

## Table of Contents

BASIS OF THE CONTRACT .....	1
GENERAL DEFINITIONS APPLYING TO SECTIONS 1 AND 2 ONLY.....	1
GENERAL CONDITIONS APPLYING TO ALL SECTIONS UNLESS OTHERWISE INDICATED .....	2
COMPLAINTS .....	3
USEFUL INFORMATION .....	3
SECTION 1 - PROFESSIONAL INDEMNITY INSURANCE .....	4
DEFINITIONS APPLICABLE TO SECTION 1 .....	4
INSURING CLAUSES .....	5
LEGAL HELPLINE .....	7
EXCLUSIONS APPLICABLE TO SECTION 1 .....	7
NOTIFICATION AND CLAIMS CONDITIONS APPLICABLE TO SECTION 1 .....	10
SPECIAL NOTIFICATION CONDITIONS .....	11
SECTION 2 – GENERAL LIABILITY INSURANCE .....	13
DEFINITIONS APPLICABLE TO SECTION 2.....	13
INDEMNITY CLAUSES .....	14
INDEMNITY LIMITS .....	14
INSURING CLAUSES .....	15
EXCLUSIONS APPLICABLE TO SECTIONS 2A, B, C and D .....	16
EXTENSIONS TO SECTION 2.....	18
NOTIFICATION AND CLAIMS CONDITIONS APPLICABLE TO SECTION 2 .....	19
Employers Liability Tracing Office (ELTO) .....	20
DEFINITIONS APPLICABLE TO SECTION 3.....	21
CONDITIONS APPLICABLE TO SECTION 3 .....	25
EXCLUSIONS APPLICABLE TO SECTION 3 .....	27
Sub-section 1 - MATERIAL DAMAGE .....	29
INSURING CLAUSES .....	29
INSURABLE PERILS.....	29
Additional Covers to Sub-section 1 .....	31
Extensions to Sub-section 1 .....	35
Clauses applying to Sub-section 1 .....	36
Basis of Settlement Clauses applying to Sub-section 1 .....	37
General Exclusions applying to Sub-section 1 .....	38
Conditions applying to Sub-section 1 .....	38
Sub-section 2 - BUSINESS INTERRUPTION .....	41
INSURING CLAUSE .....	41
Clause applying to Sub-section 2 .....	41
Basis of Settlement Clauses applying to Sub-section 2 .....	41

Extensions to Sub-section 2 .....	42
Exclusions applying to Sub-section 2 .....	43
Condition applying to Sub-section 2 .....	44
Sub-section 3 - EQUIPMENT BREAKDOWN .....	45
INSURING CLAUSE .....	45
Definitions applicable to Sub-section 3 .....	45
Extensions and sub-limits to Sub-section 3 .....	46
Basis of Settlement Clause applying to Sub-section 3 .....	48
Clause applying to Sub-section 3 .....	49
Conditions applying to Sub-section 3 .....	49
Exclusions applying to Sub-section 3 .....	49
Sub-section 4 - LEGAL EXPENSES .....	51
INSURING CLAUSE .....	51
Definitions applicable to Sub-section 4 .....	51
Sub-section 4A – Contract Disputes .....	53
Sub-section 4B – Criminal Prosecution .....	53
Sub-section 4C – Employment Disputes .....	54
Sub-section 4D – Tax Protection .....	54
Sub-section 4E – Property Disputes .....	55
Sub-section 4F – Data Protection .....	55
Sub-section 4G – Statutory Licence .....	56
Sub-section 4H – Personal Injury .....	56
Sub-section 4I – Wrongful Arrest Defence .....	56
Sub-section 4J – Jury Service Allowance .....	56
Sub-section 4K – Pension Trustee Defence .....	56
Exclusions applying to Sub-section 4 .....	56
Claims Conditions applying to Sub-section 4 .....	57
Claims Conditions applying to Section 3 – Office Protect .....	61
USEFUL INFORMATION CANCELLATION AND HOW TO MAKE A CLAIM .....	63

## ESTATE AGENTS / PROPERTY MANAGERS

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### PROFESSIONAL MULTI RISK INSURANCE

#### PMR EA Civil AOC OP 0314

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##### BASIS OF THE CONTRACT

The Proposal shall be the basis of and incorporated in this contract.

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##### GENERAL DEFINITIONS APPLYING TO SECTIONS 1 AND 2 ONLY

For the purposes of Sections 1 and 2 of this Policy the words or terms that appear in bold will be interpreted as follows:

##### Employee

is:

- a) any person employed by the **Insured** under a contract of service, training or apprenticeship; and
- b) any voluntary worker; and
- c) any locum, seasonal or temporary personnel; and
- d) any self-employed person, who is not an independent contractor; and
- e) any person supplied or remunerated through a contract hire company or agency, who is not an independent contractor but is employed by the contract hire company on a supply only basis, working as a member of the **Insured's** staff;

but only if such person is working under the **Insured's** direction, control and supervision.

##### Insured

is any person or firm stated in the Schedule and includes any current or previous partner, director, principal, member or **Employee** of any firm or company stated in the Schedule and any other person who becomes a partner, director, principal, member or **Employee** of the firm.

##### Insurer

means HCC International Insurance Company PLC in respect of Sections 1 and 2 only.

##### Period of insurance

is that as stated in the Schedule.

##### Personal appointment

is any individual appointment of a professional nature arising out of the ordinary professional activities of the **Insured** other than any appointment as a director or officer of a company or as a trustee.

##### Professional business

is the business of the **Insured** as stated in the Schedule including the holding of any **Personal appointment**.

##### Proposal

shall mean the written proposal and any renewal declaration signed by the **Insured** together with any other information supplied by the **Insured** to the **Insurer** before inception or renewal of this Policy.

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## GENERAL CONDITIONS APPLYING TO ALL SECTIONS UNLESS OTHERWISE INDICATED

### 1. Policy construction and disputes

Any phrase or word in this Policy and the Schedule will be interpreted in accordance with the laws of England and Wales. The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

Any dispute concerning the interpretation of the terms, Conditions or Exclusions contained herein is understood and agreed by both the **Insured** and the **Insurer** to be subject to the laws of England and Wales. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and Wales and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.

### 2. Fraudulent claims (not applicable to Section 3 where Claims Condition 3 will apply instead)

If the **Insured** shall submit any claim knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited.

### 3. Contracts (Rights of Third Parties) Act 1999

The **Insured** and the **Insurer** are the only parties to this contract and no other person has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

The **Insured** shall not assign or transfer their rights under the Policy without the written agreement of the **Insurer**.

### 4. Cancellation

This Policy may be cancelled by or on behalf of the **Insurer** by thirty days' notice given in writing to the **Insured** on the basis of the Insurer receiving or retaining payment of premium pro rata to the period that the **Insurer** will have been on risk.

### 5. Invalidity

If any provision of this Policy is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable this will not affect the other provisions of this Policy which will remain in full force and effect.

### 6. Notices

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed to:

- a) in the case of the **Insured**, either to the **Insured's** last known address or the last known address of the **Insured's** broker;
- b) in the case of the **Insurer**, to HCC International Insurance Company PLC at Walsingham House, 35 Seething Lane, London EC3N 4AH

### 7. Reasonable steps to avoid loss

Without prejudice to the Notification and Claims Conditions in this Policy, the **Insured** shall take all reasonable steps to avoid or mitigate any loss, damage or liability that may result in any claim or **Circumstance** notifiable under this Policy.

### 8. Premium Payment Clause

If the premium due under this Policy has not been so paid to **Insurers** by the 60th day from the inception of this Policy, (and, in respect of instalment premiums, by the date they are due), **Insurers** shall have the right to cancel this Policy by notifying the **Insured** via their broker in writing. In the event of cancellation, premium is due to **Insurers** on a pro rata basis for the period that **Insurers** are on risk but the full policy premium shall be payable to **Insurers** in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this Policy.

It is agreed that **Insurers** shall give not less than 15 days prior notice of cancellation to the Insured via their broker. If premium due is paid in full to Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, this Policy shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

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## COMPLAINTS

We are dedicated to providing you with a high quality service and we want to ensure that we maintain this at all times. If you feel that we have not offered you a first class service please write and tell us and we will do our best to resolve the problem. If you have any questions or concerns about your policy or the handling of a claim you should in the first instance contact the person who arranged the Policy for you. If you remain unhappy then our Compliance Officer will be pleased to investigate your complaint and you should write to:

The Compliance Officer  
HCC International Insurance Company PLC  
Walsingham House  
35 Seething Lane  
London EC3N 4AH

In the event that we are unable to resolve your complaint it may be possible for you to refer it to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.

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## USEFUL INFORMATION

If HCC (Sections 1 & 2) or LV= (Section 3 only) are unable to meet their liabilities to policyholders, you may be able to claim compensation from the Financial Services Compensation Scheme. The level of compensation differs depending on the type of cover:

Compulsory Insurance  
100% of the claim

Non-compulsory Insurance  
90% of the claim

Further information can be obtained from:  
Financial Services Compensation Scheme  
10th Floor, Beaufort House  
15 St Botolph Street  
London EC3A 7QU

Telephone: 0800 678 1100 or 020 7741 4100 or [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) [www.fscs.org.uk](http://www.fscs.org.uk)

## SECTION 1 - PROFESSIONAL INDEMNITY INSURANCE

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### DEFINITIONS APPLICABLE TO SECTION 1

For the purposes of this Section the words or terms that appear in bold will be interpreted as follows:

#### Circumstance

shall mean any circumstance or state of affairs or event which might reasonably be expected to give rise to a claim against the **Insured** or a claim by the **Insured** under this Section.

#### Computer system

shall mean any computer, data processing equipment, media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode, or any electronic documents utilised in the ownership, security and management of the **Insured's** electronic communications system, world-wide web site, internet site, intranet site, extranet site or web address(es).

#### Defence costs and expenses

shall mean all costs and expenses incurred, with the prior consent of the **Insurer**, in the investigation, defence and settlement of any claim first made against the **Insured** or of any **Circumstance** first notified during the **Period of insurance**.

#### Documents

shall mean digitised data, information recorded or stored in a format for use with a computer, microcode, deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates, written or printed documents or forms of any nature whatsoever (excluding any bearer bonds or coupons, bank or currency notes, share certificates, stamps or other negotiable paper).

#### Excess

is the first amount paid in respect of each claim as stated in the Schedule under Section 1. The **Excess** is not payable in respect of **Defence costs and expenses**.

#### Financially associated person or entity

shall mean:

- a) any business controlled or managed by the **Insured** or in which the **Insured** has an executive interest;
- b) any company in which the **Insured** directly or indirectly owns or controls more than 15% of the issued share capital;
- c) any person having an executive or managerial role in the **Insured** or who would be considered to be a shadow director (as defined in s.251 of the Insolvency Act 1986) of the **Insured**;
- d) any company that directly or indirectly owns or controls any of the issued share capital of the **Insured** or any of whose issued share capital is directly or indirectly owned or controlled by any other company or person who directly or indirectly owns or controls any of the issued share capital of the **Insured**.

#### FSA 86

shall mean the Financial Services Act 1986.

#### FSMA

shall mean the Financial Services and Markets Act 2000.

#### Indemnity limit

shall mean the **Insurer's** total liability to pay damages, claimant's costs, fees and expenses, and shall not exceed (except where specific sums are stated in the Insuring Clauses of this Section) the sum(s) stated in the Schedule against Section 1 in respect of any one claim or series of claims arising out of one originating cause regardless of the number of persons claiming an indemnity from the **Insurer** under the terms of this Section.

### Insurance and investment services

shall mean:

- a) any activity which is investment business within the meaning of **FSA 86**;
- b) any regulated activity within the meaning **FSMA** even if, by virtue of an order of the Treasury under **FSMA**, the **Insured** is regarded as not carrying on regulated activity;
- c) any activity which, under **FSMA**, constitutes engaging in or communication or inducement to engage in investment activity;
- d) the provision of or the failure to provide advice in connection with or the arrangement of insurances of whatsoever nature.

### PMA

shall mean the Property Misdescriptions Act 1991.

### TPO / NALS award

shall mean an award by The Property Ombudsman operating within the Ombudsman's terms of reference or by an arbitrator appointed under the Arbitration Scheme for the National Approved Letting Scheme and operating within the National Approved Letting Scheme Rules.

### Virus

shall mean any unauthorised executable code that replicates itself through a **Computer system** or network whether termed a virus, logic bomb, worm, Trojan Horse or known by any other name.

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## INSURING CLAUSES

In consideration of the premium having been paid to the **Insurer**, the **Insured** is indemnified as follows:

### 1. Indemnity

Up to the **Indemnity limit** for claims first made against the **Insured** during the **Period of insurance** for which the **Insured** is legally liable to pay damages (including claimant's costs and expenses) and arising out of the ordinary course of the **Professional business**, in consequence of:

- a) breach of professional duty;
- b) dishonest, fraudulent or malicious act or omission of any former or present **Employee** (which term, for the purpose of this clause alone, shall not include any principal, partner, member or director of the **Insured**) provided that no indemnity shall be given under this Section in the event that any principal, partner, member or director of the **Insured** conspired to commit or condoned any such dishonest, fraudulent or malicious act or omission;
- c) libel or slander;
- d) unintentional breach of confidentiality;
- e) unintentional infringement of intellectual property rights;
- f) the loss of or damage to **Documents**;
- g) any other civil liability.

### 2. Costs for prosecuting infringement of the Insured's intellectual property rights

Up to a maximum of GBP 25,000 in the aggregate in the **Period of insurance**, for claims first made by the **Insured** during the **Period of insurance** for reasonable and necessary costs and expenses incurred with the **Insurer's** prior consent in prosecuting any claim for infringement of intellectual property rights first discovered during the **Period of insurance** where the ownership of such rights is vested in the **Insured**.

For the purposes of this Insuring Clause **Insurers** will only give prior consent where the Insured has provided, at their own expense, an opinion from a solicitor, barrister or suitably qualified intellectual property agent evidencing the existence of the Insured's intellectual property rights, the infringement of those rights, a measurable loss and a reasonable prospect of success.



### 3. Costs for representation

All legal costs incurred with the **Insurer's** prior consent for representation at any inquiry or other proceeding which has, in the **Insurer's** sole opinion, a direct relevance to any claim, Circumstance or event which could form the subject of indemnity under this Section.

### 4. Defence costs and expenses

In respect of Insuring Clause 1 the **Insurer** will pay in addition to the **Indemnity limit** all **Defence costs and expenses** provided that:

- a) if a paid claim exceeds the **Indemnity limit** the **Insurer** will only be liable for that proportion of the **Defence costs and expenses** which the **Indemnity limit** bears to the amount of the paid claim;
- b) in the event that the **Insurer** elects to make a payment to the **Insured** pursuant to Notification and Claims Condition 2.2 then the **Insurer** shall have no liability to pay **Defence costs and expenses** incurred after the date upon which such payment is made.

### 5. Data protection defence costs

Up to a maximum of GBP 250,000 in the aggregate in the **Period of insurance**, in respect of legal costs and expenses incurred with the **Insurer's** prior consent in the defence of any criminal proceedings brought under The Data Protection Act or similar legislation provided always that:

- a) the act, error or omission giving rise to the proceedings shall have been committed by the **Insured** in the ordinary course of the **Professional business**;
- b) the **Insurer** shall be entitled to appoint solicitors and counsel to act on behalf of the **Insured**;
- c) the **Insurer** shall have no liability to pay costs incurred subsequent to a plea or finding of guilt on the part of the **Insured**, or in the event that Counsel should advise that there are no reasonable prospects of successfully defending the proceedings, except for costs incurred solely for the purpose of making a plea in mitigation before sentencing or costs incurred in making an appeal if Counsel shall advise that the prospects of a successful appeal following a finding of guilt are reasonable.

### 6. TPO / NALS awards

In respect of any legally enforceable **TPO / NALS award** provided always that:

- a) **Insurers** shall not be liable to indemnify the **Insured** in respect of an **TPO / NALS award** arising from racial discrimination, sexual discrimination or a dispute over professional fees; and
- b) An indemnity would have been provided to the **Insured** under this Policy in respect of the claim or complaint that is the subject matter of the **TPO/NALS award** notwithstanding the **TPO/NALS award**; and
- c) any payment made by **Insurers** under this insuring clause shall be part of and not in addition to the **Indemnity Limit**.

The **Excess** shall be GBP500 in respect of any claim under this Insuring Clause.

### 7. Property misdescriptions act defence costs

In respect of 80% of costs and expenses incurred with **Insurers'** prior written consent in the defence of any proceedings brought against the **Insured** under the **PMA** but only where the **Insurers** believe that defending such proceedings may protect the **Insured** against any subsequent or concurrent civil claim arising from the subject matter of those proceedings and where indemnity would be given under this Policy in respect of any such civil claim.

As a condition precedent to their right to be indemnified under this Insuring Clause the **Insured** shall inform **Insurers** as soon as possible, and in any event within 5 working days (provided always that such notification is received by **Insurers** before the expiry of the **Period of insurance**) of:

- a) the receipt, awareness or discovery of any claim or complaint made against them which might lead to a **TPO/NALS award**;
- b) the receipt of any notice indicating an intention to investigate a possible offence from, or any requirement to deliver up any document to, the relevant enforcement authority under the **PMA**, or any other indication that a prosecution under the **PMA** was imminent.

Such notification having been given, any subsequent claim made (including any civil claim arising from the same subject matter of any proceedings under the **PMA**) shall be deemed to have been made during the **Period of insurance**.



