance by this section shall not apply if the business be wound up, permanently discontinued or carried on by a liquidator or receiver.
- 2 The premium paid in respect of that element of cover provided over and above the standard sum insured applicable to this section may be adjusted on receipt by the Company of a declaration of gross profit earned during the financial year most nearly concurrent with the period of insurance as reported by the insured's professional accountants. If any damage shall have occurred giving rise to a claim for loss of gross profit the said declaration shall be increased by the Company for the purpose of premium adjustment by the amount by which the gross profit was reduced during the financial year solely in consequence of the damage. If the declaration (increased in consequence of any damage and proportionately increased where the maximum indemnity period exceeds twelve months) is less than the sum insured on gross profit for the relative period of insurance the Company will allow a pro rata return of premium not exceeding 50% of the premium paid in respect of that element of cover provided over and above the standard sum insured applicable to this section but subject to the retention by the Company of any minimum premium under this section.

Section 3 - Money

Definition and interpretation

For the purposes of this section only

non negotiable money means crossed cheques postal orders money orders bankers drafts national giro drafts and payment orders, dividend warrants, national savings certificates, unused postal franking machine units, stamped or impressed national insurance cards, holiday with pay stamps, premium bonds, VAT purchase invoices, credit card cheque card and debit card sales vouchers and consumer redemption vouchers travel tickets and travel vouchers.

Cover

The Company will indemnify the insured in respect of physical loss of money occurring within the territorial limits.

Additional cover

The cover under this section is extended to include the following

Safes

The cost of repair or replacement as new, following theft or attempted theft, of any

- a) safe
- b) postal franking machine
- c) security case, bag or waistcoat used to carry money.

The Company's liability will not exceed £2,500 in any one period of insurance.

Credit Cards

Any amount for which the insured becomes liable under the terms of issue of any bank charge credit debit or cash card issued and used only in connection with the business following fraudulent use by any unauthorised person

Provided that the insured reports the loss to the issuing company immediately and to the Police within 24 hours of discovering the loss and has complied with the terms and conditions of issue of the card

The Company's liability will not exceed £2,500 in any one period of insurance.

Limits of liability

The Company's liability will not exceed the limits stated below in respect of any one occurrence.

- a) money, other than non negotiable money, whilst
 - Item 1) in transit in the personal custody of the insured or any authorised employee or whilst contained in a bank night safe }
 - Item 2) on the premises during business hours }
 - Item 3) on the premises outside business hours not contained in locked safes } As stated in
 - i) on the premises outside business hours contained in a locked safe } in the schedule.
 - ii) on the premises outside business hours contained in a locked safe }
 - Item 4) in the home of the insured or any authorised employee }
 - Item 5) in the custody of a security company or organisation advised to and approved by LFC Shield } £20,000
- b) non negotiable money £250,000

Special exclusions

The Company will not be liable under this section for

- 1 clerical or accounting errors or shortages due to error or omission
- 2 any loss due to the fraud or dishonesty of any director, partner or employee unless the loss is discovered within seven working days of the date of its occurrence
- 3 loss caused by dishonoured cheques or by the use of counterfeit money
- 4 loss from any unattended vehicle
- 5 loss from any coin-operated vending, gaming or amusement machine or payphone unless specially agreed as insured by an endorsement in the schedule
- 6 loss, destruction or damage caused by theft or attempted theft occurring outside business hours to any till or cash register unless its drawer has been left in an open position
- 7 consequential loss of any kind or description
- 8 the relevant excess as stated in the schedule.

Special condition

It is a condition precedent to the liability of the Company that

- a) a true and complete account shall be kept of all money in transit and on the premises and such record shall be deposited in a secure place other than in any safe containing the money.
- b) during business hours any safe shall be kept locked other than when money or other property is being placed therein or removed therefrom and the keys kept in the personal custody of the insured or any authorised employee.
- c) outside business hours any safe shall be kept locked and its keys removed from the premises
- d) any single transit of money (other than non-negotiable money) exceeding
 - i) £2,500 shall be accompanied by at least two able bodied adult employees
 - ii) £5,000 shall be accompanied by at least 3 able bodied adult employees
 - iii) £10,000 shall be transported from the premises to the bank by a security company or organisation advised to and approved by LFC Shield

Special extension - Personal Assault

Definitions and interpretation

For the purposes of this extension only

insured person means the insured or any director, partner or employee of the insured aged between 16 and 65 years

loss of limb means total loss by physical severance of one or more limbs at or above the wrist or ankle or total and permanent loss of use of any entire limb

loss of sight means total and irrecoverable loss of sight in one or both eyes

permanent total disablement means permanent and absolute disablement from engaging in or giving attention to occupation or business of any kind

temporary total disablement means temporary and absolute disablement from engaging in or giving attention to usual occupation.

Cover

The Company will pay as compensation to the insured or the legal personal representative of the insured the relevant amount shown below or such other amount stated by an endorsement in the schedule if in the course of the business an insured person sustains accidental bodily injury consequent upon robbery or hold up or any attempt thereat occurring within the territorial limits and such bodily injury directly and independently of any other cause results within twelve months in death loss or disablement as stated in the Results.

Results	Compensation
1 Death	£10,000
2 Loss of limb	£10,000
3 Loss of sight	£10,000
4 Permanent total disablement	£10,000
5 Temporary total disablement	£ 100 per week

Additional cover

The cover under this Special extension is extended to include damage to personal effects of an insured person arising in connection with the business as a direct result of robbery or hold up or any attempt thereat for an amount not exceeding £500 any one insured person.

Special exclusions

The Company will not be liable under this Special extension for death loss or disablement caused by

- 1 an insured person being under the influence of or being affected by intoxicating liquor or drugs except drugs taken in accordance with proper medical prescription and directions and not for the treatment of drug addiction
- 2 pregnancy or childbirth or any disability pertaining thereto
- 3 any pre-existing physical or mental disability or infirmity, medical condition or chronic or recurring ailment
- 4 any communicable disease including acquired immune deficiency syndrome (AIDS) or an AIDS related condition
- 5 any pain in or disorder of the spine, its intervertebral discs, nerve routes or musculature unless there is supporting medical and radiological evidence from an orthopaedic specialist.

