

# LFC SHIELD PROPERTY OWNERS' POLICY

Here is your new policy, arranged by LFC Shield and underwritten by Great Lakes Reinsurance (UK) Limited and International Insurance Company of Hanover Ltd where applicable.

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 Great Lakes Reinsurance (UK) Limited and International Insurance Company of Hanover Ltd where applicable,
- 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.

## The policy consists of the

Page(s)

<b>Schedule</b> (including <b>endorsements</b> and <b>warranties</b> applicable)	Inside front cover
<b>Definitions and interpretation</b>	2
<b>General Conditions</b>	3 - 5
<b>General Exclusions</b>	6 - 7
<b>Sections</b>	
1 Property Damage	15 - 16
2 Rent	17 - 18
3 Employers' Liability	19 - 20
4 Property Owners' Liability	25 - 29
5 Terrorism	36 - 37

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.

LFC Shield policies are exclusive to and administered by LFC Shield on behalf of Great Lakes Reinsurance (UK) Limited and International Insurance Company of Hanover Ltd where applicable.

## Our promise of satisfaction and service

We are confident that your LFC Shield 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.

## Confidentiality

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

## 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

**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, fanlights, skylights and partitions for which the insured is responsible; all situate at the risk address or locations stated in the schedule

**business** means the business as stated in the schedule

**Company, we, us, our** means Great Lakes Reinsurance (UK) Limited and International Insurance Company of Hanover Ltd where applicable.

**contents of common parts** means furniture, furnishings, fixtures and fittings and interior decorations within the common parts of the buildings to which all tenants have access, blinds and signs, potted plants and their containers, contents of fuel or diesel tanks, refuse bins and skips whilst contained in or about the buildings, machinery and equipment owned or hired by the insured used in connection with the repair, decoration or maintenance of the insured's buildings and being the property of the insured or for which the insured is legally responsible but excluding property more specifically insured, landlords fixtures and fittings and other permanent fixtures and fittings, domestic appliances, works of art, curios, objet d'art, statues, sculptures

**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

**household contents** means furniture, furnishings, fixtures and fittings and interior decorations within those parts of the buildings, occupied solely for residential purposes and being the property of the insured or for which the insured is legally responsible but excluding property more specifically insured, landlords fixtures and fittings and other permanent fixtures and fittings, domestic appliances (other than for an amount not exceeding 20% of any sum insured by this item), works of art, curios, objet d'art, statues, sculptures and contents of common parts

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

**landlords 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

**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

**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, owned or managed by the insured or on his behalf for the purposes of the business

**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

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

**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 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.

### 4 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.

### 5 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 impending 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.

**6 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.

**7 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.

**8 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.

**9 Fire alarm and fire extinguishment equipment**

It is a condition precedent to the liability of the Company that the insured shall ensure that all

- (a) fire break doors and shutters in the buildings be maintained in efficient working order
- (b) fire extinguishers, sprinkler systems and fire alarms be maintained in efficient working order at all times
- (c) alterations or additions to or changes in or removal to the above be advised to the Company immediately in writing

**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 **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 3 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.

## 18 **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.

## 19 **Underinsurance**

Each item insured under Section 1 – Property Damage. 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.

## 20 **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 - Rent 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 4 – Property Owners 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 4 – Property Owners 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 3 - Employers' Liability or Section 4 – Property Owners 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.

## 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 thereat 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 thereat
- 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 leakage of oil from any fixed installation
- 15 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.
- 16 accidental damage but excluding
- a) loss, destruction or damage caused by or specifically excluded from the perils 1-15 above
  - b) wear, tear or depreciation or diminution in value
  - c) loss, destruction or damage caused by or arising from or consisting of
    - 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.

#### **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**

Following loss, destruction or damage insured by this section and subject to the adequacy of the sums insured and to the Limits of liability the Company will pay 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 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 be 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 all 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.

### Special exclusions

The Company will not be liable under this section for

- 1 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.
- 2 loss of metered gas or water other than that covered by Additional clauses 20 and 21 of this section register unless its drawer has been left in an open position
- 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 (other than loss of rent when such loss is included in the insurance by this section)
- 5 the relevant excess as stated in the schedule.