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## LEGAL HELPLINE

As a valuable customer you have the benefit of having access to the legal helpline provided by DAC Beachcroft Solicitors. The helpline will provide you with up to 30 minutes free advice on any day to legal issues you may have. This helpline is available during office hours, with any calls received out of hours being returned the next working day

Helpline telephone number: 0113 251 4943

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## EXCLUSIONS APPLICABLE TO SECTION 1

The **Insurer** shall not be liable to indemnify the **Insured** against any claim:

- 1. Employers liability**  
arising directly or indirectly from bodily injury, sickness, disease, psychological injury, emotional distress, nervous shock or death sustained by any **Employee** arising out of or in the course of their employment by the **Insured**, or for any breach of any obligation owed by the **Insured** as an employer to any partner, principal, director, member or **Employee** or applicant for employment;
- 2. Bodily injury/property damage**  
for bodily injury, sickness, disease, psychological injury, emotional distress, nervous shock or death sustained by any person or any loss, damage or destruction of property unless such claim emanates from negligent advice, design, specification, formula or other breach of professional duty by the **Insured**;
- 3. Land buildings etc**  
arising directly or indirectly from the ownership, possession or use by or on behalf of the **Insured** of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle;
- 4. Dishonesty**  
arising directly or indirectly from any dishonest, fraudulent, malicious or illegal act or omission of the **Insured** or any **Employee**, except as covered by Insuring Clause 1b);
- 5. Contractual liability**  
arising directly or indirectly from any breach or alleged breach of any contractual duty or duty of care owed or alleged to have been owed by the **Insured** to any third party and which is more onerous than any duty that would otherwise be implied by common law or statute.
- 6. Products**  
arising out of or relating to:
  - a) goods or products sold, supplied, repaired, altered, manufactured, installed or maintained; or
  - b) buildings, building works or physical structures constructed, repaired, installed, erected, removed or demolished;by the **Insured** or any related company or sub-contractor of the **Insured**;
- 7. Insolvency/bankruptcy of Insured**  
arising out of or relating directly or indirectly to the insolvency or bankruptcy of the **Insured**;
- 8. Seepage and pollution**  
based upon, arising out of or relating directly or indirectly to, in consequence of or in any way involving see page, pollution or contamination of any kind;

**9. Circumstances known at inception**

arising out of any **Circumstance** of which the **Insured** was, or ought reasonably to have been, aware at inception of this Policy, whether notified under any other insurance or not;

**10. Other insurance**

in respect of which the **Insured** is entitled to indemnity under any other insurance except in respect of any excess beyond the amount which is payable under such other insurance;

**11. Geographical limits**

in respect of work carried out outside the Geographical Limits stated in the Schedule;

**12. Legal action**

in respect of an action for damages:

- a) brought outside the Jurisdiction stated in the Schedule (the "Jurisdiction") (including the enforcement within the Jurisdiction of a judgment or finding of another court or tribunal that is not within the Jurisdiction);
- b) in which it is contended that the governing law is outside the Jurisdiction;
- c) brought outside the Jurisdiction to enforce a judgment or finding of a court or other tribunal in any other jurisdiction.

Where no Jurisdiction is specified in the Schedule then the Jurisdiction shall be Worldwide but excluding:

1. the United States of America, its territories and/or possessions; or
2. Canada;

**13. Fines and penalties**

for penalties, fines, multiple, exemplary, liquidated or other non-compensatory damages awarded other than in actions brought for defamation as far as they are covered by this Policy;

**14. Claims by financially associated persons or entities**

made upon the **Insured** by any **Financially associated person or entity** whether alone or jointly with any other person or entity. However, this exclusion shall not apply to any claim brought against such **Financially associated person or entity** by an independent third party and which would, but for this exclusion, be covered by this Policy;

**15. Retroactive date**

made by or against the **Insured** arising from any act or omission that occurred prior to the Retroactive Date stated in the Schedule;

**16. Radioactive contamination or explosive nuclear assemblies**

directly or indirectly caused by or contributed to by or arising from

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

**17. Excess**

for an amount less than the **Excess**. The **Excess** shall be deducted from each and every claim paid under this Policy;

**18. War**

arising directly or indirectly out of, happening through or in consequence of, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or **damage** to property by or under the order of any government or public or local authority;

**19. Terrorism**

arising directly or indirectly out of, happening through or in consequence of any act or acts of force or violence for political, religious or other ends directed towards the overthrowing or influencing of any government, or for the purpose of putting the public in fear by any person or persons acting alone or on behalf of or in connection with any organisation.

In the event of any dispute as to whether or not this exclusion applies the **Insured** shall have the burden of proving that this exclusion does not apply;

**20. Asbestos and toxic mould**

arising directly or indirectly out of or resulting from or in consequence of or in any way involving:

- a) Asbestos or any materials containing asbestos in whatever form or quantity; or
- b) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind; or
- c) any action taken by any party in relation to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of (to include the investigation of, testing for, detection, monitoring, treating, remediating or removal of) any fungi, moulds, spores or mycotoxins of any kind whether in response to any governmental or regulatory order, requirement, directive, mandate, decree or otherwise.

In the event of any dispute as to whether or not this exclusion applies the **Insured** shall have the burden of proving that this exclusion does not apply;

**21. Other appointments**

made against any **Insured** in the capacity of:

- a) director or officer of the **Insured** or of any other company or arising out of the management of the **Insured** or of any other company; or
- b) trustee of any trust or as officer or employee of any pension fund or any other employee benefit scheme, whether for the benefit of members or **Employees** of the **Insured** or otherwise;

**22. Trading losses**

arising out of:

- a) any trading loss or trading liability incurred by any business managed or carried on by the **Insured** (including the loss of any client account or business)
- b) the actual or alleged over-charging or improper receipt of fees by the **Insured**;

**23. Virus**

arising directly or indirectly from any **Virus**;

**24. Patents**

notwithstanding Insuring Clause 1e), arising directly or indirectly from the infringement of any patent;

**25. Insolvency**

the insolvency of any Insurer, Building Society, Bank or other lender;

**26. Insurance and investment services**

arising from Insurance and Investment Services regardless of whether or not such Insurance and Investment Services are in contravention of or breach FSA 86 or FSMA;

**27. Surveys or valuations**

arising from Surveys or valuations other than for the purpose of the establishment of a price for the marketing of a property for sale;

**28. Employee benefit schemes / stocks and shares**

arising directly or indirectly from the operation or administration of any pension or other employee benefit scheme or trust fund, or the sale or purchase or dealing in any stocks, shares or securities or the misuse of any information relating to them or the breach of any related legislation or regulation;

**29. Taxation, competition, restraint of trade**

arising directly or indirectly from the breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation;

**30. Official action or investigation**

arising from any official action or investigation by or decision or order of any public, local or government body or authority;

**31. Loss, damage or destruction of bearer bonds or coupons**

arising from the loss, damage or destruction of any bearer bonds, coupons, bank or currency notes, share certificates, stamps or other negotiable paper;

**32. Deliberate acts**

arising directly or indirectly from any deliberate or reckless breach, act, omission or infringement committed, condoned or ignored by the Insured, except as covered under Insuring Clause 1b).

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**NOTIFICATION AND CLAIMS CONDITIONS APPLICABLE TO SECTION 1**

**1. Claim/circumstance notification**

As conditions precedent to their right to be indemnified under Section 1 of this Policy the **Insured**:

- 1.1. shall inform the **Insurer** as soon as possible and in any event within 28 days (provided always that such notification is received by the **Insurer** before the expiry of the **Period of insurance**) of the receipt, awareness or discovery of:
  - a. any claim made against them;
  - b. any notice of intention to make a claim against them;
  - c. any **Circumstance**;
  - d. the discovery of reasonable cause for suspicion of dishonesty or fraud.

Such notice having been given as required in b), c) or d) above, any subsequent claim made shall be deemed to have been made during the **Period of insurance**;

- 1.2 shall not, in the event of a claim, or the discovery of information which may give rise to a claim, admit liability for or settle any claim, or incur any costs or expenses in connection therewith, without the written consent of the **Insurer**; and
- 1.3 shall, as soon as practicable given the circumstances, give all such information and assistance as the **Insurer** may require and provide their full co-operation in the defence or settlement of any such claim.

Every letter of claim, writ, summons or process and all documents relating thereto and any other written notification of claim shall be forwarded, unanswered, to the **Insurer** immediately they are received. The **Insured** shall at all times, in addition to their obligations set out above, afford such information to and co-operate with the **Insurer** to allow the **Insurer** to be able to comply with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Head of Civil Justice.

**2. Conduct of claims**

- 2.1 Following notification under condition 1. above the **Insurer** shall be entitled at its own expense to take over and within its sole discretion to conduct in the name of the Insured the defence and settlement of any such claim.

Nevertheless neither the **Insured** nor the **Insurer** shall be required to contest any legal proceedings unless a Queens Counsel (to be mutually agreed upon by the **Insured** and the **Insurer**) shall advise that such proceedings should be contested.

- 2.2 The **Insurer** may at any time in connection with any claim made, pay to the **Insured** the **Indemnity limit** (after deduction of any sums already paid) or any lesser sum for which, in the sole opinion of the **Insurer**, the claim can be settled and upon such payment being made the **Insurer** shall
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relinquish the conduct and control of and have no further liability in connection with the claim. For the avoidance of doubt the Insurer shall have no liability to pay **Defence costs and expenses** incurred after the date upon which any such payment is made.

### 2.3 Waiver of subrogation against employees

The **Insurer** shall not exercise any right of subrogation against any former or present **Employee**, unless the **Insurer** shall have made a payment brought about or contributed to by any act or omission of the **Employee** or former **Employee** which was dishonest, fraudulent or malicious or the **Employee** or former **Employee** conspired to commit or condoned any such dishonest, fraudulent or malicious act.

### 2.4 Dishonest or fraudulent act or omission

In the event of a loss or claim which involves the dishonest, fraudulent or malicious act or omission of any former or present **Employee** the **Insured** shall take all reasonable action (including legal proceedings) to obtain reimbursement from the **Employee** concerned (and from any **Employee** who may have conspired to commit or have condoned such act) or from the estate or legal representatives of such **Employee**. Any monies which but for such dishonest, fraudulent or malicious act or omission would be due to such **Employee** from the **Insured** or any monies held by the **Insured** for such **Employee** shall be deducted from any amount payable under this Policy.

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## SPECIAL NOTIFICATION CONDITIONS

The **Insured** shall, as a condition precedent to their right to indemnity under Insuring Clauses 5 and 6, comply with the Special Notification Conditions below, the **Insurers** only being liable to indemnify the **Insured** in respect of any notification(s) made to the **Insurers** during the **Period of insurance**.

### Definition

For the purposes of these Special Notification Conditions, **Adjudication notice** shall mean any adjudication notice pursuant to contract (including a "Notice of Adjudication" and/or "referral notice" pursuant to the Scheme For Construction Contracts (England & Wales) Regulations 1998 and/or The Scheme for Construction Contracts (Scotland) Regulations 1998) and "adjudication" and "adjudicator" shall be construed in that context.

1. The **Insured** shall give the **Insurers** written notice within 2 working days of:
  - a) the receipt of any **Adjudication notice**;
  - b) the receipt of any indication, whether in writing or otherwise, of an intention on the part of any party to serve the **Insured** with an **Adjudication notice**;
  - c) becoming aware of circumstances in which the commencement of an adjudication involving the **Insured** is likely.

This notification must be given during the **Period of Insurance** and must be addressed to: HCC International Insurance Company PLC at Walsingham House, 35 Seething Lane, London EC3N 4AH.

2. The **Insured** must promptly supply **Insurers** with all details relating to any references to adjudication, including copies of all documentation made available to the **Insured**.
3. The **Insured** must:
  - a) allow the **Insurers** to appoint advisors and to have conduct of the adjudication as they deem appropriate;
  - b) co-operate with the **Insurers** and their advisors in the conduct of the adjudication;
  - c) meet any request, direction or timetable of the adjudicator;
  - d) not agree to accept the decision of the adjudicator as finally determining the dispute without the prior written consent of the **Insurers**.
4. The adjudication provisions in the Contract (if any) or otherwise applying to the Contract must:
  - a) provide that the adjudicator must be independent of the parties to the dispute;
  - b) not allow for the adjudicator's decision to finally determine the dispute;

- c) not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial or other considerations;
- d) not place restrictions upon the timing of the commencement of legal or arbitration proceedings (for the sake of clarity this does not apply to adjudication proceedings).

**Insurers** shall be entitled to pursue legal proceedings, arbitration or other proceedings in the name of and on behalf of the **Insured** to challenge, appeal, re-open or amend any decision, direction, award or exercise of any power of the adjudicator or to stay the enforcement of any such decision, direction, award or exercise of power. The **Insured** shall give all such assistance as the **Insurers** may reasonably require in relation to such proceedings or arbitration.

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## SECTION 2 – GENERAL LIABILITY INSURANCE

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### DEFINITIONS APPLICABLE TO SECTION 2

For the purposes of this Section the words or terms that appear in **bold** will be interpreted as follows:

#### Damage

shall mean loss of possession of or damage to tangible property.

#### Damages

shall mean monetary compensation capable of being awarded in civil proceedings but excluding aggravated and exemplary damages.

#### Defence costs

shall mean all costs and expenses incurred by the **Insured** with the **Insurer's** prior written consent in the investigation, defence or settlement of any claim under this Section other than in respect of any actions in the United States of America or Canada and shall include legal expenses:

1. arising out of representation at any Coroner's Inquest or Fatal Accident Inquiry;
2. arising out of any criminal prosecution or proceedings relating to an offence alleged to have been committed during the **Period of insurance** and in the course of the **Professional business** in respect of matters which may form the subject of indemnity by this Section (including with the **Insurer's** prior consent **Employees**, partners or directors of the **Insured**) provided that:
  - 2.1 the **Insurer** shall not be liable for any fines or penalties imposed as a consequence of such prosecution;
  - 2.2 the **Insurer** shall not be responsible for **Defence costs** where at the **Insurer's** discretion they may require the opinion of counsel (whose appointment is at the **Insurer's** sole discretion) as to whether or not such costs should extend or continue to extend to the support of such defence and where such counsel's opinion is that there is no reasonable defence to the prosecution;
  - 2.3 the **Insurer's** liability for **Defence costs** in cases of breach or alleged breach of the United Kingdom Health & Safety at Work Act 1974 (and/or any legislation of similar effect) are limited to prosecutions under Section 33(1)(a) to (c) of the Act or similar duty imposed under legislation in Northern Ireland, the Isle of Man or the Channel Islands;
  - 2.4 the **Insurer's** liability for **Defence costs** in cases of breach or alleged breach of Part II of the Consumer Protection Act 1987 will be limited to proceedings not consequent upon a deliberate act or omission

arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Section.

#### Excess

is the first amount paid in respect of each claim as stated in the Schedule under Section 2. The **Excess** is not payable in respect of **Defence costs**.

#### Injury

shall mean death, bodily injury, illness or disease of or to any person.

#### Offshore

shall mean from the time an **Employee** of the **Insured** embarks onto a conveyance at the point of final departure to an offshore rig or offshore platform until such time the **Employee** disembarks from the conveyance onto land upon return from an offshore rig or an offshore platform.



**Pollution**

shall mean pollution or contamination of the atmosphere or of any water, land or other tangible property.

**Product**

shall mean any property after it has left the custody or control of the **Insured** which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the **Insured**.

**Terrorism**

shall mean an activity that (1) 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 (2) 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 of 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.

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**INDEMNITY CLAUSES****1. SECTION 2A – EMPLOYERS’ LIABILITY**

The **Insurer** will indemnify the **Insured** against their liability to pay **Damages** (including claimant’s costs and expenses) and Defence costs according to the laws of Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and not to judgments obtained elsewhere nor to judgments or orders obtained in the said courts for the enforcement of foreign judgments whether by way of reciprocal agreements or otherwise.

**2. SECTION 2B, C and D – PUBLIC, PRODUCTS and POLLUTION LIABILITY**

The **Insurer** will indemnify the **Insured** against their liability to pay **Damages** (including claimant’s costs and expenses) and **Defence costs** in accordance with the law of any country but not in respect of any judgment, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgment, award, payment or settlement either in whole or in part) unless the **Insured** has requested that there shall be no such limitation and has accepted the terms offered by the **Insurer** in granting such cover which offer and acceptance must be signified by specific endorsement to this Policy.

The indemnity applies only to such liability as defined by each insured Section of Section 2 of this Policy arising out of the **Professional business** subject always to the terms, Conditions and Exclusions of such Section and of the Policy as a whole.

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**INDEMNITY LIMITS****IN RESPECT OF SECTION 2A**

The **Insurer’s** liability to pay **Damages** (including claimant’s costs and expenses) and **Defence costs** shall not exceed the sum stated in the Schedule against Section 2A in respect of any one occurrence or series of occurrences arising out of one originating cause.

**IN RESPECT OF SECTIONS 2B, C and D**

The **Insurer’s** liability to pay **Damages** (including claimant’s costs and expenses) shall not exceed the sum stated in the Schedule against each Section in respect of any one occurrence or series of occurrences arising out of one originating cause but under Section 2C and Section 2D the Indemnity Limits represent the **Insurer’s** total liability in respect of all occurrences.

**Defence costs** will be payable in addition to the Indemnity Limits unless this Policy is specifically endorsed to the contrary.

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In the event of any one originating cause giving rise to an occurrence or series of occurrences which form the subject of indemnity by more than one Section of Section 2, each Section shall apply separately and be subject to its own separate Indemnity Limit provided always that the total amount of the **Insurer's** liability shall be limited to the greatest Indemnity Limit available under one of the Sections affording indemnity for the occurrence or series of occurrences.