Special conditions

- 1 Compensation shall not be payable for more than one of Results 1-4 in respect of any one insured person.
- 2 Compensation shall not be payable for Result 5
 - a) until the end of the period of disablement but the Company will on request make interim payments at intervals of not less than four weeks
 - b) for more than 104 weeks from the date of sustaining injury in respect of any one bodily injury .
- 3 The total amount payable as compensation under Result 5 shall be deducted from any subsequent compensation payment under Results 1-4 that follows from the same cause.
- 4 An insured person shall as often as required submit to a medical examination on behalf of the Company at its own expense and in the case of death the Company shall be entitled to have a post mortem examination at its own expense.

Section 4 - Glass

Definitions and interpretation

For the purposes of this section only

glass means plain plate or sheet or wired glass

Cover

The Company will indemnify the insured in respect of

- a)
 - i) breakage of or damage to fixed glass at the premises or in the buildings together with the necessary cost of temporary boarding up pending replacement
 - ii) the reasonable cost of removal of glass, the reasonable cost of removal or replacement of fixtures and fittings to effect replacement and of repairing window and door frames as a result of such breakage or damage
- b) breakage at the premises of fixed mirrors and fixed glass in showcases, counters and display cabinets
- c) breakage of or damage to neon and illuminated signs and fixed glass therein.

Additional cover

The cover under this section is extended to include the following

- a) loss or destruction of or damage to any alarm foil or other security devices caused by the breakage of glass at the premises or in the buildings.
- b) loss or destruction of or damage to any lettering or designs superimposed on glass

The Company's liability under a) and b) above in respect of any one occurrence will not exceed £2,000.

Special exclusions

The Company will not be liable under this section for

- 1 any breakage or damage in respect of premises which are unoccupied
- 2 glass which was flawed, broken or cracked before the insurance commenced
- 3 superficial scratching, chipping or cracking
- 4 breakage or damage caused by or occurring through the insufficiency of the foundation or fabric of the premises or buildings in which the glass is situate
- 5 breakage or damage due to dilapidation of frames or framework
- 6 breakage or damage due to insecure fitting
- 7 breakage or damage caused during installation or removal or whilst alterations or repairs are being effected to the premises or buildings
- 8 breakage of or damage to
 - a) neon and illuminated signs and fixed glass therein
 - i) arising from adjustment, repair, dismantling or erection of any part of the sign or to any part whilst removed from its normal working position
 - ii) arising from mechanical breakdown of the sign or any part thereof
 - b) any part of any neon or illuminated sign caused by its own ignition, electrical breakdown or burn out
 - c) tubes in any neon or illuminated sign unless the glass is fractured at the same time
- 9 consequential loss of any kind or description
- 10 the relevant excess as stated in the schedule.

Section 5 – Employers’ Liability

Definitions and interpretation

For the purposes of this section only

act of terrorism means an activity that

- a) involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof; and
- b) appears to be intended to
 - i) intimidate or coerce a civilian population, or
 - ii) disrupt any segment of the economy of a government de jure or de facto, state or country, or
 - iii) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, or
 - iv) affect the conduct of a government de jure or de facto by mass destruction, assassination, kidnapping or hostage taking

bodily injury means death, injury, illness, disease or shock

business means the business as stated in the schedule including

- a) provision and management of catering, social, sports, educational and welfare facilities for the benefit of employees, first aid, medical, ambulance, fire and security services and maintenance of the insured’s premises
- b) private duties undertaken by an employee for the insured, or, with the insured’s consent, for any director, partner or official of the insured
- c) ownership and maintenance of buildings, premises and land used in connection therewith
- d) participation as an exhibitor at trade shows or exhibitions

employee means

- a) any person under a contract of service or apprenticeship with the insured or with some other employer and who is supplied to or hired to or borrowed by the insured
- b) any labour master or labour only sub-contractor or any person supplied by them
- c) any self employed person or voluntary helper performing work of a kind ordinarily performed under a contract of service or apprenticeship with the insured provided that such work is under the immediate supervision and control of the insured
- d) any person who is engaged under a Government or otherwise authorised work experience, training, study, exchange or similar scheme

whilst working for the insured in connection with the business.

Cover

The Company will indemnify the insured against all amounts which the insured shall become legally liable to pay as damages in respect of accidental bodily injury to any employee if such injury arises out of and in the course of his employment by the insured in the business and occurring

- a) during the period of insurance
- b) within the territorial limits
- c) elsewhere in the world in respect of any journey or temporary visit in connection with the business by the insured or any director, partner or employee of the insured normally resident within the territorial limits provided such journey or visit is not for the purpose of performing manual work

Additional cover

The cover under this section is extended to include the following

Compensation for court attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the insured is entitled to indemnity under this section the Company will provide compensation to the insured at the following rates per day for each day on which attendance is required

- a) any director or partner of the insured £250
- b) any employee £100.

Cross liabilities

Where there is more than one person named as the insured in the schedule this section shall apply separately to each named person as if each is insured by a separate policy, provided always that the maximum liability of the Company in the aggregate for damages to all parties insured shall not exceed the Limit of liability.

Health and Safety at Work etc. Act 1974

The Company will indemnify the insured and, at the request of the insured, any director, partner or employee of the insured against legal costs and expenses incurred, with the Company’s written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 committed or alleged to have been committed during the period of insurance, including legal costs and expenses incurred with the written consent of the Company in an appeal against conviction arising from such proceedings.

The Company will not be liable for

- a) fines and penalties of any kind
- b) legal costs and expenses where an indemnity is provided by any other insurance
- c) proceedings arising out of any deliberate act or omission by the insured
- d) more than £250,000 in any one period of insurance.

Indemnity to other persons

The Company will indemnify at the request of the insured

- a) any director, partner or employee of the insured
 - b) any officer, committee member or other person employed by the insured's catering, social, sports, educational or welfare organisations or first aid, medical, ambulance, fire or security services
 - c) any director, partner or official for whom with the consent of the insured an employee is undertaking private work
 - d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by the insured for the performance of work
 - e) the owner of plant hired by the insured but only to the extent of the conditions of hire
 - f) any legal representative of any of the above in the event of their death
- against legal liability in respect of which the insured would have been entitled to indemnity under this policy if the claim had been made against the insured.

Provided that

- i) any person indemnified is not entitled to indemnity under any other insurance
- ii) any person indemnified shall observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply
- iii) the Company will retain the sole conduct and control of any claim
- iv) the maximum liability of the Company in the aggregate for damages to the insured and any such persons shall not exceed the Limit of liability.