### Additional Clauses

#### 1 Alternative accommodation

The Company will indemnify the insured in respect the cost of alternative accommodation necessarily and reasonably Incurred by any freeholder, lessee or mortgagee of any private residential premises following loss, destruction or damage by an insured peril resulting in

- i) such property being uninhabitable
- ii) access to such premises being denied by the actions or advice of a governmental or public authority arising from an emergency which is likely to endanger life or property in the vicinity of the property insured whether it is damaged or not.

Provided that the Company's liability will not exceed 15% of the building sum insured allocated to the said premises in the policy schedule (or appendix thereto) and will only be payable for a period necessary for reinstatement in accordance with the terms and conditions of this policy.

#### 2 Architects' and surveyors' fees

Within the overall limit of the sum insured on buildings and other property , 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 including fees charged for the preparation of any claim.

#### 3 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.

#### 4 Capital additions

The insurance by this section extends to include

- a) newly acquired and/or newly erected contents of common parts, household contents 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 machinery and plant 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

- ii) on such property stated in the schedule or £500,000 whichever is the lesser 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.

**5 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.

**6 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.

**7 Contents of common parts**

The Company will indemnify the insured in respect of loss, destruction or damage insured by this section to contents of common parts at the premises for an amount not exceeding £25,000 unless otherwise stated in the schedule.

**8 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.

**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 Debris removal costs of tenant's contents**

This insurance is extended to include irrecoverable costs necessarily and reasonably incurred by the insured with the consent of the Company in removing from the premises the debris of contents not belonging to the insured following loss, destruction or damage by an insured peril.

The Company's liability will not exceed £25,000 in any one period of insurance.

**11 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.

**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 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.

#### **17 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.

#### **18 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 Registered Office of the insured 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

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

#### **19 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.

#### **20 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.

**21 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.

**22 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.

**23 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.

**24 Public authorities costs**

Within the overall limit of the sum insured on buildings and other property 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

**25 Service pipes or cables**

This section extends to include

- a) the cost of reinstatement or repair 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
  - b) any expenses necessarily and reasonably incurred in clearing, cleaning and/or repair of drains, gutters and sewers belonging to the insured or for which the insured is legally responsible
- following loss, destruction or damage insured by this section

**26 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.

**27 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.

**28 Temporary repairs**

This section is extended to include the costs of

- a) securing the site and premises
- b) weather proofing buildings
- c) the provision of temporary doors for the purpose of weather proofing or securing the building
- d) the necessary boarding up of fixed glass in windows, doors, skylights and fanlights for the purpose of securing the buildings

necessarily and reasonably incurred following loss, destruction or damage at the premises by any peril insured.

**29 Trace and access**

In the event of loss, destruction or damage at the premises caused by peril 12 or peril 14 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.

**30 Unauthorised use of electricity gas or water**

This section is extended to include the cost of metered electricity, gas or water for which the insured is legally responsible arising from use of unauthorized persons occupying or taking possession of the premises insured without the consent of the insured providing that the insured has taken all reasonable steps to terminate such unauthorized uses as soon as possible after discovery.

The Company's liability will not exceed £25,000 in respect of any one claim.

**31 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.

**32 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.

**33 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.

## Sub-section 1A - Subsidence

Only applicable to those premises as stated in the schedule

### Subsidence

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 subsidence or ground heave (of any part of the site on which the buildings stand) or landslip but excluding

- a) all such loss, destruction or damage caused by or due to
  - i) settlement or bedding down of new structures
  - ii) compaction of the infill to the floors
  - iii) the settlement or movement of newly made up ground
  - iv) river or coastal erosion or cliff-fall
  - v) defective design or workmanship or the use of faulty or defective materials
  - vi) demolition or structural repairs or alterations to the building
- b) movement of solid floor slabs unless the foundations beneath the external walls of the building are damaged at the same time by the same cause
- c) loss or destruction of or damage to fences, gates, hedges, oil-tanks, paths, patios, paved areas or other artificially covered surfaces, swimming pools, tennis courts and walls, free standing walls, unless the main building is damaged at the same time by the same cause
- d) loss or destruction of or damage to loose or moveable property in the open
- e) loss, destruction or damage for which compensation is provided by legislation
- f) the relevant excess as stated in the schedule.