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## INSURING CLAUSES

### SECTION 2A – EMPLOYERS' LIABILITY

The **Insured** is indemnified by this Section in accordance with INDEMNITY CLAUSE 1 but only for **Injury** to any **Employee** arising out of and in the course of their employment with the **Insured** where such **Injury** is caused during the **Period of insurance**.

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in Great Britain, Northern Ireland, the Isle of Man, the Island of Jersey, the Island of Guernsey, the Island of Alderney and offshore installations in territorial waters around Great Britain and its Continental Shelf but the **Insured** shall repay to the **Insurer** all sums paid by the **Insurer** which the **Insurer** would not have been liable to pay but for the provisions of such law, ordinance or statute.

### SECTION 2B - PUBLIC LIABILITY

The **Insured** is indemnified by this Section in accordance with INDEMNITY CLAUSE 2 for **Injury** and/or **Damage** occurring during the **Period of insurance** but not against liability:

1. arising out of or in connection with any **Product**;
2. arising out of **Pollution**;
3. arising out of **Terrorism**.

### SECTION 2C - PRODUCTS LIABILITY

The **Insured** is indemnified by this Section in accordance with INDEMNITY CLAUSE 2 for **Injury** and/or **Damage** occurring during the **Period of insurance** but only against liability arising out of or in connection with any **Product** and not against liability arising out of **Pollution**.

### SECTION 2D - POLLUTION LIABILITY

The **Insured** is indemnified by this Section in accordance with INDEMNITY CLAUSE 2 for **Injury** and/or **Damage** occurring in its entirety during the **Period of insurance** and arising out of **Pollution** but only to the extent that the **Insured** can demonstrate that such **Pollution**:

1. was the direct result of a sudden, specific and identifiable event occurring during the **Period of insurance**; and
  2. was not the direct result of the **Insured** failing to take reasonable precautions to prevent such **Pollution**.
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## EXCLUSIONS

### EXCLUSIONS APPLICABLE TO SECTIONS 2A, B, C and D

These Sections do not provide indemnity in respect of liability:

1. arising in connection with:
    - a) any work of demolition except demolition solely undertaken with hand held tools and of structures not exceeding 5 metres in height by **Employees** in the direct service of the **Insured** when such work forms an ancillary part of a contract for construction, alteration or repair carried out by the **Insured**;
    - b) the construction, alteration or repair of bridges, towers, steeples, chimney shafts, blast furnaces, viaducts, mines, dams or transport tunnels;
    - c) pile driving, tunnelling or quarrying;
    - d) the use of explosives for any purpose;
    - e) excavations below 3 metres in depth;
    - f) any work carried out at a height in excess of 15 metre;
    - g) ship repair/ship breaking and/or work on vessels or aircraft;
  2. directly or indirectly arising from:
    - 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 properties of any explosive nuclear assembly or nuclear component thereof but as far as concerns Section 2A this Exclusion will only apply where such legal liability is:
      - i. that of any principal;
      - ii. accepted under agreement and would not have attached in the absence of such agreement;
  3. which forms the subject of insurance by any other Policy and this Policy shall not be drawn into contribution with such other insurance;
  4. arising directly or indirectly out of, happening through or in consequence of, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
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### EXCLUSIONS APPLICABLE TO SECTION 2A – EMPLOYERS' LIABILITY

1. This Section does not provide any indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other Compulsory Road Traffic Legislation.
  2. This Section does not provide indemnity in respect of:
    - a) medical costs and expenses incurred by the **Insured** and/or any employee of the **Insured**
    - b) repatriation costs and expenses incurred by the Assured and/or any employee of the **Insured** who is injured outside Great Britain Northern Ireland the Channel Islands or the Isle of Man.
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### EXCLUSIONS APPLICABLE TO SECTION 2B – PUBLIC LIABILITY

This Section does not provide indemnity in respect of liability:

1. arising out of ownership, possession or use of any mechanically propelled vehicle where a Certificate of Motor Insurance or surety is required under any Road Traffic Act or similar legislation other than:
    - a) vehicles designed primarily to operate as tools of trade (which term shall be deemed to include any plant primarily designed to operate on or about a contract site);
    - b) other vehicles brought on to site for use on site.
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This exclusion shall not apply in respect of the use of vehicles belonging to **Employees** or third parties in connection with the **Professional business** unless indemnity is provided:

- a) to any **Employee**;
  - b) to third parties;
  - c) to the **Insured** under any other insurance;
  - d) in respect of loss of or damage to any vehicle of any **Employee** or third party to whom the indemnity is provided or any property conveyed therein or thereon;
2. arising out of the ownership, possession or use by or on behalf of the **Insured** of any aircraft, watercraft or hovercraft (other than watercraft not exceeding 15 metres in length and then only whilst on inland waterways);
  3. for **Damage** to property owned, leased or hired by or under hire purchase or on loan to the **Insured** or otherwise in the **Insured's** care, custody or control other than:
    - a) premises (or the contents thereof) temporarily occupied by the **Insured** for work therein (but no indemnity is granted for **Damage** to that part of the property on which the **Insured** is working and which arises out of such work);
    - b) **Employees'** and visitors' clothing and personal effects including vehicles and their contents;
    - c) premises tenanted by the **Insured** to the extent that the **Insured** would be held liable in the absence of any specific agreement.
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#### EXCLUSIONS APPLICABLE TO SECTION 2C – PRODUCTS LIABILITY

This Section does not provide indemnity in respect of liability:

1. for **Damage** to any **Product** or part thereof;
  2. for costs incurred in the repair, reconditioning or replacement of any **Product** or part thereof and/or any financial loss consequent upon the necessity for such repair, reconditioning or replacement;
  3. arising out of the recall of any **Product** or part thereof;
  4. arising out of any **Product** which with the **Insured's** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft except where specifically stated to be included in the **Professional business**;
  5. arising out of **Terrorism**;
  6. arising out of any **Product** which is intended for incorporation into any marine equipment upon which the navigation or safety of a waterborne vessel depends except where specifically stated in the **Professional business**;
  7. arising out of any **Product** which is intended for use in a motor vehicle except where especially stated to be included in the **Professional business**;
  8. arising out of any **Product** which is intended for use in connection with railways or tramways except where especially stated to be included in the **Professional business**.
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#### EXCLUSIONS APPLICABLE TO SECTION 2D – POLLUTION LIABILITY

This Section is subject to the Exclusions to Sections 2B and 2C and also does not provide indemnity in respect of liability:

1. for **Damage** to premises presently or at any time previously owned or tenanted by the **Insured**;
  2. for **Damage** to land or water within or below the boundaries of any land or premises presently or at any time previously owned or leased by the **Insured** or otherwise in the **Insured's** care custody or control.
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## EXCLUSIONS APPLICABLE TO SECTIONS 2B, C and D – PUBLIC, PRODUCTS and POLLUTION LIABILITY

These Sections do not provide indemnity in respect of liability:

1. for **Injury** to any **Employee**;
2. arising out of the deliberate, conscious or intentional disregard by the **Insured's** technical or administrative management of the need to take all reasonable steps to prevent **Injury or Damage**;
3. arising out of liquidated damages clauses, penalty clauses or performance warranties until proven that liability would have attached in the absence of such clauses or warranties;
4. arising from exposure or alleged exposure to asbestos or materials or products containing asbestos;
5. for an amount less than the **Excess**. The **Excess** shall be deducted from each and every claim paid under the Policy;
6. arising out of or in connection with the design, sale or supply of computer software (which shall not include the media or its packaging on which such software is stored);
7. arising out of or in connection with advice, design, specification, formula or other breach of professional duty by the **Insured**;
8. for loss, damage, deterioration of or corruption (whether permanent or temporary) to computer programs or electronic data including consequential or pure financial loss;
9. arising out of work on any part of any aerodrome or airport provided for take-off or landing of aircraft or the movement of aircraft or parking of aircraft including associated surface roads and ground equipment parking areas.

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## EXTENSIONS TO SECTION 2

### 1. PRINCIPALS

Where the **Insured** so requests the **Insurer** agrees to indemnify any Principal of the **Insured** but only to the extent that such liability arises solely out of the work performed for the Principal by or on behalf of the **Insured** and such Principal shall be subject to and comply with the terms, Conditions and Exclusions herein and this clause shall in no way operate to increase the Indemnity Limits as stated in the Schedule.

### 2. INDEMNITY TO OTHERS

At the request of the **Insured** the indemnity granted extends to:

- a) any party who enters into an agreement with the **Insured** for any purposes of the **Professional business** but only to the extent required by such agreement to grant such indemnity and subject always to Exclusion 3.c) to Section 2B and Exclusion 3. to Sections 2B, C and D;
  - b) officials of the **Insured** in their business capacity arising out of the performance of the **Professional business** and/or in their private capacity arising out of their temporary engagement of the **Insured's Employees**;
  - c) any person or firm arising out of the performance of a contract with the **Insured** constituting the provision of labour only;
  - d) the officers, committee and members of the **Insured's** canteen, social, sports, medical, fire fighting and welfare organisations in their respective capacity as such;
  - e) the personal representatives of any person indemnified by reason of this Extension in respect of liability incurred by such person;
- provided always that all such persons or parties shall observe fulfil and be subject to the terms, Conditions and Exclusions of this Policy as though they were the **Insured**.

### 3. CROSS LIABILITIES

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

### 4. UNSATISFIED COURT JUDGMENTS (applicable only to Section 2A)

The **Insurer** at the request of the **Insured** will pay to the **Employee** or the personal representatives of the **Employee** the amount of any **Damages** and awarded costs to the extent that they remain unsatisfied in whole or in part six months after the date of a judgment being obtained within any court in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man:

- a. by any **Employee** or the personal representatives of any **Employee** in respect of **Injury** sustained by the **Employee** arising out of and in the course of their employment by the **Insured** in the **Professional business** and caused during the **Period of Insurance**; and
  - b. against any company or individual operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man,
- provided always that:
- there is no appeal outstanding against such judgment; and
  - if any payment is made under the terms of this Extension the **Employee** or the personal representatives of the **Employee** shall assign the benefits of such judgment to the **Insurer**.

The liability of the **Insurer** for all amounts payable under this Extension relating to any claimant or number of claimants in respect of an occurrence or series of occurrences arising out of one originating cause shall not exceed the Indemnity Limit stated in the Schedule against section 2A.

### 5. COMPENSATION FOR COURT ATTENDANCE

In the event of any of the persons stated below attending court as a witness at the request of the **Insurer** in connection with a claim in respect of which the **Insured** is entitled to indemnity under these sections the **Insurer** 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**: GBP 250;
- b. any **Employee** of the **Insured**: GBP100.

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## NOTIFICATION AND CLAIMS CONDITIONS APPLICABLE TO SECTION 2

Conditions 1,2, 3 and 4 below are conditions precedent to the **Insured's** right to be indemnified under Section 2 of this Policy.

1. The **Insured** shall give written notice to the **Insurer** as soon as reasonably practicable of any occurrence that may give rise to a claim under this Policy and shall give all such additional information as the **Insurer** may require. Every letter of claim, writ, summons or process and all documents relating thereto and any other written notification of claim shall be forwarded unanswered to the **Insurer** immediately they are received.

The **Insured** shall at all times, in addition to their obligations set out above, afford such information to and co-operate with the **Insurer** or their appointed agents to allow the **Insurer** to be able to comply with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Head of Civil Justice.

2. No admission, offer, promise or payment shall be made or given by or on behalf of the **Insured** without the written consent of the **Insurer** who shall be entitled to take over and conduct in the name of the **Insured** the defence or settlement of any claim or to prosecute in the name of the **Insured** for their own benefit any claim for indemnity or **Damages** or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the **Insured** shall give all such information and assistance as the **Insurer** may reasonably require.



3. The **Insured** shall give notice, as soon as reasonably practicable, of any fact or event which materially affects the risks insured by this Policy.
4. Where the premium is provisionally based on the **Insured's** estimates the **Insured** shall keep accurate records and after expiry of the **Period of insurance** declare as soon as possible such details as the **Insurer** requires. The premium shall then be adjusted and any difference paid by or allowed to the **Insured** as the case may be subject to any minimum premium that may apply. Where such estimates include remuneration to **Employees** the required declaration shall also include remuneration to persons engaged by the **Insured** to perform a contract constituting the provision of labour only.
5. The **Insurer** may at any time in connection with any claim made, pay to the **Insured** the Indemnity limit (after deduction of any sums already paid) or any lesser sum for which, in the sole opinion of the **Insurer**, the claim can be settled and upon such payment being made the **Insurer** shall relinquish the conduct and control of and have no further liability in connection with the claim. For the avoidance of doubt, the **Insurer** shall have no liability to pay **Defence costs** and expenses incurred after the date upon which any such payment is made.
6. Except where the Indemnity Limit is inclusive of **Defence costs** if a payment exceeding the Indemnity Limit has to be made to dispose of a claim the liability of the **Insurer** to pay all **Defence costs** in connection therewith shall be limited to such proportion of the said **Defence costs** as the Indemnity Limit bears to the amount paid to dispose of a claim.

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#### EMPLOYERS LIABILITY TRACING OFFICE (ELTO)

Certain information relating to your insurance policy including, without limitation, the policy number(s), employers' names and addresses (including subsidiaries and any relevant changes of name), coverage dates, employer's reference numbers provided by HMRC and Companies House Reference Numbers (if relevant), will be provided to the Employers' Liability Tracing Office, (the "ELTO") and added to an electronic database, (the "**Database**").

This information will be made available in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2010.

The Database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on, or who carried on, business in the UK and who are covered by the employers' liability insurance of their employers, (the "**Claimants**"):

- to identify which insurer (or insurers) was (or were) providing employers' liability cover during the relevant periods of employment; and
- to identify the relevant employers' liability insurance policies to identify the relevant employers' liability insurance policies.

The Database and the data stored on it may be accessed and used by the Claimants, their Appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.



## SECTION 3 - OFFICE PROTECT

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### DEFINITIONS APPLICABLE TO SECTION 3

For the purposes of this Section the words or terms that appear in **bold** will be interpreted as follows:

#### Building(s)

The Building or Buildings in which the **Premises** are situated including

- a) outbuildings attached to or detached from the main Building
  - b) walls gates and fences around the Buildings and belonging to them
  - c) landlord's fixtures and fittings
  - d) car parks yards paved areas roads pavements and footpaths
- and for which the **Insured** is legally responsible

#### Business

The Business specified in the Schedule conducted solely from within the **Territorial Limits** including the ownership repair and maintenance of the **Premises**

#### Business Hours

The period during which the **Premises** are actually occupied by the **Insured** and/or their **Employees** for **Business** purposes

#### Computer

All equipment including interconnected wiring fixed disks and telecommunications equipment used at the **Premises** for the storage and communication of electronically processed data but excluding

- a) mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages and
- b) any such equipment controlling any manufacturing process

belonging to the **Insured** or leased hired or rented to the **Insured** and for which the Insured is legally responsible

#### Computer Records

All current and backup Computer Records excluding fixed disks and paper records of any description incorporating stored programs and information stored on them belonging to the Insured or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

#### Consequential Loss

Loss resulting from interruption or interference with the **Business** carried on by the **Insured** at the **Premises** in consequence of **Damage**

#### Contents

The Contents of the **Premises** used in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally responsible including

- a) patterns models moulds plans and designs
  - b) paintings or other works of art subject to a maximum of £500 for any one loss
  - c) wines and spirits kept for entertainment purposes subject to a maximum of £500 for any one loss
  - d) directors' partners' or **Employees'** personal effects clothing pedal cycles and tools unless otherwise insured subject to a maximum of £500 per person for any one loss
  - e) visitors' personal belongings subject to a maximum of £500 for any one loss
- but excluding any other **Property** more specifically insured

#### Damage

Loss destruction of or damage to the **Property** insured

### Denial of Service Attack

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 not limited to 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

### Documents

Documents Deeds manuscripts and business books for their value as stationery and materials and the cost of labour expended in writing up and/or reinstatement thereof or restoration if more economical

### Employee (in respect of Section 3 only but not applicable to Sub-section 4 – Legal Expenses)

- a) any person under a contract of service or apprenticeship with the **Insured** or
- b) any of the following persons whilst working for the **Insured** in connection with the **Business**
  - i. any labour master or labour only subcontractor or person supplied by them
  - ii. any self-employed person providing labour only
  - iii. any trainee or person undergoing work experience
  - iv. any voluntary helper
  - v. any person who is hired to or borrowed by the **Insured**

### Excess

The amount for which the **Insured** is responsible for each and every claim or loss as specified in the Schedule or in Section 3

### Goods in Transit

**Stock** in connection with the **Business** belonging to or the responsibility of the **Insured** whilst being

- a) loaded on or in a **Vehicle**
- b) carried by a **Vehicle**
- c) temporarily contained on or in a **Vehicle** whilst parked or stationary or within a secure storage location for a continuous period of no more than 48 hours
- d) unloaded off or from a **Vehicle** but excluding positioning installation commissioning or erection once it has been unloaded

### Gross Revenue

The money paid or payable to the **Insured** for work carried out or services rendered in the course of the **Business** at the **Premises** less the cost of purchases

### Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data whether the property of the **Insured** or not

### Increased Cost of Working

The additional expenditure incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which but for that expenditure would have taken place during the **Indemnity Period**

### Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the **Maximum Indemnity Period** as stated in the Schedule afterwards during which the results of the **Business** shall be affected in consequence of the **Damage**

### Injury

Bodily injury death illness or disease

### Insured (in respect of Section 3 only)

The person persons or company named in the Schedule including subsidiary companies notified to and agreed as accepted by the **Insurer**

### Insured Perils

Those Insurable Perils which are operative as stated in the Schedule subject always to the terms conditions and exclusions applying to the Insurable Peril and of Section 3 and the Policy

### Insurer (in respect of Section 3 only)

Liverpool Victoria Insurance Company Limited

### Intruder Alarm System

All the component parts of the alarm and including devices used to transmit or receive signals

### Keyholder

The **Insured** or any person or company authorised by the **Insured** who has been fully trained in the operation of the **Intruder Alarm System** including but not limited to the setting and un-setting of the system and is available at all times to accept notification of faults or alarm signals relating to the **Intruder Alarm System** and to attend and allow access to the **Premises**

### Loss of Limbs or Eyes

**Physical Injury** which solely and directly results in

- a) total loss or permanent and total loss of use of one or more limbs or
- b) total and irrecoverable loss of all sight in one or both eyes

### Maximum Indemnity Period

The number of Months stated in the Schedule as applying to the **Indemnity Period**

### Money

Cash bank currency notes uncrossed cheques uncrossed postal orders and money orders unused postage stamps National Insurance stamps trading stamps luncheon vouchers lottery and other prize scratch cards utility vouchers top up cards, mobile phone vouchers and International Phone Cards held in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally liable

### Non-Negotiable Money

Crossed cheques crossed giro cheques crossed bankers drafts crossed giro drafts crossed postal and crossed money orders national savings certificates premium bonds unexpired units in franking machines stamped national insurance cards credit card sales vouchers debit card sales vouchers VAT purchase invoices held in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally liable

### Notifiable Human Disease

An illness sustained by any person caused by

- a) food or drink poisoning
- b) any human infectious or contagious disease

an outbreak of which the competent local authority has stipulated shall be notified to them

### Office Front

The windows doors frames signs external blinds and walling including **Intruder Alarm Systems** security fittings fixed associated and electrical equipment all forming part of the front of the **Premises**

### Outstanding Debit Balances

The total amount of the Outstanding Debit Balances in customers' credit accounts including hire purchase and credit sales accounts at the date of the **Damage** adjusted for bad debts

### Period of Insurance

Is that as stated in the Schedule.