Limit of liability

The Company's liability in respect of

- a) accidental bodily injury to employees
- b) all legal costs recoverable from the insured by any claimant
- c) any other costs and expenses of litigation incurred with the Company's written consent
- d) solicitors' and counsels' fees for legal representation at any coroner 's inquest or fatal accident inquiry
- e) the costs incurred, with the Company's written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of indemnity under this section of the policy

arising out of and in the course of employment in the business will not exceed

- i) £5,000,000 as regards bodily injury which is directly or indirectly caused by, contributed to by, results from or arises out of or in connection with any act of terrorism or any action taken in controlling, preventing, suppressing, retaliating against responding to or in any way relating to any act of terrorism
 - ii) the amount stated in the schedule as regards any other bodily injury
- in respect of any one claim against the insured or series of claims against the insured arising out of one cause.

Special exclusions

The Company will not be liable under this section in respect of

- 1 liability arising from and or caused by any processes or work in connection with any of the following
 - a) asbestos
 - b) power stations, nuclear installations or establishments
 - c) refineries, bulk storage or production premises in the oil, gas or chemical industries
 - d) offshore installations, oil or gas rigs

Definition and interpretation - for the purposes of this Special exclusion only

 - **offshore installation** means any platform or rig or any aircraft or vessel servicing a platform or rig
 - it is understood that any person is deemed to be 'offshore' as from the time when they embark onto a conveyance at the point of final departure to an offshore installation and that any person shall continue to be deemed 'offshore' until such time as they disembark from any conveyance onto land upon their return from an offshore installation.
 - e) railways or railway installations
 - f) towers, steeples, chimney shafts, bridges, viaducts, dams, reservoirs, wells, tunnels, mines, quarries or blast furnaces
 - g) aircraft, aerospace devices, hovercraft, watercraft other than hand propelled watercraft and other watercraft not exceeding 7 metres in length
 - h) work underground, underwater or airside
 - i) loading or discharging of vessels or other work on ships
 - j) piling or the use of explosives
 - k) any demolition, other than structures not exceeding two stories (plus basement) in height and where such work is incidental to but forms part of a contract undertaken by the insured.
- 2 liability arising directly or indirectly out of exposure or inhalation of, or fears of the consequence of exposure to, or inhalation of asbestos
- 3 damages for bodily injury unless the action is brought against the insured in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Special conditions

- 1 The indemnity granted includes protection to the insured as required by any law relating to compulsory insurance of the employer 's legal liability to his employees whilst employed in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands but the insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.
- 2 The Company may at any time pay to the insured the amount of the Limit of liability less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment.
- 3 If this policy or this section is cancelled then any Certificate of Employers' Liability insurance issued by the Company is deemed to be cancelled at the same time.

Section 6 – Public Liability

Definitions and interpretation

For the purposes of this section only

act of terrorism means an activity that

- a) involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof; and
- b) appears to be intended to
 - i) intimidate or coerce a civilian population, or
 - ii) disrupt any segment of the economy of a government de jure or de facto, state or country, or
 - iii) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, or
 - iv) affect the conduct of a government de jure or de facto by mass destruction, assassination, kidnapping or hostage taking

bodily injury means death, injury, illness, disease or shock

business means the business as stated in the schedule including

- a) provision and management of catering, social, sports, educational and welfare facilities for the benefit of employees, first aid, medical, ambulance, fire and security services and maintenance of the insured's premises
- b) private duties undertaken by an employee for the insured, or, with the insured's consent, for any director, partner or official of the insured
- c) ownership and maintenance of buildings, premises and land used in connection therewith
- d) participation as an exhibitor at trade shows or exhibitions

employee means

- a) any person under a contract of service or apprenticeship with the insured or with some other employer and who is supplied to or hired to or borrowed by the insured
- b) any labour master or labour only sub-contractor or any person supplied by them
- c) any self employed person or voluntary helper performing work of a kind ordinarily performed under a contract of service or apprenticeship with the insured provided that such work is under the immediate supervision and control of the insured
- d) any person who is engaged under a Government or otherwise authorised work experience, training, study, exchange or similar scheme

whilst working for the insured in connection with the business

products means any goods, including containers, packaging, labelling and instructions for use, sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by the insured in connection with the business from the premises and no longer in the insured's possession or control.

Cover

The Company will indemnify the insured against all amounts which the insured shall become legally liable to pay as damages in respect of

- a) accidental bodily injury to any person
- b) accidental loss or destruction of or accidental damage to material property
- c) accidental obstruction, accidental trespass or accidental nuisance resulting in interference with or loss of enjoyment of material property

happening in connection with the business and occurring

- i) during the period of insurance
- ii) within the territorial limits
- iii) elsewhere in the world in respect of any journey or temporary visit in connection with the business by the insured or any director, partner or employee of the insured normally resident within the territorial limits provided such journey or visit is not for the purpose of performing manual work.

Additional cover

The cover under this section is extended to include the following

Compensation for court attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the insured is entitled to indemnity under this section the Company will provide compensation to the insured at the following rates per day for each day on which attendance is required

- a) any director or partner of the insured £250
- b) any employee £100.

Contingent motor liability (non-owned vehicles)

Notwithstanding Special exclusion 2 iii) the Company will indemnify the insured named in the schedule and no other for the purposes of this extension in respect of legal liability for accidental bodily injury to any person or accidental loss or destruction of or accidental damage to material property arising out of the use of any motor vehicle not the property of nor provided by the insured but being used in connection with the business.

Provided that the Company shall not be liable under this extension

- a) in respect of loss or destruction of or damage to such vehicle or to goods conveyed therein or thereon
- b) for bodily injury to any person or loss or destruction of or damage to property arising while such vehicle is being driven by
 - i) the insured
 - ii) any person who to the knowledge of the insured or his representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified for holding or obtaining such a licence
- c) in respect of liability more specifically insured under any other insurance
- d) in respect of liability arising outside the territorial limits.

Cross liabilities

Where there is more than one person named as the insured in the schedule this section shall apply separately to each named person as if each is insured by a separate policy, provided always that the maximum liability of the Company in the aggregate for damages to all parties insured shall not exceed the Limit of liability.

Defective Premises Act 1972

The Company will indemnify the insured against all amounts which the insured shall become legally liable to pay as damages in respect of accidental bodily injury to any person or accidental loss or destruction of or accidental damage to material property occurring during a period of seven years immediately following disposal by the insured of buildings that have been insured by Section 1 - Property Damage of this policy.