## Section 2 – Rent

### 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 and Sub-section 1A – Subsidence except where stated to the contrary by an endorsement in the schedule or, if Section 1 – Property Damage and Sub-section 1A- Subsidence are not insured by this policy, physical loss, destruction or damage by any peril listed in Section 1 – Property Damage and Sub-section 1A – Subsidence and which is stated against 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

**gross rent receivable** means the money paid or payable to the insured for tenancies and accommodation and other charges and services rendered in the course of the business at the premises

**annual gross rent receivable** means the gross rent receivable } to which such adjustments shall be made as may be  
during the twelve months immediately before the date of the } necessary to provide for the trend of the business and for  
damage } variations in or other circumstances affecting the business  
} either before or after the damage or which would have

**Standard gross rent receivable** means the gross rent receivable } affected the business had the damage not occurred, so that  
During that period in the twelve months immediately before } the figures thus adjusted shall represent as nearly as may be  
The date of the damage which corresponds with the indemnity } reasonably practicable the results which but for the damage  
period } would have been obtained during the relative period after  
} the damage

- Notes:
- 1 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
  - 2 For all the purposes of these definitions, any adjustment implemented in current cost accounting shall be Disregarded.

### Cover

The Company will indemnify the insured by payment in accordance with the provisions contained herein in respect of any item on gross rent receivable 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.

### 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

- a) loss of gross rent receivable being the amount by which the gross rent receivable during the indemnity period shall fall short of the standard gross rent receivable in consequent 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 gross rent receivable which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of reduction in gross rent receivable 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 rent receivable as may cease or be reduced in consequence of the damage.

Provided that if the sum insured by this item be less than the annual gross rent receivable (or a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months) the amount payable shall be proportionately reduced.

**Additional clauses**

**1 Alternative trading**

If during the indemnity period tenancies, accommodation or other 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 tenancies, accommodation or other services shall be brought into account in arriving at the gross rent receivable during the indemnity period.

**2 Capital additions**

Cover is extended to include loss of gross rent receivable in respect of new extensions, alterations and improvements to existing buildings which are held covered before their inclusion in the schedule, for an amount not exceeding 10% of the sum insured in the schedule on gross rent receivable or £15,000 whichever is the lesser at the risk address concerned, but shall not include appreciation in value.

The insured must 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 following such notification the provisions of this clause are fully reinstated.

**3 Contagious diseases**

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

- a) the occurrence of the premises of any outbreak of a human infectious or contagious disease other than acquired immune deficiency syndrome (AIDS) or an AIDS related condition
- b) 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

shall be deemed to be loss resulting from damage at the buildings owned or managed by the insured or on his behalf for the purposes of the business.

The Company's liability will not exceed £250,000 in any one period of insurance.

**4 Contracting purchaser**

If at the time of damage to the buildings the insured shall have contracted to sell his interest in such buildings the purchaser shall be entitled to the benefit of this policy providing that

- a) damage occurs during the period from exchange of contracts to completion
- b) the completion is finalized
- c) gross rent receivable is not otherwise insured.

**5 Denial of access**

The Company will indemnify the insured in respect of loss of gross rent receivable insured by this section resulting from interruption of or interference with the business in consequence of damage to property in the vicinity of the premises which prevents or hinders the use of or prevents access to the premises or managing agents premises whether the premises be damaged or not but excluding damage to property of any public utility from which the insured obtains supplies or services.

The Company's liability will not exceed £25,000 in any one period of insurance.

**6 Managing Agents fees**

The Company will indemnify the insured in respect of managing agents fees necessarily and reasonably incurred with the Company's consent in connection with re-letting premises following damage insured by this section.

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

**7 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 'annual gross rent receivable' and 'standard gross rent receivable' shall bear the following meanings and not as within stated

<b>annual gross rent receivable</b> means the proportional equivalent, for a period of twelve months, of the gross rent receivable realized during the period between 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 result which but for the damage would have been obtained during the relative period after the damage
<b>standard gross rent receivable</b> means the proportional equivalent, for a period equal to the indemnity period, of the gross rent receivable realized during the period between the commencement of the business and the date of the damage	} } } } }	

## **8 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.

## **9 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 5 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 5 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.

## **10 Rent review**

If gross rent receivable is subject to a review during the period of insurance the Company will automatically increase the sum insured on any item for gross rent receivable to reflect the revised amount of gross rent receivable provided that

- a) the insured must notify the Company of all such increases in gross rent receivable that exceed 100% of the gross rent receivable sum insured
- b) increase in gross rent receivable in respect of new extensions, alterations and improvements to existing buildings insured shall not be included under this clause.