### Permanent Total Disablement

**Physical Injury** not resulting in death or **Loss of Limbs or Eyes** which results in the permanent inability of the **Insured** or **Employee** to engage in any gainful employment

### Physical Injury

Bodily injury by external violent and visible means sustained by the **Insured** or **Employee** in the course of the **Business** where such injury arises directly from assault

### Pollution or Contamination

- a) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
  - b) all **Injury** loss or damage directly or indirectly caused by such Pollution or Contamination
- All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

### Premises

The office space occupied by the **Insured** at the risk address stated in the Schedule for which the Insured is legally responsible

### Property

- a) **Tenants' Improvements Office Front Contents Computers Computer Records Documents Stock** and in respect of Sub-section 1 of this Section such other items to which cover is expressly extended in Sub-section 1 of this Section or Schedule or
- b) in respect of Sub-section 3 of this Section **Computer Equipment Covered Equipment** and such other items to which cover is expressly extended in Sub-section 3 of this Section
- c) in respect of Sub-section 4 of this Section land and/or **Buildings** owned or occupied by the **Insured** or otherwise for which the **Insured** is legally responsible

The **Insurer** agrees to accept the classification under which any **Property** has been entered in the books of the **Insured**

### Rent

The money paid or payable by the **Insured** for accommodation and services provided (including service charges unless excluded by Endorsement) at the **Premises**

### Safe/Strongroom

An item being of substantial construction with key and /or combination locks and manufactured for the secure storage of **Money** or **Non-Negotiable Money**

This does not include cash boxes tills filing cabinets or any item constructed of sheet metal whether lockable or not

### Standard Gross Revenue

*For the purpose of a new business that has not yet been trading 12 months*

The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Revenue** realised during the period between the commencement of the **Business** and the date of the **Damage**

*For all other businesses*

The **Gross Revenue** during the period immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

### Stock

Stock and materials in trade and trade samples including raw materials work in progress finished goods the property of the Insured and goods in trust for which the **Insured** is responsible at the **Premises**

### Temporary Total Disablement

**Physical Injury** which results in the temporary inability of the **Insured** or **Employee** to engage in any gainful employment

### Tenants' Improvements

All improvements alterations and decorations effected by or on behalf of the **Insured** as occupier of the **Premises**

### Territorial Limits

Great Britain Northern Ireland the Isle of Man or the Channel Islands

### Terrorism

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

### Unoccupied

The **Premises** or part of any **Building** which is empty or not in use by the **Insured** or any tenant of the **Insured** for more than 30 consecutive days

### Vehicle

A mechanically driven conveyance with or without attached trailers for conveying the **Goods in Transit**

### Virus or Similar Mechanism

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 not limited to trojan horses worms and logic bombs

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## CONDITIONS APPLICABLE TO SECTION 3

### 1. Misrepresentation

The Policy shall be voidable by the **Insurer** in the event of material misrepresentation material misdescription or material non-disclosure

In the event that the **Insured** fails to disclose or misrepresents a material fact prior to inception of this insurance and the **Insurer** would be entitled to avoid this insurance the following clause shall apply except where any non-disclosure or misrepresentation by the **Insured** is proven by the **Insurer** to be

- a) fraudulent or
- b) of such other nature that if the material fact had been disclosed or had not been misrepresented the **Insurer** would not have underwritten this insurance

The burden shall be on the **Insurer** to prove all matters set out in this clause

For the purposes of this clause the acts omissions or knowledge of one Insured shall not be imputed to any other **Insured**

If the **Insurer** would have underwritten this insurance on different terms (as to premium and/or otherwise) had the material fact been disclosed or not misrepresented the **Insurer** shall not be entitled to avoid this insurance but

- i. in the event the **Insurer** would have underwritten this insurance on different terms only as to the premium the **Insured** shall be liable for such additional premium as would have been charged had the material fact been disclosed or not been misrepresented
- ii. in the event that the **Insurer** would have underwritten this insurance on different terms in any respect other than in relation to the premium the **Insurer** in addition to any premium adjustment as per i. above shall be entitled to impose such terms on this insurance as would have been imposed at inception of this insurance if the material fact had been disclosed or had not been misrepresented by giving written notice of the term to the **Insured**

Subject to iii. and iv. any additional term(s) so notified shall take effect as if imposed from inception of this insurance

- iii. any additional term imposed under ii. above shall not apply to any claim which has been finally agreed by the **Insurer** (whether paid or not) prior to the date of the **Insurer's** written notification to the **Insured** of the additional term(s)
- iv. for any additional term imposed under ii. above which would have the effect if breached of cover under this insurance never attaching being suspended or being discharged (whether at the election of the **Insurer** or otherwise) the **Insurer** agrees in each such case to vary the remedy for breach of the term so that the **Insurer** shall be entitled only to decline any claim that does not fall within iii. above

In the event that the **Insured** does not comply with any additional term(s) imposed as above within 30 days of receipt of the **Insurer's** written notification imposing the additional term(s) the **Insurer** shall be entitled after the expiry of the specified time period to impose with prospective effect only the remedy to which it would have been entitled but for this clause

The **Insurer** agrees that no representation by the **Insured** shall be a term of any sort of this contract of insurance and that any provision in any other document to the effect that a statement or statements made by or on behalf of the **Insured** in such document form part of or are the basis of the contract of insurance shall be of no effect

## 2. Alteration

This Section shall cease to be in force from the date of the alteration

- a) if any alteration is made either in the **Business** or at the **Premises** or to any **Property** insured after the commencement of the insurance that increases the risk of loss destruction damage or injury or
- b) the **Insured's** interest ceases except by will or operation of law or
- c) the **Business** is wound up or carried on by a liquidator or receiver or permanently discounted

unless the **Insurer** has agreed in writing to accept such an alteration

## 3. Observance of Terms

It is a condition precedent to the **Insurer's** liability that the **Insured** shall observe the terms of the Policy so far as they relate to anything to be done or complied with

## 4. Legal Representatives

In the event of the death of the **Insured** the **Insurer** will indemnify the **Insured's** legal personal representatives in respect of liability at law previously incurred by the **Insured** provided they observe fulfil and be subject to the terms conditions and limitations of the Policy to the extent that they can apply

## 5. Subject to Survey

If any insurance by this Section either at

- a) inception of this policy or
- b) subsequent renewal of this policy has been granted subject to the completion of a survey or
- c) following notification of a claim under this policy if the **Insurer** requires a survey of the **Premises**

the following conditions will apply

- i. pending completion of such survey the terms conditions exclusions and limits as specified in the Policy and Schedule shall apply
- ii. following the completion of the survey if in the opinion of the **Insurer** the survey has identified additional risks which were not evident to the **Insurer** prior to the survey then the **Insurer** reserves the right to alter or amend the terms and conditions of the Policy or to suspend or withdraw cover immediately
- iii. continuance of cover after the survey by the **Insurer** shall be subject to the **Insured** complying with the **Insurer's** acceptance criteria and the completion of any risk improvements required within the time frame agreed with the **Insurer** otherwise the **Insurer** may at its option invoke the Cancellation Condition

## 6. Limit of Indemnity

All the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability stated in the Section shall apply as maximum limits to the **Insurer's** liability irrespective of the number of persons entitled to indemnity under the Policy

For the purposes of the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability the **Insured** and all other persons entitled to be indemnified under the Section shall be treated as one party or legal entity so that there shall be only a single contract of insurance between the **Insurer** as one party and the **Insured** and all other persons entitled to be indemnified as the other party

## 7. Insured's Contributions

Where stated in the Schedule, the **Insured** shall be responsible for paying an **Excess** in relation to each claim made by the **Insured** under Section 3 of this Policy

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## EXCLUSIONS APPLICABLE TO SECTION 3

This Section does not cover

### 1. War Government Action Radioactive Contamination and Sonic Bangs

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- b) nationalisation confiscation requisition seizure or destruction by the government or any public authority
- c) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- e) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

### 2. Terrorism and Civil Commotion

**Damage** to any **Property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** directly or indirectly caused by or contributed to by or arising from

- a) **Terrorism**
- b) civil commotion in Northern Ireland

In any action suit or other proceedings where the **Insurer** alleges that by reason of this Exclusion as far as it relates to **Terrorism** any **Damage** or resulting loss or expense or **Consequential Loss** is not covered by this Section the burden of proving that such **Damage** loss expense or **Consequential Loss** is covered shall be upon the **Insured**

### 3. Date Recognition

Damage or **Consequential Loss** of whatsoever nature or liability for damages attaching to the Insured or any associated costs relating thereto arising directly or indirectly from or consisting of the failure or inability of any

- a) computer data processing equipment microchip integrated circuit or any similar device or any computer software or computer firmware
- b) media or systems used in connection with any of the above whether the property of the **Insured** or not
  - i. to recognise correctly any date as its true calendar date
  - ii. to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date



but in respect of Sub-Section 1 and Sub-Section 2 of this Section this shall not exclude subsequent Damage not otherwise excluded which itself results from the Insured Perils

**4. Marine Policies**

**Damage to Property** which at the time of the happening of the **Damage** is insured by or would but for the existence of this Section be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Section not been effected

**5. Computer Virus**

Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not where such damage is caused by **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack** or **Consequential Loss** directly or indirectly caused by or arising from **Virus** or **Similar Mechanism** or **Hacking** or **Denial of Service Attack**

**6. Illegal Deliberate and Criminal Activities**

- a) **Damage** caused as a result of the **Premises** being used for illegal activities by the **Insured**
  - b) deliberate or criminal acts by the **Insured**
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## Sub-section 1 - MATERIAL DAMAGE

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### INSURING CLAUSES

In the event of **Damage** to **Property** insured at the **Premises** from an **Insured Peril** during the **Period of Insurance** the **Insurer** will indemnify the **Insured** for the loss or amount of **Damage** or at its option replace or reinstate such **Property** in accordance with the provisions of this Sub-Section and provided that during the **Period of Insurance** the liability of the Insurer under this Sub-Section shall not exceed the lesser of

- a) in respect of any item its Sum Insured or Limit stated in this Sub-Section or the Schedule at the time of the **Damage**
- b) the Sum Insured or Limit remaining after deduction for any other **Damage** in the same **Period of Insurance** unless the Insurer has agreed to reinstate any such Sum Insured or Limit

In addition the **Insurer** will indemnify the **Insured** in respect of loss of **Rent** as a result of **Damage** to the **Premises** from an **Insured Peril** during the **Period of Insurance** rendering the **Premises** uninhabitable provided that the liability of the **Insurer** shall not exceed the lesser of

- a) the **Rent** Sum Insured stated in the Schedule at the time of **Damage**
  - b) the **Rent** payable for the period the **Premises** are uninhabitable
- 

### INSURABLE PERILS

The following are the Insurable Perils operative as **Insured Perils** if stated in the Schedule

1. Fire  
Excluding **Damage** caused by
    - a) its own spontaneous fermentation or heating or its undergoing any heating process or any process involving the application of heat
    - b) explosion resulting from fire
  2. Lightning
  3. Explosion  
Excluding **Damage** caused by the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only belonging to or under the control of the **Insured**  
However this exclusion does not apply to **Damage** caused by the explosion of any boiler or gas used only for domestic purposes
  4. Aircraft or other aerial devices or articles dropped from them
  5. Earthquake and subterranean fire
  6. Riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons  
Excluding **Damage**
    - a) arising from cessation of work or due to confiscation nationalisation seizure requisition or destruction by order of the government or any public authority
    - b) by theft or attempted theft
    - c) whilst the **Premises** are **Unoccupied**
  7. Theft or attempted theft involving entry to or exit from the **Premises** by forcible and violent means or actual or threatened hold up assault or violence  
Excluding
    - a) loss from any structure which is incapable of being locked
    - b) **Damage**
      - i. in respect of **Property** in the open
      - ii. whilst the **Premises** are **Unoccupied**
-

- iii. in respect of **Stock** at exhibitions that is not contained in an indoor exhibition hall which is locked and/or guarded outside business hours
- c) theft or attempted theft by **Employees**

**8. Storm**

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

**9. Flood**

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

**10. Impact by**

- a) any road vehicles or animals
  - b) falling trees or boughs
  - c) breakage or collapse of aerials or satellite dishes
- Excluding **Damage** by lopping pruning or felling of trees

**11. Escape of water from any tank apparatus or pipe or escape of oil from any fixed oil-fired heating installation or leakage of beverages from storage containers or connected apparatus**

Excluding **Damage**

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst the **Premises** are **Unoccupied**
- c) the cost of replacing the beverages
- d) caused by subsidence ground heave or landslip

**12. Accidental escape of water from any automatic sprinkler installation**

Excluding **Damage** occasioned by or attributable to

- a) heat caused by fire
- b) freezing whilst the **Premises** are **Unoccupied**
- c) repairs alterations or extensions to the Buildings and/or sprinkler installations

**13. Accidental damage**

Excluding **Damage**

- a) caused by any other Insurable Peril
- b) to a **Building** or structure caused by its own collapse or cracking
- c) to **Property** insured caused by **Pollution or Contamination** other than **Damage** caused by
  - i. **Pollution or Contamination** which itself results from an **Insured Peril**
  - ii. an **Insured Peril** which itself results from **Pollution or Contamination**
- d) to **Property** resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair
- e) to **Property** insured caused by or consisting of
  - i. inherent vice latent defect gradual deterioration wear and tear frost or change in water table level
  - ii. its own faulty or defective design or material
  - iii. faulty or defective workmanship operational error or omission on the part of the **Insured** or any of their **Employees**

but this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded
- f) caused by
  - i. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching
  - ii. scratching tearing or fouling by pets or domesticated animals
  - iii. vermin or insects
  - iv. change in temperature colour flavour texture or finish

- v. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connected to them
  - vi. mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which the breakdown or derangement originates overrunning or electrical surges or spikes in electricity
- but this shall not exclude such **Damage** not otherwise excluded which itself results from any other accidental damage or subsequent **Damage** which itself results from a cause not otherwise excluded
- g) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
  - h) caused by acts of fraud or dishonesty
  - i) occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
  - j) caused by electrical or magnetic disturbance or erasure of electronic records

### Additional Covers to Sub-section 1

**All terms exclusions and conditions of Section 3 and Sub-section 1 apply to Additional Covers A. B. C. D. E. and F. in addition to those shown below as applying to each Additional Cover**

#### A. Glass and Office Front Blinds and Signs

The **Insurer** will indemnify the **Insured** in respect of **Damage** to fixed glass and **Office Front** for which the **Insured** is responsible at the **Premises** occurring during the **Period of Insurance**

Following **Damage** to fixed glass and **Office Front** at the **Premises** the **Insurer** will also indemnify the **Insured** in respect of

- a) the cost of reinstating **Intruder Alarm Systems** damaged as a result of glass breakage
- b) any boarding up costs incurred
- c) **Damage** to goods on display in windows caused by the impact of falling glass

The **Insurer** will also indemnify the **Insured** for **Damage** at the **Premises** to

- d) neon and illuminated signs and electric light fittings
- e) external blinds
- f) sanitary ware (fixed baths wash basins pedestals bidets shower trays sinks lavatory pans and cisterns) where such **Damage** renders such article completely unserviceable
- g) lettering or other ornamental work and alarm foil on fixed glass

The liability of the **Insurer** under c) d) e) f) and g) shall be restricted to £2,500 for any one loss