Provided that such liability is incurred in connection with such buildings and by virtue of Section 3 of the Defective Premises Act 1972.

The Company will not be liable

- a) if at the date of their disposal by the insured such buildings were not insured by this policy or any other policies in respect of which this policy has been issued in substitution
- b) for the cost of repairing or rectifying any defect or alleged defect in such buildings
- c) if the insured is entitled to indemnity under any other policy.

Health and Safety at Work etc. Act 1974

The Company will indemnify the insured and, at the request of the insured, any director, partner or employee of the insured against legal costs and expenses incurred, with the Company's written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 committed or alleged to have been committed during the period of insurance, including legal costs and expenses incurred with the written consent of the Company in an appeal against conviction arising from such proceedings.

The Company will not be liable for

- a) fines and penalties of any kind
- b) legal costs and expenses where an indemnity is provided by any other insurance
- c) proceedings arising out of any deliberate act or omission by the insured
- d) more than £250,000 in any one period of insurance.

Indemnity to other persons

The Company will indemnify at the request of the insured

- a) any director, partner or employee of the insured
- b) any officer, committee member or other person employed by the insured's catering, social, sports, educational or welfare organisations or first aid, medical, ambulance, fire or security services
- c) any director, partner or official for whom with the consent of the insured an employee is undertaking private work
- d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by the insured for the performance of work
- e) the owner of plant hired by the insured but only to the extent of the conditions of hire
- f) any legal representative of any of the above in the event of their death

against legal liability in respect of which the insured would have been entitled to indemnity under this policy if the claim had been made against the insured.

Provided that

- i) any person indemnified is not entitled to indemnity under any other insurance
- ii) any person indemnified shall observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply
- iii) the Company will retain the sole conduct and control of any claim
- iv) the maximum liability of the Company in the aggregate for damages to the insured and any such persons shall not exceed the Limit of liability.

Leased, hired and rented premises

In the event of any premises being leased, hired or rented to or in the custody of or under the control of the insured, Special exclusion 3 relating to such property shall be deemed not to apply.

Provided that the Company will not be liable in respect of

- a) liability assumed by the insured under a contract or under a tenancy or other agreement if such liability would not have attached in the absence of such contract or agreement
- b) the relevant excess as stated in the schedule.

Wrongful arrest

The Company will indemnify the insured in respect of damages, costs and expenses incurred as a result of charges of malicious arrest, false imprisonment, malicious prosecution, assault, slander or other actionable wrong being made against the insured arising out of any alleged shop-lifting or other improper conduct by customers or other persons at or from the premises.

Provided that

- a) the Company will not be liable in respect of claims made or brought against the insured by any director, partner or employee of the insured or any member of their families
- b) The Company's liability shall not exceed £10,000 in any one period of insurance.

Limit of liability

The Company's liability in respect of damages for any occurrence giving rise to any one claim against the insured or series of claims against the insured arising out of one cause will not exceed the amount stated in the schedule.

The Company will also pay

- a) all legal costs recoverable from the insured by any claimant
- b) any other costs and expenses of litigation incurred with the Company's written consent
- c) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- d) the costs incurred, with the Company's written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of indemnity under this section of the policy.

Special exclusions

The Company will not be liable under this section in respect of

- 1 bodily injury to any employee arising out of and in the course of his employment by the insured in the business
- 2
 - a) loss or destruction of or damage to property
 - b) bodily injury sustained by any person arising from the ownership, possession or use by or on behalf of the insured of
 - i) any aircraft, aerospace device, hovercraft or watercraft other than hand propelled watercraft and other watercraft not exceeding 7 metres in length
 - ii) any lift, elevator, hoist, crane, steam boiler or other apparatus operating under steam pressure, for which a statutory inspection certificate is required but which is not in force
 - iii) any mechanically propelled vehicle or plant or trailer attached thereto in circumstances in respect of which insurance or security is necessary to meet the requirements of road traffic legislation
- 3 loss or destruction of or damage to
 - a) property owned by or leased, hired or rented to the insured
 - b) property belonging to or held in trust by or in the custody of or under the control of the insured or any director, partner or employee of the insured other than
 - i) personal property of directors, partners or employees
 - ii) the property of customers or visitors temporarily on or about the premises, but excluding all property undergoing or awaiting testing, repair, servicing, alteration, maintenance, cleaning or inspection
- 4 liability which attaches solely under the terms of any contract or agreement if such liability would not have attached in the absence of such contract or agreement
- 5 liability arising from or caused by
 - a) breach of professional duty
 - b) the provision of advice or any plan, design, formula or specification given separately for a fee
 - c) any diagnosis, treatment (other than first aid treatment), therapy, medical advice, aerobic or other fitness related instruction given or performed or administration of drugs or medicines
 - d) the use of solaria, sunbeds, saunas and hydro-massage facilities
 - e) the use of welding or flame cutting equipment or asphalt bitumen or tar heaters away from the premises
 - f) loss or destruction of or damage to property, buildings or land caused by vibration or by the removal or weakening of support
- 6 liability arising from and or caused by any processes or work in connection with any of the following
 - a) asbestos
 - b) power stations, nuclear installations or establishments
 - c) refineries, bulk storage or production premises in the oil, gas or chemical industries
 - d) offshore installations, oil or gas rigs

Definition and interpretation - for the purposes of this Special exclusion only

- **offshore installation** means any platform or rig or any aircraft or vessel servicing a platform or rig
- it is understood that any person is deemed to be 'offshore' as from the time when they embark onto a conveyance at the point of final departure to an offshore installation and that any person shall continue to be deemed 'offshore' until such time as they disembark from any conveyance onto land upon their return from an offshore installation.