The annual premium at the first renewal thereafter will be automatically increased to reflect the revised gross rent receivable sum insured.

## **11 Tenants' additional expenditure**

The Company will indemnify the insured in respect of tenants' additional expenditure necessarily and reasonably incurred with the Company's consent in connection with subsidence if insured under Sub-section 1A – Subsidence.

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

## **12 Utilities**

The Company will indemnify the insured in respect of loss of gross rent receivable insured by this section resulting from interruption of or interference with the business in consequence of damage to property at any

- a) generating station or sub-station of the public electricity supply undertaking
- b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
- c) land based premises of the public water supply undertaking
- d) water works or pumping station of the public water supply undertaking
- e) land based premises of telecommunication undertaking

within the territorial limits from which the insured obtains electricity, gas or water or telecommunication services.

## **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

## **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 may be adjusted on receipt by the Company of a declaration of gross rent receivable 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 rent receivable the said declaration shall be increased by the Company for the purpose of premium adjustment by the amount by which the gross rent receivable 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 rent receivable for the relative period of insurance the Company will allow a pro rata return of premium not exceeding 50% of the premium paid but subject to the retention by the Company of any minimum premium under this section.

## Section 3 – Employers' Liability

### Definition 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 overthrow, influence, or affect the conduct or policy of any government de jure or overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, or
    - iii) 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 immediate supervision and control of the insured
  - d) any person who is engaged under a Government or otherwise authorized 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 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 & 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 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**

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) solicitor's 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 to 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 4 – Property Owner’s 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 persons 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 authorized 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 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 1974 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 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

### **Indemnity to managing agents**

The Company will indemnify at the request of the insured, any managing agent acting on behalf of the insured in connection with the business 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. The Company agree to waive all rights of subrogation against such managing agents

Provided that

- i) any managing agent indemnified is not entitled to indemnity under any other insurance
- ii) any managing agent 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 managing agents 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 except in respect of loss, destruction or damage caused by fire or explosion

### **Movement of obstructing vehicles**

Notwithstanding Special exclusion 2 iii) the Company will indemnify the insured in respect of legal liability for accidental bodily injury to any person or accidental loss or destruction or of accidental damage to material property arising out of any mechanically propelled vehicle not owned or hired by or lent to the insured being driven by the insured or by an employee with the permission of the insured for the sole purpose of moving such vehicle to allow the free movement of any vehicles owned hired or lent to the insured or any employee

Provided that the vehicle causing the obstruction

- a) is parked or is obstructing the premises
- b) is moved or is being driven using the obstructing vehicle owner's ignition key
- c) is driven by a person competent to drive the vehicle

The company will not be liable under this Additional cover in respect of liability for

- i) damage to the vehicle being moved
- ii) bodily injury for which compulsory insurance or security is required under any legislation governing the use of the vehicle

### **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
- breach of professional duty
  - the provision of advice or any plan, design, formula or specification given separately for a fee
  - the use of welding or flame cutting equipment or asphalt bitumen or tar heaters away from the premises
  - 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
- asbestos
  - power stations, nuclear installations or establishments
  - refineries, bulk storage or production premises in the oil, gas or chemical industries
  - 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
- railways or railway installations
  - towers, steeples, chimney shafts, bridges, viaducts, dams, reservoirs, wells, tunnels, mines, quarries or blast furnaces
  - work underground underwater or airside
  - loading or discharging of vessels or other work on ships
  - piling or the use of explosives
  - 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 at 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 to 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:
- 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 marital law; or
  - riots, strikes or civil commotions; or
  - any act of terrorism
- if the Company alleges that by reason of this Special exclusion any actual or alleged losses, liability, 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 blow lamps, blow torches or hot air guns are used in connection with any work
- a suitable employee of the insured be appointed at each site of operations to be responsible for fire safety for each period of work and to ascertain the location of fire alarms and fire extinguishing appliances installed by the occupier(s)
  - the work to be performed only by trained personnel
  - the area within 10 metres in which such blow lamps, blow torches or hot air guns are to be used shall first be cleared of loose combustible material and segregated by the use of screens constructed of incombustible materials
  - the area of the other side of walls or partitions where work is to be undertaken shall first be inspected to ensure that there be no combustible materials directly or indirectly in danger of ignition
  - combustible floors in the segregated area shall be covered with sand or protected by overlapping sheets of incombustible materials
  - suitable fire extinguishing appliances shall be available for instant use and in the immediate proximity of any heat work
  - blow lamps, blow torches, hot air guns or their gas cylinders shall be filled or changed only in the open and not in the confines of any building