#### Exclusions

The **Insurer** shall not be liable for **Damage**

- a) to glass and **Office Front**
  - i. caused by repairs or alterations to the **Premises**
  - ii. caused by alteration installation or removal
  - iii. in any **Premises** which is **Unoccupied**
- b) to neon and illuminated signs and electric light fittings
  - i. caused by or traceable to wear and tear or gradual deterioration mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft
  - ii. of bulbs or tubes unless consequent upon **Damage** to signs or fittings
- c) caused by or arising from
  - i. superficial **Damage** or scratching or cracking which does not result in the complete breakage of the glass or **Office Front**
  - ii. inherent or latent defect its own faulty or defective design or materials
  - iii. gradual deterioration or gradually operating cause wear and tear change in colour or finish
  - iv. changes in temperature or atmospheric or climatic conditions
  - v. defects in frames framework or any fitting

## B. Money

The **Insurer** will indemnify the Insured in respect of loss of or damage to **Money** and **Non-Negotiable Money** held in connection with the **Business** as detailed below occurring during the Period of Insurance

- a) in the **Premises** during **Business Hours** or whilst in a bank night safe
- b) in transit to and from the **Premises** whilst in the custody of the Insured or an authorised person acting on behalf of the **Insured**
- c) in the **Insured's** or any authorised person's private dwelling house
- d) in the **Premises** whilst left unattended or outside **Business Hours** and not secured in a locked **Safe**
- e) in the **Premises** whilst left unattended or outside **Business Hours** and secured in a locked unspecified **Safe**

The liability of the **Insurer** under this Additional Cover shall be restricted to the Limits stated in the Schedule for any one loss

The **Insurer** will also indemnify the **Insured** in respect of **Damage** to

- a) any **Strongroom Safe** till or postal franking machine belonging to the **Insured** or for which the **Insured** is legally responsible up to an amount not exceeding the cost of repair or replacement
- b) clothing and personal effects belonging to the **Insured** or any partner director or **Employee** of the **Insured** resulting from theft or attempted theft of **Money** or **Non-Negotiable Money** subject to a maximum of £500 for any one loss

## Exclusions

The **Insurer** shall not be liable for loss from

- a) shortage due to error or omission
- b) forgery deception or the use of counterfeit **Money** or **Non-Negotiable Money**
- c) the use of any form of payment which proves to be counterfeit false fraudulent invalid uncollectible or irrecoverable for any reason
- d) theft or attempted theft not involving entry to or exit from the **Premises** or any authorised person's private dwelling house by forcible and violent means or actual or threatened hold up assault or violence
- e) theft or attempted theft by any **Employee**
- f) an unattended vehicle and any coin operated gaming devices or machines
- g) **Damage** not within the **Territorial Limits**
- h) any business or other activity not connected with the **Business** conducted from the **Premises** as stated in the Schedule

## Conditions

1. It is a condition precedent to the **Insurer's** liability under this Additional Cover that the **Insured** shall maintain the following minimum standards of precaution for the safety of **Money** in transit (other than by specialist security carrier) at all times
  - a) the times of transits routes and conveyances used shall be varied as far as is possible
  - b) all persons engaged in the transit of **Money** shall be at least 18 years of age
  - c) transits of amounts of
    - i. up to £3,000 shall be accompanied by at least one person
    - ii. £3,001 to £6,000 shall be accompanied by at least two people
    - iii. £6,001 to £10,000 shall be accompanied by at least three people or two people travelling by motor car or using an approved security case
    - iv. amounts exceeding £10,000 shall be transported by specialist security carrier
2. It is a condition precedent to the **Insurer's** liability that when the **Premises** or any authorised person's private dwelling house in which **Money** is kept is left unattended
  - a) all locks bolts and other protective devices are in full operation
  - b) all keys must be held in the personal custody of an authorised person and removed from
    - i. the unattended **Premises** as stated in the Schedule or
    - ii. from the final exit door of any authorised person's unattended private dwelling house

### C. Theft by Employees

This Additional Cover is only operative if shown in the Schedule

For the purposes of this Additional Cover employee shall mean permanent employees under a contract of service or apprenticeship with the **Insured** and the Definition of **Employee** shall not apply

The **Insurer** will indemnify the **Insured** for direct loss of **Money** or **Non-Negotiable Money** or **Property** belonging to the **Insured** or for which they are legally responsible

- a) caused by any act of fraud or dishonesty committed during the **Period of Insurance** by any employee with the clear intention of making or which results in improper financial gain for themselves or for any other person or organisation and
- b) which is discovered by the **Insured** and notified to the **Insurer** within 30 days of the loss

Provided that

- a) all losses insured by this Additional Cover and committed by any one employee or series of employees working in collusion with each other shall be regarded as one specific event
- b) the liability of the **Insurer** shall be restricted to £5,000 in respect of any one specific event

Exclusions

The **Insurer** shall not be liable under this Additional Cover for

- a) loss attributable solely to any unexplained shortages
- b) loss caused by an employee before this Additional Cover inception
- c) loss where the **Insured** continues to entrust the defaulting employee with access to **Money** or **Non-Negotiable Money** or **Property** after becoming aware of any material fact that questions the honesty of the employee
- d) any indirect loss arising as an indirect consequence of the specific event in respect of which indemnity is provided by this Additional Cover

Basis of Settlement

The **Insurer** will pay the value of the **Money** or **Non-Negotiable Money** or **Property** at the time of the loss or at its option replace or reinstate the **Property**

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### D. Personal Accident (Assault)

The **Insurer** will indemnify the **Insured** and any **Employee** for compensation in accordance with the Schedule of Benefits in respect of **Physical Injury**

#### Schedule of Benefits

1. Death occurring within 2 years of sustaining the **Physical Injury**
2. **Loss of Limbs** or **Eyes** occurring within 2 years of sustaining the **Physical Injury**
3. **Permanent Total Disablement**
4. **Temporary Total Disablement**

The liability of the Insurer under this Additional Cover shall be restricted to the Limits stated in the Schedule for any one loss

#### Exclusions

The **Insurer** shall not be liable for

- a) more than one of the Benefits 1 to 3 inclusive in respect of any one person arising out of the same **Physical Injury**
- b) Benefits 1 to 4 inclusive in respect of any person under 16 at the time of sustaining the **Physical Injury**
- c) Benefits 1 to 4 inclusive consequent upon any pre-existing physical or mental defect or infirmity

#### Conditions

- a) All sums paid under Benefit 4 shall be deducted from any sum which may subsequently be paid under any of Benefits 1 to 3 inclusive in respect of the same **Physical Injury**
- b) Payment under Benefit 3 is not payable before 104 weeks from the date of the **Physical Injury**
- c) Benefit 4 is payable for a maximum of 104 weeks from the date of the **Physical Injury**

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#### E. All Risks on Portable Property

The **Insurer** will indemnify the **Insured** against **Damage** from the **Insured Perils** to portable computers and mobile telephones specified in the Schedule used in connection with the **Business** within the Geographical Areas specified in the Schedule

The item for mobile telephones in the Schedule shall mean mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages

The liability of the **Insurer** under this Additional Cover shall be restricted to the Sums Insured stated in the Schedule for any one loss

#### Exclusions

The **Insurer** shall not be liable for

- a) **Damage** to portable computers and mobile telephones left unattended unless contained in
  - i. a securely locked building or
  - ii. a vehicle which has been securely locked at all points of access and any security alarms and immobilisers fitted to the vehicle are in full operation and the portable property is concealed from view
- b) depreciation or electrical or mechanical breakdown
- c) **Damage** arising from wear and tear or from any process of cleaning restoring adjusting or repairing
- d) **Damage** by official confiscation or detention

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#### F. Goods in Transit

The **Insurer** will indemnify the **Insured** for **Damage to Goods** in **Transit** within the **Territorial Limits** during the **Period of Insurance**

- a) whilst being carried on any **Vehicle** owned or operated by the **Insured**
- b) as Sendings by a carrier other than the **Insured** by means of road rail or inland air freight

The liability of the **Insurer** under this Additional Cover shall be restricted to the Limits stated in the Schedule for any one loss

Whilst **Goods in Transit** are being carried on any **Vehicle** owned or operated by the **Insured** the **Insurer** will also indemnify the **Insured** for

- a) **Damage** to packing materials protective sheeting ropes chains and toggles belonging to the Insured while being carried on the **Vehicle** subject to a maximum of £2,500 for any one loss
- b) **Damage** to personal effects belonging to the driver or attendant while carried by any **Vehicle** in the course of the employment of the driver or attendant with the **Insured** subject to a maximum of £500 for any one loss
- c) the removal of debris and site clearance of **Goods in Transit** damaged from the immediate area of the site where the **Damage** occurred subject to a maximum of £2,500 for any one loss
- d) the additional costs incurred in transferring **Goods in Transit** to any other vehicle following fire collision overturning or impact of the **Vehicle** including carrying the **Goods in Transit** to the original destination or place of collection subject to a maximum of £2,500 for any one loss



- e) reloading onto the **Vehicle** any **Goods in Transit** which have fallen from the **Vehicle** subject to a maximum of £2,500 for any one loss
- f) re-securing the **Goods in Transit** where there is dangerous movement of the load in transit subject to a maximum of £2,500 for any one loss

### Exclusions

The **Insurer** shall not be liable under this Additional Cover for **Damage** to any **Goods in Transit** arising out of or attributable to

- a) theft or attempted theft from open-backed curtain sided soft sided or soft-topped **Vehicle(s)**
- b) defective or inadequate packing or insufficient addressing
- c) breakdown of refrigeration or insufficient insulation
- d) spillage leakage evaporation loss of weight or shrinkage
- e) depreciation loss of market delay or inadequate documentation
- f) any erection dismantling or installation
- g) loss of sheets ropes chains toggles or packing materials as a result of disappearance or shortage unless such loss is the result of an incident recorded by the **Insured**

### Conditions

1. It is a condition precedent to the **Insurer's** liability for theft or attempted theft from any unattended **Vehicle** that whenever a **Vehicle** operated by the **Insured** and carrying **Goods in Transit** is unattended it shall be protected
  - a) between the hours of 9.00 am and 6.00 pm by all doors and windows and other means of access being securely fastened and locked
  - b) between the hours of 6.00 pm and 9.00 am by all doors and windows and other means of access being securely fastened and locked and the alarm and/or immobiliser approved by the **Insurer** being switched on and made fully operational and either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park
2. The valuation of **Stock** shall be at invoice cost. If an invoice has not been raised the basis of valuation shall be the value of the **Stock** at the time of the commencement of the transit

### Extensions to Sub-section 1

**All terms exclusions and conditions of Section 3 and Sub-section 1 apply to Extensions 1 to 8 inclusive in addition to those shown below as applying to each Extension**

#### 1. Theft of Keys and Lock Replacement

The **Insurer** will indemnify the **Insured** for the cost of replacing locks and keys to the **Premises** stated in the Schedule and keys to **Safes Strongrooms** or tills subject to an aggregate maximum of £1,500 in any one **Period of Insurance** provided that

- a) the original keys were stolen from the **Premises** or the private residence of the **Insured** or any authorised **Employee**
- b) **Damage** by theft is not excluded in its entirety

#### 2. Theft Damage to Premises

The **Insurer** will indemnify the **Insured** against the cost of repairing **Damage** to the **Premises** for which the **Insured** is legally responsible and is not otherwise insured which directly results from **Insured Peril 7** provided that the liability of the **Insurer** under this Extension shall not exceed an aggregate maximum of £25,000 in any one **Period of Insurance**

#### 3. Temporary Removal

The **Insurer** will indemnify the **Insured** for **Damage** to **Contents** whilst temporarily removed for cleaning renovation repair or similar purposes and to documents whilst temporarily removed elsewhere and in transit within the **Territorial Limits** from the **Insured Perils** subject to a maximum for any one loss of 10% of the Sum Insured shown for **Contents** in the Schedule or £100,000 whichever is the lesser amount

This Extension shall not apply to

- a) motor vehicles and motor chassis licensed for normal road use
- b) **Property** more specifically insured

#### 4. Exhibitions

The **Insurer** will indemnify the **Insured** for **Damage** to **Contents** and **Stock** from the **Insured Perils** whilst in any building (not being of a temporary nature) and being used for an exhibition anywhere within the **Territorial Limits** and whilst in transit to and from the exhibition premises subject to a maximum of £5,000 for any one loss

#### 5. Other Locations

The **Insurer** will indemnify the **Insured** for **Damage** to **Contents** and **Stock** from the **Insured Perils**

- a) whilst within the main building of the private residential home of a director or **Employee** anywhere within the **Territorial Limits** and
- b) whilst in transit to and from the main building of such private residential home and the **Premises**

subject to a maximum of £2,500 for any one loss and an aggregate maximum of £10,000 in any one Period of Insurance

#### 6. Third Party Storage Locations

The **Insurer** will indemnify the **Insured** for **Damage** to **Contents** or **Stock** from the **Insured Perils** whilst at third party storage locations within the **Territorial Limits** subject to aggregate maximums of £5,000 at any one location and £20,000 in any one **Period of Insurance**

#### 7. Fire Extinguishment Expenses

The **Insurer** will indemnify the **Insured** for costs incurred with the consent of the **Insurer** in refilling fire extinguishment appliances replacing used sprinkler heads and refilling sprinkler tanks in the event of **Damage** at the **Premises** to insured **Property** caused by fire subject to a maximum of £10,000 for any one loss

#### 8. Computer Records

The **Insurer** will indemnify the **Insured** for the cost of the materials together with the cost of clerical labour and computer time expended in reproducing **Computer Records** and not for the value to the **Insured** for the information contained therein but excluding any expenses in connection with the production of information to be recorded in such **Computer Records** for a maximum of £10,000 for any one loss and in the aggregate in any one **Period of Insurance**

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### Clauses applying to Sub-section 1

#### 1. Non-invalidity

The insurance by this Sub-section shall not be invalidated by any act or omission or alteration unknown to or beyond the control of the **Insured** whereby the risk of **Damage** is increased as long as immediately the **Insured** becomes aware of the increase in risk they inform the **Insurer** in writing and pay an appropriate additional premium if required by the **Insurer**

#### 2. Reinstatement of Losses

Unless written notice to the contrary be given by either the **Insurer** or the **Insured** the insurance by this Sub-section shall not be reduced by the amount of any loss and the **Insured** shall pay the appropriate additional premium from the date of the **Damage** to the date of expiry of the **Period of Insurance**

#### 3. Property more specifically insured

The **Insurer** shall not be liable for **Damage** to any **Property** insured more specifically by or on behalf of the **Insured**

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## Basis of Settlement Clauses applying to Sub-section 1

### 1. Average

If the **Property** covered by Sub-section 1 shall at the time of the **Damage** be collectively of greater value than the sums insured then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of their **Damage** accordingly

### 2. Property insured other than Stock

In the event of **Damage** to **Property** insured other than **Stock** and **Computers** the basis of settlement shall be the cost of reinstatement meaning the rebuilding replacement repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than its condition when new

In the event of **Damage** to **Computers** the basis of settlement shall be the cost of reinstatement meaning

- a) where any item suffers **Damage** beyond economic repair replacement by a new item of equal performance and/or capacity or if such be impossible replacement by an item having the nearest higher performance and/or capacity to the item damaged
- b) where the item suffers **Damage** the repair of the **Damage** and the restoration of the damaged portions to a working condition substantially the same as but not better or more extensive than its condition when new

#### Special provisions

- i. The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- ii. Where **Damage** occurs to only part of the property insured the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- iii. If at the time of reinstatement of any item the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by such item exceeds its Sum Insured at the time of the **Damage** the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

### 3. Stock

In respect of **Stock** the **Insurer** will pay the **Insured** the value of the **Stock** at the time of its **Damage** with adjustment for wear and tear

If at the time of any **Damage** the value of the **Stock** insured under any item is greater than its Sum Insured the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly

### 4. Removal of Debris

This insurance includes the costs incurred in respect of removal of debris of **Property** insured resulting from **Damage** from an **Insured Peril** excluding

- a) costs incurred in removing debris except from the site of such **Damage** and the area immediately adjacent to such site
- b) costs arising from **Pollution or Contamination** of property not insured by this Sub-section

The liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sums Insured stated in the Schedule

### 5. Capital Additions

To the extent that they are not otherwise insured the insurance of **Tenants' Improvements** and **Contents** shall extend to cover

- a) alterations additions and improvements to **Tenants' Improvements** and **Contents** at the **Premises** but not appreciation of the value of such property

- b) any newly acquired office space occupied by the **Insured** containing **Tenants' Improvements** and **Contents** within the **Territorial Limits** from the commencement date of the responsibility of the **Insured** subject to
  - i. the **Insured** advising the **Insurer** of the amendments as soon as practicable on becoming aware of the increase in the extent of cover required and paying the appropriate additional premium
  - ii. the Sums Insured for **Tenants' Improvements** and **Contents** at each office location only being increased by the value of the additional property up to no more than 10% of the existing Sums Insured or £250,000 whichever is the lesser at any one location

#### 6. Professional Fees

The insurance by each item on **Tenants' Improvements** and **Contents** includes an amount for architects' surveyors' consulting engineers' and legal fees incurred in the reinstatement or repair of such property consequent upon its **Damage** but not for preparing any claim.