- e) railways or railway installations
- f) towers, steeples, chimney shafts, bridges, viaducts, dams, reservoirs, wells, tunnels, mines, quarries or blast furnaces
- g) work underground, underwater or airside
- h) loading or discharging of vessels or other work on ships
- i) piling or the use of explosives
- j) any demolition unless such work forms part of a contract for construction, alteration, maintenance or repair and prior permission for any such demolition is obtained in writing by the insured from the Company

- 7 bodily injury or loss or destruction of or damage to property caused by products (other than food or drink for consumption on the premises by directors, partners, employees, or visitors of the insured)
- 8 loss or destruction of or damage to products nor the cost of making good or recalling such products
- 9 loss or destruction of or damage to that part of any property upon which the insured is or has been working
- 10 liability arising directly or indirectly out of exposure or inhalation of, or fears of the consequence of exposure to, or inhalation of asbestos
- 11 the cost of cleaning up or removal of or damage to property arising out of any asbestos
- 12 liability at law for loss, damage, cost or expense of whatsoever nature directly or indirectly arising out of, contributed by, caused by, resulting from, or in connection with any of the following, or any action taken in controlling, preventing, suppressing, retaliating against or responding to any of the following, regardless of any other cause or event contributing concurrently or in any other sequence of the loss:
- i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, confiscation by order of any public authority or government de jure or de facto or martial law; or
 - ii) riots, strikes or civil commotion; or iii) any act of terrorism
- If the Company alleges that by reason of this Special exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses is not covered by this section the burden of proving the contrary shall be upon the insured
- 13 fines, penalties or liquidated, punitive or exemplary damages
- 14 damages for bodily injury or loss or destruction of or damage to property unless the action is brought against the insured in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- 15 the relevant excess as stated in the schedule in respect of loss or destruction of or damage to property occurring away from the premises.

Special conditions

- 1 It is a condition precedent to the liability of the Company that the undernoted precautions shall be complied with whenever there be any burning of waste or other materials on the insured's own premises or on the premises of any other person
- a) the work shall be in a clear area at a distance of at least 15 metres from any property
 - b) waste or other materials shall be checked to ensure that no explosive substances or pressurised containers are present
 - c) suitable fire extinguishing appliances shall be available for instant use and in the immediate proximity of any fire for controlling or extinguishing the fire
 - d) fires will not be left unattended
 - e) reasonable precautions shall be taken to prevent the escape of smoke or dust in a way which might cause nuisance or danger to persons passing by or to the property of any person
 - f) all fires shall be extinguished at least one hour before leaving the area.
- 2 The Company may at any time pay to the insured the amount of the Limit of liability less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment.

Section 7 – Products Liability

Definitions and interpretation

For the purposes of this section only

act of terrorism means an activity that

- a) involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof; and
- b) appears to be intended to
 - i) intimidate or coerce a civilian population, or
 - ii) disrupt any segment of the economy of a government de jure or de facto, state or country, or
 - iii) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, or
 - iv) affect the conduct of a government de jure or de facto by mass destruction, assassination, kidnapping or hostage taking

bodily injury means death, injury, illness, disease or shock

business means the business as stated in the schedule including

- a) provision and management of catering, social, sports, educational and welfare facilities for the benefit of employees, first aid, medical, ambulance, fire and security services and maintenance of the insured's premises
- b) private duties undertaken by an employee for the insured, or, with the insured's consent, for any director, partner or official of the insured
- c) ownership and maintenance of buildings, premises and land used in connection therewith
- d) participation as an exhibitor at trade shows or exhibitions

employee means

- a) any person under a contract of service or apprenticeship with the insured or with some other employer and who is supplied to or hired to or borrowed by the insured
- b) any labour master or labour only sub-contractor or any person supplied by them
- c) any self employed person or voluntary helper performing work of a kind ordinarily performed under a contract of service or apprenticeship with the insured provided that such work is under the immediate supervision and control of the insured
- d) any person who is engaged under a Government or otherwise authorised work experience, training, study, exchange or similar scheme

whilst working for the insured in connection with the business

products means any goods, including containers, packaging, labelling and instructions for use, sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by the insured in connection with the business from the premises and no longer in the insured's possession or control.

Cover

The Company will indemnify the insured against all amounts which the insured shall become legally liable to pay as damages in respect of

- a) accidental bodily injury to any person
 - b) accidental loss or destruction of or accidental damage to material property
- happening in connection with the business and caused by or through or in connection with any products and occurring
- i) during the period of insurance
 - ii) anywhere in the world.

Additional cover

The cover under this section is extended to include the following

Compensation for court attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the insured is entitled to indemnity under this section the Company will provide compensation to the insured at the following rates per day for each day on which attendance is required

- a) any director or partner of the insured £250
- b) any employee £100.

Consumer Protection Act 1987

The Company will indemnify the insured and, at the request of the insured, any director, partner or employee of the insured against legal costs and expenses incurred in the defence of any criminal proceedings in respect of a breach of the Consumer Protection Act 1987 committed or alleged to have been committed during the period of insurance including legal costs and expenses incurred with the consent of the Company in an appeal against conviction arising from such proceedings.

The Company will not be liable for

- a) fines and penalties of any kind
- b) legal costs and expenses where an indemnity is provided by any other insurance
- c) proceedings arising out of any deliberate act or omission by the insured
- d) more than £250,000 in any one period of insurance.

Cross liabilities

Where there is more than one person named as the insured in the schedule this section shall apply separately to each named person as if each is insured by a separate policy, provided always that the maximum liability of the Company in the aggregate for damages to all parties insured shall not exceed the Limit of liability.

Food Safety Act 1990

The Company will indemnify the insured and, at the request of the insured, any director, partner or employee of the insured against legal costs and expenses incurred in the defence of any criminal proceedings in respect of a breach of the Food Safety Act 1990 committed or alleged to have been committed during the period of insurance including legal costs and expenses incurred with the consent of the Company in an appeal against conviction arising from such proceedings.

The Company will not be liable for

- a) fines and penalties of any kind
- b) legal costs and expenses where an indemnity is provided by any other insurance
- c) proceedings arising out of any deliberate act or omission by the insured
- d) more than £250,000 in any one period of insurance.

Limit of liability

The Company's liability in respect of damages for all occurrences giving rise to a claim or a number of claims in any one period of insurance will not exceed the amount stated in the schedule in the aggregate.

The Company will also pay

- a) all legal costs recoverable from the insured by any claimant
- b) any other costs and expenses of litigation incurred with the Company's written consent
- c) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- d) the costs incurred, with the Company's written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any event which may be the subject of indemnity under this section of the policy.