- h) gas cylinders shall be kept outside the building in or on which the work is being undertaken and stored away from any obvious fire hazard
  - i) blow lamps, blow torches or hot air guns shall be lighted for as short a time as possible before use and extinguished immediately after use.
  - j) lighted blow lamps, torches or hot air guns shall never be left unattended
  - k) an examination shall be made in and about the area in which such equipment has been used immediately upon completion of any period of work to detect potential sources of fire or explosion and again after one hour of completion of such work to ensure that there is nothing smouldering and that there is no risk of fire
- 2 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
- 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 pressurized 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) fire will not left unattended
  - e) reasonable precautions shall be taken to prevent the escape of smoke or dust in any 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
- 3 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, action 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 5 - 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 of 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 unauthorized 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 ionizing 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 factor** 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 sub-section applies to outstanding debit balances as described, defined and specified 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 subsection 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 respect of 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 or 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 provided by This policy

## Customer Service Information

### 1. Disability Discrimination Act 1995

In accordance with the Disability Discrimination Act 1995 we are able to provide upon request a text phone 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 the appropriate manner.

### 2. Law Applicable to the contract

Great Lakes Reinsurance (UK) Ltd and/or International Insurance Company of Hannover Limited propose to choose English law as the law applicable to the contract unless they agree another choice of law with you prior to the start date.

### 3. Premiums

Premiums are payable annually, insurance premium tax, as imposed by current legislation, is incorporated into all premiums.

### 4. Duration of Contract

The first period of insurance under your **LFC Shield Property Owners policy** will be 12 months unless otherwise requested by you and agreed by LFC Shield.

### 5. Financial Services Compensation Scheme

Great Lakes Reinsurance (UK) Ltd and International Insurance Company of Hannover Limited are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if your insurer(s) cannot meet their obligations. This depends on the type of business and circumstances of the claims. Further information about compensation scheme arrangements is available from FSCS.

## Enquiries and Complaints

*We make every effort to provide a good service and to deal with our policyholders in a fair manner. However, if you are unhappy with the way or manner in which we have dealt with you the following complaints procedure is available to you:-*

1. Any enquiry or complaint should be addressed in the first instance to the intermediary who arranged your business.
2. If you are not satisfied with the manner in which your intermediary handles your complaint you may write to:  
Managing Director  
SHIELD policies  
LFC Insurance Group  
Knight Street  
South Woodham Ferrers  
Essex  
CM3 5ZL
3. If you are still not you may contact the Underwriter concerned. The Schedule will show which Underwriter(s) Insures the Section of the Certificate to which you are concerned.

Compliance Officer  
Contessa Ltd for  
Great Lakes Reinsurance (UK) Limited  
Suite 732  
Lloyd's Building  
One Lime Street  
London  
EC3M 7HA

L'Avenir

Managing Director  
International Insurance Company of Hannover Limited  
Opladen Way  
Bracknell  
Berkshire  
RG12 0PE

4. If you are still not satisfied you may be able to refer your complaint to the Financial Ombudsman Service who can normally deal with complaints from private individuals and from small organisations with an annual turnover of less than £1 million.

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

Helpline: 0845 080 1800  
Switchboard 020 7964 1000  
Website

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## **Claims Procedures**

### **INJURED EMPLOYEE OR MEMBER OF THE PUBLIC**

- a) tell Underwriters immediately of any alleged injury to an employee or member of the public
- b) send every letter you receive about an alleged injury to underwriters by first class post on the day you receive and, if you can, fax a copy as well.

### **BROKEN OR DAMAGED GLASS**

Call A.E.S 24 Hours on 0870 2400248

### **OTHER EMERGENCIES**

Call Shield Claims Services on 01206 213246

### **NON EMERGENCY CLAIMS**

Call your insurance advisor and give them full details of your loss including the date of loss , a description of the circumstances leading to the loss and if possible an approximation of the amount of loss.