The total liability of the **Insurer** for **Damage** to such property including such fees shall not exceed the Sums Insured stated in the Schedule

#### 7. Subrogation Waiver

In the event of a claim arising under this Sub-section the **Insurer** agrees to waive any rights remedies or relief to which it might become entitled by subrogation against any company standing in the relation of parent or subsidiary to the **Insured** or any company which is a subsidiary of or a parent company of which the **Insured** themselves are subsidiary in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**

#### 8. Other Interests

Interests of third parties which the **Insured** is required to include herein under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically deemed to be held covered subject to notification by the **Insured** to the **Insurer** at the time of the **Damage**

#### 9. Business Books

The basis of settlement of any claim for business books shall be their value as stationery together with the cost of clerical labour expended in their reproduction

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### General Exclusions applying to Sub-section 1

The **Insurer** shall not be liable for **Damage** to

- a) vehicles licensed for road use (including accessories on them) caravans trailers railway locomotives rolling stock watercraft or aircraft
- b) property or structures in the course of construction or erection and materials or supplies in connection with all such property or structures in the course of construction
- c) land piers jetties bridges culverts or excavations
- d) livestock growing crops or trees
- e) jewellery precious stones precious metals bullion or furs

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### Conditions applying to Sub-section 1

#### 1. Stillage

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Perils** 8 9 and 11 that **Property** in the basement or sub-basement of the **Premises** be kept at least 10cm above floor level

#### 2. Intruder Alarm System Condition

Where shown in the Schedule that it is a condition of the insurance provided by Sub-section 1 - Material **Damage** it is also a condition precedent to the **Insurer's** liability for **Damage** by **Insured Peril** 7 under Sub-section 1 that in respect of the **Intruder Alarm System** installed at the **Premises**

- a) the **Intruder Alarm System** is maintained in full and effective working order under a contract to provide corrective and preventive maintenance with the installer or such other contractor agreed by the **Insurer** in writing
- b) the **Premises** are not left unattended
  - i. unless the **Intruder Alarm System** is tested and set in its entirety and is together with the means of communication used to transmit or receive signals in full and effective operation
  - ii. where the police have withdrawn their response to alarm activation
- c) the **Intruder Alarm System**
  - i. is installed in accordance with a specification agreed in writing by the **Insurer**
  - ii. must not be altered or amended in any way unless such amendment or alteration has been approved by the **Insurer** and no alteration or substitution of the structure of the **Premises** or changes to the layout of the **Premises** which would affect the effectiveness of the **Intruder Alarm System** shall be made without the written consent of the **Insurer**
  - iii. maintenance contract must not be altered or substituted without the written consent of the **Insurer**
  - iv. procedures agreed by the **Insured** for the police or any other response to any activation of or other warning signal pertaining to the **Intruder Alarm System** must not be altered or substituted without the written consent of the **Insurer**
- d) the **Insured** must
  - i. maintain secrecy of the codes for the operation of the **Intruder Alarm System** and no details of such codes shall be left on the **Premises** when the **Premises** are left unattended
  - ii. immediately notify the **Insurer** upon receipt of any communication giving notice that the level response to the **Intruder Alarm System** has been or will be reduced
  - iii. appoint at least two **Keyholders** and lodge written details with the police and the alarm company
- e) in the event of notification of
  - i. any alarm fault
  - ii. activation of the **Intruder Alarm System**
  - iii. interruption of the means to transmit or receive signals to or from the **Intruder Alarm System** during the period that the **Intruder Alarm System** is set

a **Keyholder** must attend the **Premises** as soon as possible in order to confirm the security of the **Premises** and reset the **Intruder Alarm System** in its entirety.

If the **Intruder Alarm System** cannot be reset in its entirety or all means of communication used to transmit signals are not in full operation a **Keyholder** must remain at the **Premises** unless otherwise agreed in writing by the **Insurer**

### 3. Fire Extinguishing Appliances

The fire extinguishing appliances at the **Premises** whether installed at the commencement of this insurance or subsequently at the request of or with the knowledge of the **Insurer** shall be maintained in good working order

The **Insured** undertakes to maintain the said appliances in efficient working order during the **Period of Insurance**

Subject to observance of this undertaking Sub-section 1 - Material Damage of this Policy shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown or beyond the control of the **Insured**

### 4. Roof Maintenance Condition

It is a condition precedent to the **Insurer's** liability under Sub-section 1 - Material Damage where the **Insured** is legally responsible for the **Buildings** that

- a) any flat felted roof is inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection is repaired immediately
- b) any roof valley guttering is checked annually for blockages or defects and any remedial action required is immediately implemented where the responsibility of the **Insured**

## 5. **Portable Heater Exclusion**

It is a condition precedent to the **Insurer's** liability under Sub-section 1 - Material Damage that portable naked flame gas or paraffin heaters are not used on the **Premises**

## 6. **Minimum Level of Security**

It is a condition precedent to the **Insurer's** liability for loss or **Damage** by **Insured Peril 7** under Sub-section 1 that the **Insured** shall have in place in full working order and in operation whenever the **Premises** are closed for business or left unattended the following minimum level of security or such level as is specified in the Schedule

- a) the final exit door of the **Insured's** portion of the **Buildings** is to be fitted with either
  - i. for timber or steel framed doors a mortice deadlock that has 5 or more levers and matching box striking plate which conform to BS 3621 or
  - ii. for timber or steel framed doors a rim latch deadlock that conforms to BS 3621
- b) all other external doors and internal doors giving access to any part of the buildings not occupied by the **Insured** are to be fitted with either
  - i. as described in a) i. and ii. above or
  - ii. two key-operated security bolts for doors fitted approximately 30cms from the top and bottom of the doors respectively
- c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks
- d) all ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roofs decks balconies fire escapes canopies down pipes are to be fitted with key operated window locks. This requirement does not apply to windows/skylights which are protected by solid steel bars grilles gates expanded metal or weld-mesh securely fixed to the brickwork surrounding the window

Any door or window officially designated a fire exit by the fire authority is excluded from these requirements. These are to be secured internally by panic bolts or fire exit bolts. Any additional devices are to be approved by the local Fire Prevention Officer

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## Sub-section 2 - BUSINESS INTERRUPTION

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### INSURING CLAUSE

In the event of **Damage** to the **Property** used by the **Insured** for the purposes of the **Business** carried on by the **Insured** at the **Premises** during the **Period of Insurance** from the **Insured Perils** under Sub-section 1

- a) resulting in interruption or interference with the **Business** or
- b) which prevents the **Insured** from tracing or establishing customers' **Outstanding Debit Balances** in whole or in part as a result of the **Insured's** books of account at the **Premises** being damaged

the **Insurer** will indemnify the **Insured**

- i. in respect of a) the amount of loss resulting from such interruption or interference provided that at the time of the **Damage** there shall be in force an insurance covering the interest of the **Insured** in the **Property** at the **Premises** and that liability shall be admitted or payment made therefore or payment would have been made or liability admitted but for the operation of a proviso in the insurance excluding liability for losses below a specified amount
- ii. in respect of b) the amount of loss resulting from the **Damage**

The liability of the **Insurer** under this Sub-section shall not exceed in respect of any item its Sum Insured or Limit stated in this Policy or the Schedule at the time of the event

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### Clause applying to Sub-section 2

#### Reinstatement Following a Loss

The liability of the **Insurer** under this Sub-section shall not exceed the Sum Insured or Limit remaining after deduction for any other interruption or interference resulting from **Damage** occurring during the same **Period of Insurance** unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit

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### Basis of Settlement Clauses applying to Sub-section 2

#### 1. Gross Revenue

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of each item stated in the Schedule as a result of loss of **Gross Revenue** and/or **Increased Cost of Working**

- a) the amount payable in respect of a reduction in **Gross Revenue** shall be the sum by which the Gross Revenue shall fall short of the **Standard Gross Revenue** during the **Indemnity Period** as a result of the **Damage**
- b) the amount payable in respect of the **Increased Cost of Working** as a result of the **Damage** not exceeding the amount of the reduction in **Gross Revenue** thereby avoided less any sum saved during the **Indemnity Period** in respect of such charges and expenses of the Business payable out of **Gross Revenue** that may cease or be reduced as a result of the **Damage**

Provided that adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

#### 2. Average

If the Sum Insured is less than the **Gross Revenue** for the 12 months (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months) immediately prior to the occurrence of **Damage** the amount payable shall be proportionately reduced after due provision has been made for the trend or variation in or other circumstances affecting or which would have affected the Business either before or after the **Damage**

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**3. Alternative Trading**

If during the **Indemnity Period** work is done or services rendered elsewhere than at the **Premises** for the benefit of the **Business** either by the **Insured** or by others on behalf of the **Insured** the amount paid or payable in respect of such work or services shall be accounted for in arriving at the **Gross Revenue** during the **Indemnity Period**

**4. Departmental**

If the **Business** is conducted in departments the independent trading results of which are ascertainable the basis of **Gross Revenue** shall apply separately for each department

**5. Accountants' and Auditors' Charges**

The **Insurer** will pay to the **Insured** the charges payable by the **Insured** to their professional accountants and auditors for producing and certifying any particulars or details or any other proofs information or evidence as may be required by the **Insurer** under the terms of this Sub-section and reporting that such particulars or details are in accordance with the **Insured's** books or documents

**6. Current Cost Accounting**

For the purpose of this Sub-section any adjustment implemented in current cost accounting shall be disregarded

**7. Outstanding Debit Balances**

The amount payable by the **Insurer** in respect of **Outstanding Debit Balances** is limited to loss sustained by the **Insured** directly due to **Damage** and the amount payable in respect of any one event shall not exceed

- a) the difference between the **Outstanding Debit Balances** and the total of the amounts received or traced in respect thereof
- b) the additional expenditure incurred with the written consent of the **Insurer** in tracing and establishing customers' debit balances after **Damage**

**8. Value Added Tax**

To the extent that the **Insured** is accountable to the tax authorities for Value Added Tax all terms in this Sub-section shall be exclusive of such tax

**9. Payments on Account**

Payments on account will be made to the **Insured** during the **Indemnity Period** if so requested subject to appropriate adjustment at the end of the **Indemnity Period**

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## Extensions to Sub-section 2

**All terms exclusions and conditions of Section 3 and Sub-section 2 apply to Extensions 1 to 8 inclusive in addition to those shown below as applying to each Extension**

The liability of the **Insurer** includes loss as insured by this Sub-section resulting from interruption or interference with the **Business** in consequence of

**1. Premises Closure or Restrictions**

- a) closure or restrictions placed on the **Premises** on the advice of or with the approval of the Medical Officer of Health for the Public Authority as a result of a **Notifiable Human Disease** occurring at the **Premises**
- b) injury or illness sustained by any person caused by or traceable to foreign or injurious matter in food or drink sold from the **Premises** by the **Insured**
- c) vermin and pests at the **Premises**
- d) closure of the whole or part of the **Premises** by order of the Public Authority consequent upon defects in the drains and other sanitation at the **Premises**
- e) murder or suicide occurring at the **Premises**  
subject to a maximum of £50,000 for any one loss

The **Insurer** shall not be liable under this extension for costs incurred in cleaning repair replacement recall or checking of property

**2. Suppliers**

Damage from the **Insured Perils** at the premises of any of the **Insured's** suppliers manufacturers or processors within Great Britain Northern Ireland the Channel Islands or the Isle of Man but excluding the premises of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £10,000 for any one loss

**3. Denial of Access**

Damage from the **Insured Perils** to property within a one mile radius of the **Premises** which shall prevent or hinder the use of or access to the **Insured's Premises** whether or not there has been **Damage** to the **Premises** or **Property** of the **Insured** but excluding the property of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £100,000 for any one loss

**4. Accidental Failure of Public Supply**

Accidental failure at the terminal ends of the public supply undertakings' feed to the **Premises** of electricity gas water or telecommunications services as a direct result of damage subject to a maximum of £100,000 for any one loss and providing the cessation of supply is of at least 30 minutes in respect of electricity gas or water and for a minimum of 8 consecutive hours in respect of telecommunications excluding

- a) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- b) total or partial failure of the public supply occasioned by strike or lock-out total or partial withdrawal of labour or total or partial cessation of work

**5. Goods in Transit**

**Damage to Goods in Transit** as insured by Sub-section 1 and for which the **Insurer** has admitted liability subject to a maximum of £50,000 for any one loss

**6. Documents**

**Damage** from the **Insured Perils** to documents belonging to or held in trust by the **Insured** whilst temporarily at premises not in the occupation of the **Insured** or whilst in transit by road rail or inland waterway in Great Britain Northern Ireland the Channel Islands or the Isle of Man subject to a maximum of £25,000 for any one loss

**7. Storage Sites**

**Damage** from the **Insured Perils** at any premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man not in the occupation of the **Insured** where **Property** of the **Insured** is stored subject to a maximum of £25,000 for any one loss

**8. Contract Sites**

**Damage** from the **Insured Perils** at any situation in Great Britain Northern Ireland the Channel Islands or the Isle of Man where the **Insured** is carrying out a contract subject to a maximum of £25,000 for any one loss

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**Exclusions applying to Sub-section 2**

**1. The Insurer shall not be liable for Increased Cost of Working due to**

- a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
- b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite

**2. The Insurer shall not be liable under this Sub-section for loss arising directly or indirectly from**

- a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked out workers persons taking part in labour disturbances or civil commotion or malicious persons
  - b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from the **Insured Perils** insofar as it is not otherwise excluded
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### Condition applying to Sub-section 2

#### Debit Recording and Storage

On a monthly basis the **Insured** shall record the total amount of **Outstanding Debit Balances** as set out in business books of account and such record shall be kept elsewhere than the **Insured's Premises**

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## Sub-section 3 - EQUIPMENT BREAKDOWN

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### INSURING CLAUSE

In the event of an **Accident** at the **Premises** to **Covered Equipment** owned by the **Insured** or for which the **Insured** is responsible during the **Period of Insurance** the **Insurer** will indemnify the **Insured** in respect of any loss resulting from such loss destruction or damage or at its option replace or reinstate such **Covered Equipment** in accordance with the provisions of the Policy provided that during the **Period of Insurance** the liability of the **Insurer** under this Sub-section shall not exceed the Limit of Indemnity stated in the Schedule

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### Definitions applicable to Sub-section 3

**Accident(s)** means

- a) electrical or mechanical **Breakdown** including rupture or bursting caused by centrifugal force
- b) artificially generated electrical current including electric arcing that disturbs electrical devices appliances or wires
- c) **Explosion** or **Collapse** of **Covered Equipment** operating under steam or other fluid pressure
- d) loss destruction or damage to **Covered Equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such boilers or equipment
- e) loss destruction or damage to hot water boilers other water heating equipment oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- f) loss destruction or damage caused by operator error
- g) loss destruction or damage caused by materials being processed

All **Accidents** that are the result of the same event shall be considered one **Accident**

**Breakdown** means

The actual breaking failure distortion or burning out of any part of the **Covered Equipment** whilst in ordinary use arising from defects in the **Covered Equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work

Fracturing of any part of the **Covered Equipment** by frost when such fracture renders the **Covered Equipment** inoperative

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

**Collapse** means

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Covered Equipment** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

**Computer Equipment** means

- a) electronic computer or other data processing and/or storage equipment
- b) peripherals used in conjunction with a)
- c) software and programs licensed to the **Insured** and installed on a)

**Covered Equipment** means

- a) **Computer Equipment**
- b) Equipment at the **Premises** owned by the **Insured** or for which the **Insured** is responsible
  - i. built to operate under vacuum or pressure (other than weight of contents) or
  - ii. oil and water storage tanks or
  - iii. used for the generation transmission storage or conversion of energy

Excluding

- a) any supporting structure foundation masonry brickwork cabinet
- b) any insulating or refractory material
- c) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery cranes or equipment which are included but not the actual vehicle)
- d) self-propelled plant and equipment (other than fork lift trucks used by the **Insured** at their **Premises**) dragline excavation or construction equipment
- e) equipment manufactured by the **Insured** for sale
- f) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- g) any electronic equipment (other than **Computer Equipment**) used for research diagnostic treatment experimental or other medical or scientific purposes
- h) any **Manufacturing Production or Process Equipment**
- i) any electricity generating equipment other than emergency back-up power equipment or wind turbines (less than 10kw) or photovoltaic equipment less than 50kw

**Derangement** means

Electrical or mechanical malfunction of the machinery arising from a cause internal to the **Computer Equipment** unaccompanied by visible damage to or breaking out of any parts of the equipment

**Explosion** means

The sudden and violent rending of **Covered Equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Computer Equipment** together with forcible ejection of the contents

**Hazardous Substance** means

Any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

**Manufacturing Production or Process Equipment** means

Any machine or apparatus (other than boilers lifts fork lift trucks dock levelers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by the **Insured** and any equipment which exclusively serves such machinery or apparatus

**Media** means

All forms of electronic magnetic and optical tapes and discs for use in any **Computer Equipment**

**Verified** means

Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

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## Extensions and sub-limits to Sub-section 3

### 1. Hazardous Substances

The **Insurer** shall be liable for the additional cost to repair or replace **Covered Equipment** because of contamination by a **Hazardous Substance** including any additional expenses incurred to clean up or dispose of such property

The liability of the **Insurer** shall not exceed £10,000 any one **Accident** in respect of such additional costs

### 2. Computer Equipment Reinstatement of Data and Increased Costs of Working

- a) The **Insurer** shall be liable under this Extension for loss destruction or damage caused by or resulting from
  - i. an **Accident** to **Computer Equipment** at the **Premises**. The liability of the **Insurer** shall not exceed £500,000 for any one **Accident**

- ii. an **Accident** to portable **Computer Equipment** providing it is insured and within the Geographical Areas specified in the Schedule under Sub-section 1 - All Risks on Portable Property. The liability of the **Insurer** shall not exceed £5,000 any one **Accident**

- b) In addition the **Insurer** shall be liable for costs incurred in reinstating data lost or damaged in consequence of an **Accident** to or **Derangement** of **Computer Equipment**

The liability of the **Insurer** shall not exceed £50,000 for any one **Accident**