Special exclusions

The Company will not be liable under this section in respect of

- 1 bodily injury to any employee arising out of and in the course of his employment by the insured in the business
- 2 liability arising from or caused by
 - a) the provision of advice or any plan, design, formula or specification given separately for a fee
 - b) the making up, sale or supply of any drug or medical preparation obtainable on prescription from a medical practitioner
 - c) the making up, sale or supply of cosmetics, toiletries, animal feeds, seeds, fertilisers, insecticides or pesticides unless of proprietary manufacture
 - d) any products manufactured, constructed or prepared in accordance with their plan, design, formula or specification failing to perform the function for which they are intended by the insured
- 3 loss or destruction of or damage to products nor the cost of making good or recalling such products nor the cost of rectifying defective work
- 4 liability attaching solely under the terms of any contract or agreement if such liability would not have attached in the absence of such contract or agreement
- 5 liability arising in the United States of America or in Canada unless the insured did not know or could not reasonably have been expected to know that the products would be sold or supplied to or used within these countries
- 6 fines, penalties or liquidated, punitive or exemplary damages
- 7 any products which with the insured's knowledge are used in the aircraft, space, petro-chemical, gas, off-shore, ship building and repair or nuclear industries
- 8 any products which with the insured's knowledge are used in the motor industry other than those not affecting the safety, stability, steering or braking of any vehicle
- 9 liability arising directly or indirectly out of exposure or inhalation of, or fears of the consequence of exposure to, or inhalation of asbestos
- 10 the cost of cleaning up or removal of or damage to property arising out of any asbestos
- 11 liability at law for loss, damage, cost or expense of whatsoever nature directly or indirectly arising out of, contributed by, caused by, resulting from, or in connection with any of the following, or any action taken in controlling, preventing, suppressing, retaliating against or responding to any of the following, regardless of any other cause or event contributing concurrently or in any other sequence of the loss:
 - i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, confiscation by order of any public authority or government de jure or de facto or martial law; or
 - ii) riots, strikes or civil commotion; or
 - iii) any act of terrorismIf the Company alleges that by reason of this Special exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses is not covered by this section the burden of proving the contrary shall be upon the insured
- 12 damages for bodily injury or loss or destruction of or damage to property unless the action is brought against the insured in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Special condition

The Company may at any time pay to the insured the amount of the Limit of liability less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred before the date of such payment.

Section 8 – Deterioration of Refrigerated Stock

Cover

The Company will indemnify the insured in respect of loss, destruction or damage to refrigerated stock at the premises contained in any refrigeration unit, caused by deterioration or putrefaction due to

- 1 a rise or fall in temperature in the refrigerated chamber of any such unit resulting from
 - a) breakdown of or accidental damage to its refrigerating plant or associated thermostatic or other control devices or loss of refrigerant
 - b) failure of the public electricity supply unless due to a deliberate act of the public electricity supply authority or the exercise by any such authority of its power to withhold or restrict supply
- 2 contamination by the escape of refrigerant fumes.

Limit of liability

The Company's liability in respect of any one occurrence will not exceed the sum insured stated in the schedule.

Basis of claims settlement

As detailed under General Condition 3 Basis of claims settlement.

Additional cover – seasonal increase

During the months of November and December and for the seven days either side of and including each public holiday the sum insured by this section is increased by 25%.

Special exclusions

The Company will not be liable under this section for

- 1 refrigerated stock contained in any refrigeration unit which is more than ten years old at the commencement of any period of insurance
- 2 consequential loss of any kind or description.
- 3 the relevant excess as stated in the schedule.

Warranty

It is warranted by the insured that during the currency of this policy there shall be in force a manufacturer's guarantee or a maintenance contract applicable to any refrigeration unit which does not have hermetically sealed motors and compressors.

Section 9 – All Risks

Definitions and interpretation

For the purposes of this section only

overnight means between 2100 hours and 0600 hours

property means those items pertaining to the business and described in the schedule all belonging to the insured or for which the insured is legally responsible

territorial limits	means	
	Premises	the premises or any other location described in the schedule
	United Kingdom	Great Britain, Northern Ireland, the Channel Islands and the Isle of Man
	Europe	the United Kingdom and the countries of the European Union
	Worldwide	anywhere in the world

Cover

The Company will indemnify the insured in respect of loss, destruction or damage to the property insured described in the schedule caused by any accident or misfortune occurring within the territorial limits shown in the schedule as applicable to the property insured.

Limits of liability

The Company's liability in respect of any one occurrence will not exceed the sum insured against each item in the schedule nor in all the aggregation of the sums insured by this section.

Basis of claims settlement

As detailed under General Condition 3 Basis of claims settlement.

Special exclusions

The Company will not be liable under this section for

- 1 loss, destruction or damage caused by or consisting of
 - a) wear, tear or depreciation or diminution in value
 - b) inherent vice, latent defect, defective design, plan or specification or the use of faulty materials
 - c) faulty or defective workmanship operational error or omission on the part of the insured or any employee of the insured
 - d) marring, scratching, denting, mechanical or electrical defect, failure, breakdown or derangement
 - e) atmospheric or climatic conditions or any other gradually operating cause, rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests
 - f) any process involving heating, drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, alteration or maintenance of any property
 - g) use of any article contrary to manufacturers' instructions
 - h) storm or flood unless the property is contained in an enclosed vehicle or in a building
 - i) change in temperature colour flavour texture or finish
- 2 loss, destruction or damage by theft or attempted theft from
 - a) any unattended vehicle unless
 - i) all windows and other openings have been closed, all doors have been secured and any other protective devices put into full and effective operation
 - ii) any property insured by this section is secured in the locked boot or closed glove compartment. The luggage space at the rear of an estate car or hatchback under the top cover and out of view is deemed to be a locked boot.
 - b) unattended vehicle owned or operated by the insured overnight or after the completion of any working day of the driver unless all windows and other openings have been closed and the vehicle is locked and garaged in a secure building
 - c) any unattended building unless all security devices are put into full and effective operation and such theft or attempted theft involves forcible and violent entry to or exit from the building
- 3 loss, destruction or damage to electrical plant or apparatus caused by self ignition but this exclusion shall apply only to that part of the electrical plant or apparatus in which self ignition occurs
- 4 consequential loss of any kind or description
- 5 the relevant excess as stated in the schedule.

Section 10 – Book Debts

Definitions and interpretation

For the purposes of this section only

damage means physical loss, destruction or damage by any of the perils insured by Section 1 - Property Damage

outstanding debit balances means the individual amounts owed to the insured by customers and shown as outstanding in the insured's records after adjustment for

- a) bad debts and any abnormal condition of trade which had or could have had a material effect on the business
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which the total last recorded relates and the date of the damage

so that the amounts thus adjusted shall represent as near as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred

recovery period means the period beginning with the occurrence of the damage and ending not later than twelve months thereafter unless otherwise stated in the schedule.

Cover

The Company will indemnify the insured by payment in respect of

- a) any net outstanding debit balances which the insured is unable to recover from customers during the recovery period as a result of damage to any of the insured's books of account or other business books or records
- b) additional expenditure incurred in accordance with the Basis of claims settlement

in consequence of any damage occurring to any such books or records contained within the premises.

Additional cover

Loss as insured by this section resulting from damage to any of the insured's books of account or other business books or records whilst they are temporarily removed from the premises anywhere within the territorial limits shall be deemed to be damage to such property contained within the premises.

Professional accountants

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the Company under the terms of General Condition 6 for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Company will pay to the insured under this section the reasonable charges payable by the insured to their professional accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the Company under the terms of General Condition 6 and reporting that such particulars or details are in accordance with the insured's books of account or other business books or documents provided that the sum of the amount payable under this memorandum and the amount otherwise payable under the section shall in no case exceed the sum insured by this section.

Limit of liability

The Company's liability during any period of insurance will not exceed the sum insured by this section.

Basis of claims settlement

Following damage insured by this section the Company will pay

- a) the amount by which the net outstanding debit balances received or traced after the damage and during the recovery period falls short of the outstanding debit balances at the time of such damage
- b) the additional expenditure necessarily and reasonably incurred in tracing and establishing the above net outstanding debit balances.

Special exclusions

The Company will not be liable under this section for any loss due to

- 1 deliberate falsification of business records
- 2 clerical or accounting errors or other errors or omissions
- 3 the fraud or dishonesty of any director partner or employee
- 4 the deliberate act of the public supply undertaking in restricting or withholding the supply of electricity
- 5 erasure or distortion of information on computer systems and other records
 - a) whilst mounted in or on any machine or data processing apparatus or due to the presence of magnetic flux
 - b) due to defects in such recordsunless caused by damage to the machine or apparatus in which the records are mounted.
- 6 loss due to
 - a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
 - b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from any of the perils 1 to 16 of Section 1 - Property Damage of this policy in so far as it is not otherwise excluded.

Special conditions

- 1 At the end of each month the insured shall record the total amount outstanding in customers' accounts and shall maintain a separate record, in addition to the books of account, in a place other than the premises.
- 2 If at the time of any damage the sum insured on outstanding debit balances be less than the actual outstanding debit balances then the aggregate amount payable in respect thereof and associated additional expenditure shall be proportionately reduced.

Section 11 – Goods in Transit

Definitions and interpretation

For the purposes of this section only

overnight means between 2100 hours and 0600 hours

property means goods pertaining to the business belonging to the insured or for which the insured is legally responsible

vehicle means any road vehicle together with its trailer or container

Cover

The Company will indemnify the insured in respect of loss, destruction or damage to property insured whilst in the course of transit

- a) in or on any vehicle owned or operated by the insured or by an independent road haulier
- b) by rail
- c) by post

within the territorial limits including whilst loading and unloading.

Additional cover

The cover under this section is extended to include the following

Expenses

The costs and expenses necessarily and reasonably incurred in

- a) the removal of debris following loss, destruction or damage to the property insured
- b) the transfer of the property insured to another vehicle and its delivery to the original destination or place of collection following fire or an accident involving the vehicle

whilst the property insured is being carried in or on any vehicle owned or operated by the insured.

The Company's liability will not exceed £2,500 in any one period of insurance.

Ropes and sheets

Loss, destruction or damage to tarpaulins, sheets, ropes, chains, straps and packing materials owned by the insured or for which the insured is legally responsible, whilst being carried in or on any vehicle owned or operated by the insured.

The Company's liability will not exceed £2,500 in any one period of insurance.

Limits of liability

The Company's liability will not exceed in respect of any one occurrence the respective sums insured stated in the schedule for

- 1 all property contained in or on any one vehicle owned or operated by
 - a) the insured
 - b) an independent road haulier
- 2 any one consignment of property in transit by
 - a) rail
 - b) post

Basis of claims settlement

As detailed under General Condition 3 Basis of claims settlement.

Contract price

In respect of goods sold but not delivered for which the insured is legally responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of loss, destruction or damage hereby insured against either wholly or to the extent of the loss, destruction or damage the liability of the Company shall be based on the contract price and for the purpose of General Condition 20 Underinsurance the value of all goods to which this clause would in the event of loss, destruction or damage be applicable shall be ascertained on the same basis.

Special exclusions

The Company will not be liable under this section for

- 1 delay, loss of market, loss of profit or consequential loss of any kind or description
- 2 breakage of china, glass or other brittle articles unless caused by fire, theft or an accident involving the vehicle
- 3 loss or destruction of or damage to
 - a) livestock or other living creatures or organisms or cultures
 - b) jewellery, watches, precious metals and stones, non-ferrous metals, bullion, furs, works of art, money, securities or stamps
 - c) tobacco, cigarettes, cigars, wines, spirits, computer games and discs, compact discs, cassettes, audio, television, video and photographic equipment, computer hardware software and ancillary equipment and clothing
 - d) explosives or other dangerous goodsunless specified under Section 1 – Property Damage in the schedule
- 4 loss, destruction or damage caused by
 - a) marring, scratching or denting, mechanical or electrical defect, failure, breakdown or derangement
 - b) atmospheric or climatic conditions or any other gradually operating cause, rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests
- 5 loss, destruction or damage due to leakage, spillage, contamination or deterioration unless caused by fire, theft or an accident involving the vehicle

- 6 loss, destruction or damage resulting from faulty packing or labelling
- 7 loss or destruction of or damage to property conveyed in any soft or open topped or soft or open sided vehicle caused by
 - a) theft or attempted theft unless caused by or arising from theft or attempted theft of the conveying vehicle
 - b) storm or malicious damage
- 8 loss, destruction or damage by theft or attempted theft from any
 - a) unattended vehicle owned or operated by the insured unless all windows and other openings have been closed, all doors have been secured and any other protective devices put into full and effective operation
 - b) unattended vehicle owned or operated by the insured overnight or after the completion of any working day of the driver unless all windows and other openings have been closed and the vehicle is locked and garaged in a secure building or is locked and parked in a locked and completely enclosed yard
- 9 the relevant excess as stated in the schedule.

Special condition

It is a condition precedent to the liability of the Company that

- a) the insured shall take all reasonable measures to ensure that any vehicles owned or operated by them are roadworthy and loaded in a safe and appropriate manner and that all locking and other protective devices are maintained in good working order.
- b) all keys to any unattended vehicle owned or operated by the insured shall be removed from such vehicle to a place of safety whenever the vehicle is left loaded.