Provided that

- i. liability is limited solely to the cost of reinstating data onto **Media**
- ii. the **Insurer** shall not be liable for loss of or damage to software

- c) In addition the **Insurer** will pay costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the **Insured**

The liability of the **Insurer** shall not exceed £50,000 for any one **Accident** in respect of such additional costs

### 3. Business Interruption

The **Insurer** shall be liable for loss as described under Sub-section 2 - Business Interruption (provided that Sub-section 2 - Business Interruption is operative) caused by an **Accident** to **Covered Equipment**

The liability of the **Insurer** in any one **Period of Insurance** shall not exceed £100,000 under this Extension

### 4. Public Authorities/Law or Ordinance

If an **Accident** to **Covered Equipment** damages **Buildings** and the loss is increased by enforcement of any public authority ordinance or law in force at the time of the **Accident** that regulates the construction or repair of buildings or establishes zoning or land use requirements the **Insurer** shall be liable for the following additional costs to comply with such ordinance or law

- a) the **Insured's** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) the **Insured's** actual expenditures for increased costs to repair rebuild or construct the **Buildings** If the **Buildings** are repaired or rebuilt it must be intended for similar use or occupancy as the current **Buildings** unless otherwise required by zoning or land use ordinance or law
- c) loss as described in Sub-section 2 – Business Interruption as a result of a) or b) above only if Sub-section 2 – Business Interruption is operative

The **Insurer** shall not be liable for

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a hazardous substance other than as specifically insured under Extension 1
- d) increased construction costs until the **Buildings** are actually repaired or replaced

This Extension is within and does not increase the Sum Insured for such **Buildings** stated in Sub-section 1 – Material Damage of the Schedule

### 5. Expediting Expenses

With respect to damaged **Covered Equipment** or **Computer Equipment** the **Insurer** shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement subject to a maximum of £20,000 in respect of any one **Accident**

### 6. Hire of Substitute Item

If **Covered Equipment** is damaged as a result of an **Accident** the **Insurer** shall be liable for the cost of hire charges actually incurred by the **Insured** during the **Period of Insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item damaged subject to a maximum of £5,000 in respect of any one **Accident**

#### 7. Loss of Contents of Oil Storage Tanks

The **Insurer** shall be liable for the loss of the contents of static oil storage tanks caused by

- a) escape of contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an **Accident**
- b) contamination - contamination of the contents of oil storage tanks caused by or resulting from **Accident** including cleaning costs incurred as a result of such loss

For the purposes of this Extension reference to oil storage tanks shall include all connected piping other than buried flexible or non-metallic piping

The liability of the **Insurer** under this Extension shall not exceed £10,000 any one **Accident**

#### 8. Refrigerator Contents

The **Insurer** shall be liable for loss destruction or damage to frozen or chilled foodstuffs drugs or medicines owned by the **Insured** or for which the **Insured** is responsible in any frozen food cabinet deep freezer coldroom cold store or refrigerator which is owned by the **Insured** or for which the **Insured** is responsible by or due to a change in temperature caused by an **Accident** or failure of the electricity supply

The **Insurer** shall not be liable for loss destruction or damage caused by

- a) the deliberate act of any electricity undertaking in terminating disconnecting restricting or withholding the public supply of electricity
- b) neglect or misuse
- c) wear tear deterioration of the cabinet or other gradually operating cause
- d) arising as a result of incorrect setting of thermostats or automatic controlling devices

This Extension is provided subject to an aggregate maximum of £15,000 at any one **Premises** in any one **Period of Insurance** however the **Insurer** shall not be liable for the amount of the **Excess** or 20% of any loss whichever is the greater amount where the frozen food cabinet deep freezer cold room cold store or refrigerator is over 10 years old

#### 9. Damage to Own Surrounding Property

The **Insurer** shall be liable for loss destruction or damage to property at the **Premises** belonging to or in the custody and control of the **Insured** and for which they are responsible directly resulting from the **Explosion** or **Collapse** of any **Covered Equipment** operating under steam pressure

The liability of the **Insurer** under this Extension shall not exceed £1,000,000 any one **Accident**

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### Basis of Settlement Clause applying to Sub-section 3

Subject to the following Special Conditions the basis upon which the amount payable in respect of **Covered Equipment** is to be calculated shall be the reinstatement of the **Covered Equipment** the subject of an **Accident**

For this purpose reinstatement means

- a) the replacement of **Covered Equipment** the subject of an **Accident** which provided the liability of the **Insurer** 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 **Covered Equipment** the subject of an **Accident**

in the case of a) or b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new



### Special Conditions

1. The **Insurer's** liability for the repair or restoration of **Covered Equipment** the subject of an **Accident** shall not exceed the amount payable for replacement of the **Covered Equipment**
  2. No payment beyond the amount which would have been payable in the absence of this clause shall be made
    - a) unless reinstatement commences and proceeds without unreasonable delay
    - b) until the cost of reinstatement shall have been actually incurred
  3. All the terms and conditions of Section 3 shall apply in respect of any claim payable under this clause except insofar as they are varied hereby
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### Clause applying to Sub-section 3

#### Reinstatement of Losses

Unless written notice to the contrary is given by either the **Insurer** or the **Insured** the insurance by this Sub-section shall not be reduced by the amount of any loss from the date of the loss destruction or damage to the date of expiry of the **Period of Insurance**

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### Conditions applying to Sub-section 3

1. Precautions  
The **Insured** shall exercise due diligence in
    - a) complying with any statute or order
    - b) ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage
  2. Back-up Records  
The **Insured** shall maintain a minimum of two generations of **Verified** back-up **Computer Records** taken at intervals no less frequently than 48 hours (one copy as a minimum being held off-site) and take all reasonable precautions to store and maintain records in accordance with the manufacturers' recommendations
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### Exclusions applying to Sub-section 3

The following Exclusions are in addition to those Section 3 - Material Damage to which this Sub-section forms part

1. The **Insurer** shall not be liable for loss destruction or damage caused by or resulting from
    - a) a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
    - b) defect or programming error or programming limitation or computer virus or malicious code or loss of data (other than as specifically provided for under Extension 2) or loss of access or loss of use or loss of functionality or other condition within or involving data or **Media** of any kind
  2. The **Insurer** shall not be liable for loss destruction or damage caused by
    - a) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
    - b) any condition which can be corrected by re-setting calibrating re-aligning tightening adjusting or cleaning or by the performance of maintenancebut if insured loss destruction or damage from an **Accident** results the **Insurer** shall be liable for that resulting loss or damage
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3. The **Insurer** shall not be liable for
- a) loss destruction or damage recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for breach of the **Insured's** obligations under the agreement
  - b) the **Excess** as stated in the Schedule
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## Sub-section 4 - LEGAL EXPENSES

This Sub-section of Section 3 Office Protect is operative only if stated in the Schedule

### INSURING CLAUSE

The **Insurer** will only indemnify the **Insured** for **Claims** where the dispute and/or legal proceedings and/or **HMRC Investigation** are or would be within the **Territorial Limits** and the **Claim** is notified to the **Insurer's Representative** during the **Period of Insurance** and is in connection with the activities within the scope and extent of the **Business** activities of the **Insured** as specified in the Schedule

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### Definitions applicable to Sub-section 4

#### LV= Legal Line

As specified in the Schedule. The legal advice is provided by Abbey Legal Services a division of Abbey Protection Group Limited which is authorised and regulated by the Solicitors Regulation Authority in respect of legal services only. The advice will be provided by Abbey Legal Service's team of Solicitors and Barristers and managed by the Director of Legal Services (who is a lawyer). Abbey Legal Services makes no additional charge for providing these services. Calls to the LV= Legal Line may be recorded. The **Insured** agrees that in all circumstances the **Insurer's Representative** has the **Insured's** express permission to review/listen to any call

#### Acts of Parliament

All Acts of Parliament referred to in Sub-section 4 shall include any subsequent amendments re-enactments or regulations and equivalent legislation enforceable within the **Territorial Limits**

#### Any One Claim

All **Claims** consequent upon the same original cause event or circumstance

#### Appointed Representative

A solicitor barrister or other appropriately qualified person appointed to act for the **Insured** in accordance with the terms of Sub-section 4

#### Awards of Compensation

Basic and Compensatory Awards and compensation for unlawful discrimination made against the **Insured** by an Employment Tribunal or settlement thereof subject to the consent of the **Insurer's Representative** but not including Additional Awards Protective Awards Interim Relief Arrears of Pay or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement or any awards made under the Agency Workers Regulations. The **Insurer** will not pay any fine award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The **Insurer** will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment service agreement or related document or from any related implied or incorporated terms of a contract of service

#### Claim

A claim under Sub-section 4 for **Legal Expenses Professional Expenses Awards of Compensation or Jury Service Allowance**

#### Contracting Party

A person firm or company domiciled within the **Territorial Limits** with whom the **Insured** has a direct contractual relationship

#### Debt Collection Service

The debt collection service nominated by the **Insurer's Representative**

#### Due Date

The date monies owed to the **Insured** first become due and payable

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**Employee**

Any person under a contract of service with the **Insured**

**HMRC Investigation****Inland Revenue Investigations and VAT Disputes****Increased Excess**

The amount for which the **Insured** is responsible for each and every **Claim** or loss as specified in the Schedule if the **Insured** instructs an alternative **Appointed Representative** to the one chosen by the **Insurer's Representative**

**Inland Revenue Investigation**

- a) **Business Self Assessment Full Enquiry**  
The investigation which takes place when an officer of Her Majesty's Revenue & Customs (HMRC) makes a request to examine all of the **Insured's** business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998
- b) **Employer Compliance Dispute**  
The enquiries which take place following an expression of dissatisfaction with the **Insured's** PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the **Insured's** P11Ds or P9Ds
- c) **Business Self-Assessment Aspect Enquiry**  
The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an Aspect Enquiry into only certain boxes on the **Insured's** Self Assessment Return

**Insurer's Representative**

Abbey Legal Protection a trading division of Abbey Protection Group Limited who administers and manages Sub-section 4 - Legal Expenses of Section 3 - Office Protect on behalf of the **Insurer**

**Jury Service Allowance**

The amount of money the **Insured** is liable to pay an **Employee** each day they attend on jury service less any recovery from the court

**Legal Expenses**

- a) **Fees**
  - i. any professional fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** and
  - ii. any costs incurred by other parties insofar as the **Insured** is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the **Insurer's Representative** but excluding any costs which the **Insured** may be ordered to pay by a court of criminal jurisdiction
- b) **Witness Attendance Allowance**  
The amount of money the **Insured** is liable to pay an **Employee** each day they are required by the **Appointed Representative** to attend as a witness at a court or tribunal hearing. This indemnity is limited to £100 per day and a maximum of £1,000 for **Any One Claim**

**Professional Expenses**

Any fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** but excluding any tax or VAT additional tax or VAT interest or penalties demanded assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction

**Statutory Licence**

A licence or certificate of registration issued under statute statutory instrument or by a Government or local authority to the **Insured** provided that such licence or certificate is necessary to engage in the **Business** of the **Insured** and the licence or certificate has been declared to the **Insurer**

**VAT Disputes**

The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the **Insured's** Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties

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#### Sub-section 4A – Contract Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the **Insured** in a contractual dispute with a **Contracting Party** over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979 and/or the Supply of Goods and Services Act 1982

Provided that

- a) **Legal Expenses** incurred in the pursuit of any dispute or legal proceedings shall be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds £1,000
- c) where the contract is a construction contract as defined by the Housing Grants Construction and Regeneration Act 1996 the construction operations are carried out or are to be carried out by the **Contracting Party** on property owned by the **Insured** and the contract is for the repair and renovation of the property and the repair and renovation of property is not part of the **Business** of the **Insured**
- d) where the dispute relates to monies owed to the **Insured** and such liability is not contested the **Insured** refers the debt to the **Debt Collection Service** within 30 days of the **Due Date** and agrees use of the service shall be paid for by the **Insured** and not indemnified by the **Insurer**. If the **Debt Collection Service** exhausts its normal recovery procedure and recommends to the **Insurer's Representative** that legal proceedings are necessary the **Insured** shall immediately notify a **Claim** under this Sub-section of cover

#### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) contracts that provide or arrange credit insurance securities or guarantees
  - b) contracts where the liability or right of recovery of the **Insured** is incurred through their agent or by assignment
  - c) franchise contracts
  - d) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
  - e) contracts of employment
  - f) any tenancy or license to use property
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#### Sub-section 4B – Criminal Prosecution

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in

- a) defending a prosecution against the **Insured** in a court of criminal jurisdiction
- b) an appeal by the **Insured** against the service of an Improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990

#### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) any prosecution relating to or arising from investigations by HMRC
  - b) any prosecution for offences against the person including offences of a sexual nature
  - c) any prosecution for criminal damage
  - d) any prosecution alleging dishonesty
  - e) any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions
  - f) an allegation of speeding or driving whilst under the influence of alcohol and/or drugs
  - g) failure to insure a motor vehicle as required by law
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#### Sub-section 4C – Employment Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** and **Awards of Compensation** incurred by the **Insured** in defending legal proceedings brought against the **Insured** by an **Employee** ex-**Employee** or prospective **Employee** in respect of their contract of employment with the **Insured** or a breach of employment-related legislation

It is a condition precedent to the **Insurer's** liability that the **Insured** has sought and followed all the advice from the **LV= Legal Line** as to the procedure to be adopted and has received specific authorisation from the **LV= Legal Line**

- a) prior to carrying out any disciplinary procedure or action or suspension of an **Employee**
- b) prior to dismissal of an **Employee**
- c) prior to instituting a redundancy programme and prior to making an **Employee** redundant
- d) prior to notifying an **Employee** of their intended retirement date or retiring an **Employee**
- e) upon notification formally or informally of a grievance from an **Employee** or ex-**Employee**
- f) upon notification formally or informally of a complaint relating to discrimination victimisation or harassment because of age disability gender reassignment marriage/civil partnership pregnancy/ maternity race religion or belief sex or sexual orientation
- g) prior to any adverse variation or any attempt to adversely vary the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an **Employee's** remuneration)
- h) immediately an **Employee** walks out with or without written notice
- i) upon receipt of an appeal from an **Employee** or ex-**Employee** against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss

#### Sub-section 4D – Tax Protection

##### Sub-section 4D1 – Inland Revenue Investigations

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in respect of representation of the **Insured** in an **Inland Revenue Investigation** including representation at a First-tier Tribunal and at an appeal against a decision following such a Tribunal provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

##### Sub-section 4D2 – VAT Disputes

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in representation of the **Insured** in a **VAT Dispute** in respect of

- a) the local review procedure in order to reach agreement with HMRC
  - b) a First-tier Tribunal Upper Tribunal or VAT Tribunal including an appeal
- provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

##### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

- a) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the **Insured's** affairs
- b) the defence of any criminal prosecution
- c) taxation proceedings which arise out of negligent mis-statements or omissions made by or on behalf of the **Insured** in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- d) any **HMRC Investigation** which results solely from investigation of earlier accounts or records
- e) any **Claim** where the tax return is submitted outside the statutory time limits and/or in a penalty position or where the **Insured** has not notified chargeability to tax within the statutory time limits
- f) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- g) any enquiry under Public Notice 160 or Section 60 of the VAT Act 1994 or matters handled by HM Revenue and Customs Specialist Investigations Civil Investigations of Fraud and Criminal

- Investigations Sections. Also Code of Practice 8 and 9 cases
- h) an enquiry into the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an employer
  - i) any dispute in connection with the payment of the National Minimum Wage
  - j) a dispute or enquiry in respect of IR35 legislation
  - k) any **Claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
  - l) an investigation arising out of a voluntary disclosure made to HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of the **Insured's** deliberate act or following an HMRC amnesty where the **Insured** has made an incorrect return to HMRC
  - m) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return or any matter relating to bespoke tax planning
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#### Sub-section 4E – Property Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in any dispute or legal proceedings made by or brought against the **Insured**

- a) over the physical possession of the **Property** provided that where appropriate all statutory and contractual notices have been correctly served by the **Insured**
- b) over the terms of a tenancy agreement between the **Insured** and a **Contracting Party** relating to the use or maintenance of the **Property** including dilapidations
- c) over the actual or alleged negligence damage or nuisance caused to the **Property** by anyone other than the tenant

Provided that the **Insured** will suffer financial loss if the **Insured** fails to pursue or defend the dispute or legal proceedings

#### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with

- a) the payment or non-payment or review of any tax rent or service charge
  - b) a dispute relating to planning or building regulations or decisions or compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
  - c) any dispute arising from the negotiation review or renewal of a tenancy agreement or the subsequent purchase of the **Property** whether or not such purchase is completed
  - d) any dispute where the **Insured** has failed to maintain in full force and effect during the tenancy agreement buildings insurance covering the standard range of perils if the **Insured** was contractually obligated to have such insurance in force
  - e) a dispute over subsidence or heave howsoever caused
  - f) a contract dispute other than where the contract is a tenancy agreement with a **Contracting Party**
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#### Sub-section 4F – Data Protection

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending any dispute or legal proceedings brought against the **Insured** arising out of the Data Protection Act 1998 including an appeal by the **Insured** against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement Deregistration or Transfer Prohibition Notice. The **Insurer** further agrees to indemnify the **Insured** against compensation awards which the **Insured** is ordered to pay under Section 13 of the Data Protection Act 1998 consequent upon the holding loss or unauthorised disclosure of data provided that any compensation award follows the unsuccessful defence of an action arising out of the Data Protection Act 1998 to which the **Insurer's Representative's** consent has been granted and has not been withdrawn