Section 12 – Loss of Licence

Definition and interpretation

For the purposes of this section only

licence means the licence granted for the retail sale of excisable liquor at the premises.

Cover

The Company will indemnify the insured in respect of depreciation in value of the interest of the insured in the premises or the business resulting from the forfeiture of the licence under the provisions of the regulations relating to such licences or the refusal of the licensing authority to renew the licence

Provided that such forfeiture or refusal to renew results from causes beyond the control of the insured.

Limit of liability

The Company's liability during any one period of insurance will not exceed the limit of liability stated against each item insured in the schedule. The Company will also pay any costs and expenses incurred with the Company's written consent in connection with any appeal against the forfeiture of or refusal to renew the licence.

Special exclusions

The Company will not be liable under this section if

- 1 the insured is entitled to obtain compensation under the provisions of any Act of Parliament in respect of any refusal to renew the licence
- 2 the forfeiture or refusal to renew arises directly from any town or country planning, improvement, redevelopment or compulsory purchase order or the surrender, reduction or re-distribution of licences in connection therewith
- 3 the forfeiture or refusal to renew results from any alteration in the law
- 4
 - a) any alterations to the premises requiring the consent of the licensing or other necessary authority be made without their approval
 - b) the premises
 - i) be closed for any period not required by law
 - ii) are not maintained in a sanitary condition or satisfactory state of repair
 - c) any direction or requirement of the licensing or other authority shall not be complied with
 - d) the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct, connivance, neglect or omission of the insured or by the failure of the insured to take any steps necessary for keeping the licence in force.

Special conditions

- 1 It is a condition precedent to the liability of the Company that the insured shall immediately advise the Company in writing and supply such additional information and give such assistance as the Company may reasonably require on becoming aware of any
 - a) change in tenancy or management of the premises
 - b) transfer or proposed transfer of the licence
 - c) complaint about the premises or the conduct or control of the business
 - d) proceedings against or conviction of the insured or the licence holder of the premises for any breach of the licensing laws or other matters whereby the character or reputation of the person concerned is affected or called into question with respect to his honesty, moral standing or sobriety
 - e) alteration in the purpose for which the premises are used
 - f) objection to the application for the renewal of the licence or any circumstances which may endanger the renewal of the licence.
- 2 In the event of the licence being forfeited or renewal being refused it is a condition precedent to the liability of the Company that the insured shall
 - a) give written notice to the Company within twenty-four hours of becoming aware of such event stating the grounds upon which the licence was forfeited or renewal refused
 - b) apply if practicable and if required by the Company for the grant of a new licence for the same or alternative premises as may enable the insured to continue the business in a similar or alternative form
 - c) give all such assistance as the Company may require for the purpose of an appeal against such forfeiture or refusal to renew.

Section 13 – Terrorism

Definitions and interpretation

For the purposes of this section only

computer equipment means any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the insured or not

denial of service attack means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems including but without limitation the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

General Cover means any insurance by this policy in respect of property and/or consequential loss in Great Britain

Great Britain means England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands

hacking means unauthorised access to any computer equipment

nuclear installation means any installation of such class and description as may be prescribed by regulations made by the relevant Secretary of

State from time to time by statutory instrument, being an installation designed or adapted for:

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

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

operative sub-section means any sub-section against which a sum insured has been inserted in the schedule

virus or similar mechanism means program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not, including but without limitation Trojan horses, worms and logic bombs

Terrorism – Property Damage

This sub-section applies to the property insured as described, defined and specified as insured in the General Cover provided by this policy, save only that any insurance in respect of loss of rent or cost of alternative accommodation shall be deemed to be insured by the Terrorism – Consequential Loss sub-section of this section.

Terrorism – Consequential Loss

This sub-section applies to loss of gross profit, gross revenue, income or rent, cost of alternative accommodation or increase in cost of working or other such items of loss (other than Book Debts) resulting from interruption or interference as described, defined and specified as insured in the General Cover provided by this policy.

Provided that at the time of the happening of the loss, destruction or damage that causes the interruption or interference there shall be in force an insurance provided by the Company covering the interest of the insured in the property that suffers such loss, destruction or damage and that payment shall have been made or liability admitted therefore under such insurance or that payment would have been made or liability would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

Terrorism – Book Debts

This section applies to outstanding debit balances as described, defined and specified as insured in the General Cover provided by this policy.

Cover

The Company will indemnify the insured in the event of loss, destruction or damage to the property insured or consequential loss resulting therefrom, insofar and to the extent that it is insured in Great Britain by the General Cover and in respect of which there is an operative sub-section in the schedule, the cause of which is an act of terrorism

Special exclusions

The Company will not be liable under this section in respect of

- 1 loss, destruction or damage or consequential loss directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
 - a) riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - b) virus or similar mechanism or hacking or denial of service attack in response to any computer equipment

- 2 loss, destruction or damage or consequential loss in respect of
 - a) any nuclear installation or nuclear reactor
 - b) any property not being a block of flats which is insured in the name of a private individual and is occupied by that individual for residential purposes
 - c) any property which is insured by or would but for the existence of this policy be insured by any form of transit or aviation or marine policy other than any Goods in Transit section, sub-section or extension of the General Cover provided by this policy insofar as it relates to loss, destruction or damage occurring in Great Britain
 - d) any other type of property which is specifically excluded elsewhere in this policy

Special conditions

- 1 This section is concurrent and conjunctive with and dependent upon the General Cover provided by this policy.
- 2 This section is not subject to any of the General Exclusions of this policy other than those stated in the Special exclusions of this section.
- 3 This section is subject to all the other terms, sums insured, limits of liability, definitions, provisions, bases of claims settlement and conditions which apply to the General Cover provided by this policy (including but without limitation any excess or deductible to be borne by the insured) except as expressly varied hereby.
- 4 In any action, suit or other proceedings where the Company alleges that any loss, destruction, damage or consequential loss is not covered by this section the burden of proving that such loss, destruction, damage or consequential loss is covered shall be upon the insured.
- 5 This section is not subject to General Condition 15 Reinstatement of sum insured, nor to any Inflation protection or to any Long Term Agreement or Undertaking which may apply to the General Cover provided by this policy.
- 6 This section is to be lapsed or cancelled simultaneously with any lapse or cancellation of the General Cover