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#### Sub-section 4G – Statutory Licence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in an appeal by the **Insured** against the suspension revocation imposed alteration of or refusal to renew a **Statutory Licence**

##### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with

- a) any disciplinary or internal procedures conducted by authorities charged with the regulation of the **Insured** in the performance of their **Business** or for any appeal following such procedures
- b) an alteration or refusal to renew a **Statutory Licence** which is imposed by Act of Parliament
- c) any costs incurred to comply with a notice or order
- d) driving licences

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#### Sub-section 4H – Personal Injury

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit of any dispute or legal proceeding for damages for **Injury** to the **Insured** caused by the actual or alleged act or omission of a third party

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#### Sub-section 4I – Wrongful Arrest Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the defence of civil legal proceedings against the **Insured** in respect of allegations of wrongful arrest or malicious prosecution

##### Exclusion

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with allegations made by or against or on behalf of an **Employee** or former **Employee** or any other person working for the **Insured** whether or not an **Employee**

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#### Sub-section 4J – Jury Service Allowance

The **Insurer** agrees to indemnify the **Insured** against **Jury Service Allowance** with such indemnity being limited to £100 per day and a maximum of £1,000 for **Any One Claim**

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#### Sub-section 4K – Pension Trustee Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending civil proceedings against the **Insured** in the **Insured's** capacity as a trustee of a pension fund set up for the benefit of the **Insured's Employees**

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#### Exclusions applying to Sub-section 4

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

1. the defence of the **Insured** in civil legal proceedings arising from
  - a) injury or disease including psychiatric injury and/or stress
  - b) loss destruction or damage of or to property
  - c) alleged breach of any professional duty
  - d) any tortious liability (other than as specified in Sub-sections 4E Property Disputes and 4K Pension Trustee Defence)
2. any dispute legal proceedings or **HMRC Investigation** made brought or commenced outside the **Territorial Limits**
3. **Legal Expenses** or **Professional Expenses** incurred without the prior written consent of the **Insurer's Representative** or in excess of the **Insurer's Representative's** consent
4. **Awards of Compensation** where the **Insurer's Representative's** consent to incur **Legal Expenses** has not been granted or has been withdrawn

5. any **Claim** relating to or arising from any cause event or circumstance occurring prior to or existing at inception of Section 3 and which has or which the **Insured** knew or ought reasonably to have known may give rise to a dispute legal proceedings or **HMRC Investigation** or **Claim for Jury Service Allowance** by or against the **Insured**
  6. fines or other penalties imposed by a court or tribunal
  7. any dispute legal proceedings or **HMRC Investigation** in respect of which the **Insured** is or but for the existence of Section 3 would be entitled to indemnity under any insurance policy whether a legal expenses insurance or not or under a legal aid certificate or representation order
  8. any **Claim** rising from the **Insured's** intentional wrongdoing or an act or omission with negligent disregard as to its consequences
  9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
  10. disputes or legal proceedings between **Insured's** as specified in the Schedule or any endorsement thereto or with any parent company or subsidiary company or associated company or partner
  11. any dispute between the **Insured** and the **Insurer** the **Insurer's Representative** the **Appointed Representative** or their insurance broker
  12. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not or the use or alleged use of any intellectual property
  13. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
  14. any **Legal Expenses** or **Professional Expenses** incurred in respect of or in connection with a judicial review
  15. appeals arising out of legal proceedings or **HMRC Investigations** to which the **Insurer's Representative's** consent has not been granted
  16. any **Legal Expenses** or **Professional Expenses** which the **Insured** should or would have had to incur irrespective of any dispute or legal proceeding
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#### Claims Conditions applying to Sub-section 4

1. Notification of Claims  
It is a condition precedent to the liability of the **Insurer** that the **Insurer's Representative** is notified in writing during the **Period of Insurance** immediately the **Insured** is aware of any cause event or circumstance that has given or may give rise to a **Claim** dispute legal proceedings or **HMRC Investigation** involving the **Insured**

Where such notification has been given the **Insurer** agrees to treat any subsequent **Claim** in respect of the cause event or circumstance notified as though the **Claim** had been notified during the **Period of Insurance**

The **Insurer's Representative** will forward to the **Insured** a claim form that must be completed and returned immediately

2. Insurer's Representative's Consent  
It is a condition precedent to the liability of the **Insurer** that their consent to incur **Legal Expenses** or **Professional Expenses** must firstly be obtained in writing. This consent will be given by the **Insurer's Representative** on behalf of the **Insurer** if the **Insured** can satisfy the **Insurer's Representative** that
  - a) it is reasonable to incur **Legal Expenses** or **Professional Expenses** having regard to the proportionality between the remedy claimed and the **Legal Expenses** or **Professional Expenses** to be incurred and
  - b)
    - i. where the **Insured** is pursuing there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought, or
    - ii. where the **Insured** is defending the other party does not have reasonable prospects of proving the **Insured's** legal liability, or
    - iii. in respect of a criminal prosecution and where the **Insured** pleads guilty there is a reasonable prospect of a significant mitigation of the **Insured's** sentence or fine

If during the course of a **Claim** the **Insured** ceases to satisfy the **Insurer's Representative** in respect of a) or b) above indemnity will be withdrawn in respect of **Legal Expenses Professional Expenses or Awards of Compensation**

The decision to grant consent or to withhold it will be taken on receipt of

- A) a fully completed claim form
- B) the information and documentation the **Insurer's Representative** reasonably requests
- C) a legal opinion from the **Appointed Representative** as to a) and b) above
- D) any advice the **Insurer's Representative** may deem it necessary to take

With the agreement of the **Insured** the **Insurer's Representative** may provide assistance in settling disputes the costs of which will be covered under Sub-section 4 subject to the payment of the **Excess or Increased Excess** within the Limits of Indemnity

The **Insurer's Representative** at its discretion may require the **Insured** to obtain an opinion from Counsel at the **Insured's** expense as to the merits of the subject matter of the **Claim** such opinion to have regard to the same issues that the **Insurer's Representative** has in assessing the merits of any legal action. If based upon such opinion the **Insurer's Representative** is satisfied in respect of a) and b) above the **Legal Expenses** and **Professional Expenses** incurred in obtaining that opinion will be paid by the **Insurer** within the Limits of Indemnity

In granting its consent the **Insurer** undertakes to provide indemnity to the **Insured** subject to the terms and conditions of Section 3 and the Schedule but such consent does not imply that all **Legal Expenses Professional Expenses or Awards of Compensation** will be paid. In particular **Legal Expenses or Professional Expenses** for matters that go beyond the immediate scope of the **Claim** shall be deemed by the **Insurer** to fall outside the indemnity provided by Sub-section 4

The **Insurer's Representative** reserves the right to limit its consent by time and/or financial amount of **Legal Expenses or Professional Expenses** and/or stage of proceedings to allow for a review of their continued consent

If after consent has been granted it is shown that the **Claim** has not been brought within the terms and conditions of Section 3 and the Schedule the **Insurer's Representative's** consent will be withdrawn and no indemnity shall be provided. The **Insurer** shall be entitled to recover any **Legal Expenses Professional Expenses Awards of Compensation Jury Service Allowance** or compensation under Sub-section 4F Data Protection previously paid

If the **Insured** elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the **Insurer's Representative's** consent has been refused through lack of reasonable prospects as required in b) i. and ii. above and if the **Insured** is successful in such pursuit or defence the **Insurer** will pay **Legal Expenses or Professional Expenses** incurred after such consent had been refused subject to the terms and conditions of Section 3

### 3. Instruction and Choice of Appointed Representative and Counsel

The **Insurer's Representative** will choose an **Appointed Representative** to act on behalf of the **Insured** in any **Claim** under certain Sub-sections as specified in the Schedule

In all other Sub-sections where recourse is necessary to a lawyer and there are enquiries or legal proceedings the **Insured** is free to choose an **Appointed Representative** to act in the name of and on behalf of the **Insured** in any enquiry or legal proceedings to which the **Insurer's Representative** has consented subject to the **Increased Excess**. The name and address of the **Appointed Representative** the **Insured** proposes to instruct must be notified to the **Insurer's Representative** in writing.

The **Insurer's Representative** will accept such nomination provided the **Insurer's Representative** is satisfied the proposed **Appointed Representative** will co-operate and enable the **Insured** to comply with the terms and conditions of Section 3 and provided the proposed **Appointed Representative's** charging rates are fair and reasonable in regard to the particular legal proceedings. In all other **Claims**

the **Insurer's Representative** will choose the **Appointed Representative** subject to the **Excess** unless there is a conflict of interest between the **Insured** and the **Insurer's Representative** when the **Insured** is free to choose an **Appointed Representative** to act in the name and on behalf of the **Insured** in any **Claim** to which the **Insurer's Representative** has consented

The **Insured** must not without the written consent of the **Insurer's Representative** enter into any agreement with the **Appointed Representative** as to the basis of calculation of **Legal Expenses** or **Professional Expenses**.

In selecting the **Appointed Representative** the **Insured** shall have regard to its duty to minimise the cost of any **Claim** or legal proceedings. In all cases the **Appointed Representative** shall be appointed in the name of and on behalf of the **Insured**

If in the course of any **Claim** or legal proceedings the **Appointed Representative** wishes to instruct Counsel or an expert Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the **Insurer's Representative** for consent to the proposed instruction which will not be unreasonably withheld

A dispute arising from the **Insured's** choice of **Appointed Representative** may be referred to arbitration

#### 4. Disclosure

It is a condition precedent to the **Insurer's** liability that

- a) the **Insured** must give the **Appointed Representative** and the **Insurer's Representative** all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the **Insured's** possession. The **Insured** must provide obtain or execute all documents as necessary and attend meetings or conferences as requested
- b) the **Insured** must instruct the **Appointed Representative** to provide the **Insurer's Representative** any information document or advice in connection with any **Claim** and the subject matter of any **Claim** even if privileged. In addition the **Insured** must instruct the **Appointed Representative** to provide the **Insurer's Representative** with regular updates on the progress of the subject matter of any **Claim** and inform the **Insurer's Representative** immediately if and when any circumstance adversely impacts the factors taken into account in granting the **Insurer's Representative's** consent.

Indemnity may be withdrawn if the **Insured** fails to co-operate at all or within a reasonable time with the **Insurer's Representative's** or the **Appointed Representative's** requests or if the **Insured** or **Appointed Representative** fails to provide the **Insurer's Representative** with any information in connection with any **Claim** or the subject matter of any **Claim**

#### 5. Payment of Legal Expenses Professional Expenses and Awards of Compensation

All bills for **Legal Expenses** or **Professional Expenses** which the **Insured** receives from the **Appointed Representative** should be forwarded to the **Insurer's Representative** without delay.

If the **Insurer's Representative** so requires the **Insured** must ask the **Appointed Representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal

The **Insured** is responsible for payment of all **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-section 4F Data Protection. The **Insurer** may settle these direct if requested by the **Insured** to do so

The payment of some **Legal Expenses** or **Professional Expenses** does not imply that all **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-section 4F Data Protection will be paid

#### 6. Offer of Settlement

It is a condition precedent to the liability of the **Insurer** that the **Insured** must inform the **Insurer's Representative** in writing as soon as an offer to settle the subject matter of a **Claim** is received and/or the **Insured** proposes to make an offer of settlement. In any settlement the **Insured** must have regard

to **Legal Expenses Professional Expense Awards of Compensation** or compensation under Sub-section 4F Data Protection incurred or likely to be incurred by the **Insurer** and the recovery thereof

No indemnity will be provided if the **Insured** enters into any agreement to settle without the prior written consent of the **Insurer's Representative** (such consent not to be unreasonably withheld) and the **Insurer** shall be entitled to recover any **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-section 4F Data Protection previously paid

If the **Insured** unreasonably rejects an offer of settlement which the **Insurer's Representative** recommends acceptance of or makes an offer which the **Insurer's Representative** does not agree no further indemnity shall be provided

The **Insurer** may at its absolute discretion decide to pay the **Insured** the amount of damages that the **Insured** is claiming or is being claimed against the **Insured** instead of indemnifying the **Insured** for **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-section 4F Data Protection. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-section 4F Data Protection

The **Insurer** may also require the **Insured** to make an offer to pay an **Award of Compensation** to an **Employee** or ex-**Employee** or prospective **Employee** provided the **Insurer** agrees to pay that **Award of Compensation**.

If the **Insured** fails to make that offer the **Insurer** will cease to be liable for any further **Legal Expenses** or **Awards of Compensation**

#### 7. Recovery of Costs

Whenever the **Insured** is awarded costs or under the terms of any settlement where costs are included those costs are to be repaid to the **Insurer**

The **Insured** and their **Appointed Representative** must make every effort to make a full recovery of costs

Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered the **Insured** agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the **Insurer**

Where such a settlement is paid in instalments all costs to the **Insurer** shall be paid first

#### 8. Appeal Procedure

If following legal proceedings to which the **Insurer's Representative** has consented the **Insured** wishes to appeal against the judgment or decision of a court or tribunal the grounds for such appeal must be submitted to the **Insurer's Representative** through the **Appointed Representative** immediately or as soon as practicable so that the **Insurer's Representative** may consider whether to consent to such further action

If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the **Insured** following legal proceedings to which the **Insurer's Representative** has consented the **Insured** must notify the **Insurer's Representative** immediately in order that cover shall continue. The **Insurer's Representative** will inform the **Appointed Representative** of its decision. If the **Insurer's Representative** so requires it the **Insured** must co-operate in an appeal against the judgment or decision of a court or tribunal

#### 9. Duty to Minimise

The **Insured** must take all reasonable precautions to avoid and prevent **Claims HMRC Investigations** legal proceedings and disputes. The **Insured** must use every endeavour and take all reasonable measures to minimise the cost and effect of any **Claim**



**10. Insolvency or Liquidation of the Insured**

If the **Insured** becomes insolvent or is placed in liquidation receivership administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose the **Insurer** has the right to immediately cease to provide indemnity for **Legal Expenses Professional Expenses Awards of Compensation Jury Service Allowance** or compensation under Sub-section 4F Data Protection notwithstanding any previous consent the **Insurer's Representative** may have granted

**11. Value Added Tax**

If the **Insured** is registered for VAT the **Insurer** will not pay the VAT element of any **Legal Expenses** or **Professional Expenses**

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**Claims Conditions applying to Section 3 – Office Protect**

**1. Action by the Insured (not applicable to Sub-section 4 – Legal Expenses)**

On the happening of any event or circumstance which could give rise to a claim by the **Insured** under Section 3 Sub-sections 1, 2 and 3 or on receiving verbal or written notice of any claim the **Insured** shall

- a) as soon as reasonably possible give notice to the **Insurer**
- b) immediately notify the Police in respect of any **Damage** caused by thieves or malicious persons or theft by employees and obtain a Crime Reference Number which must be advised to the **Insurer** as soon as reasonably possible
- c) immediately forward to the **Insurer** any writ or summons issued against the **Insured** by a third party
- d) take action to minimise the loss destruction or damage and to avoid interruption or interference with the **Business** and to prevent further loss destruction or damage
- e) at their own expense supply full details of the claim in writing to the **Insurer** together with any evidence and information that may be reasonably required by the **Insurer** for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matter connected with it within
  - i. 7 days of **Damage** caused by riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons
  - ii. 30 days of expiry of the **Indemnity Period** in respect of Business Interruption claims
  - iii. 30 days of the event or circumstance in the case of any other claim or of a request from the **Insurer**

No theft or attempted theft claim under this Policy shall be considered unless notified to the Police in accordance with 1b) above and a Crime Reference Number obtained

No settlement admission of liability payment or promise of payment shall be made to a third party without the prior written consent of the **Insurer**

No claim under Section 3 Sub-sections 1, 2 and 3 shall be payable unless the terms of this Condition have been complied with

**2. Rights of the Insurer**

The **Insurer** shall

- a) be entitled at any stage to take over the defence or settlement of any claim made upon the **Insured** by any other party and to prosecute for its own benefit any claim for indemnity or compensation against any other persons in respect of any event insured by Section 3 and at no cost to the **Insurer** the **Insured** shall give all assistance as may be reasonably required by the **Insurer**
- b) have the right to enter the **Premises** where the **Damage** has occurred and to keep possession of any **Property** insured without thereby incurring any liability or diminishing any of the **Insurer's** rights under Section 3 and to deal with the salvage in a reasonable manner but the **Insured** shall not be entitled to abandon any **Property** to the **Insurer**
- c) at its option indemnify the **Insured** by payment reinstatement replacement or repair in respect of any **Property** lost or damaged or part thereof. If the **Insurer** elects to reinstate or replace any **Property** they shall not be bound to reinstate or replace exactly or completely but only as

circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon

### 3. Fraud

If any claim submitted under this Section is in any respect

- a) fraudulent or
- b) is intentionally exaggerated whether ultimately material or not or
- c) fraudulent means are used or a false statement is made or a fraudulent declaration or device put forward in support of a claim
  - i. by the **Insured** or anyone acting on behalf of the **Insured** to obtain any benefit under this Section or
  - ii. if any loss destruction or damage be occasioned by the wilful act or with the connivance of the **Insured**

all benefit under this Section shall be forfeited

The **Insurer** shall have the option to avoid the Section (and any other Policy held by the **Insured** with the **Insurer**) from the inception date of this insurance and treat this Section as if it had never existed or avoid from the date of the claim or alleged claim or avoid the claim

In such circumstances the **Insurer** retains the right to keep the premium and to recover any sums paid by way of benefit under the Section

The **Insurer** also retains the right to inform the Police of suspected fraud

### 4. Conditions

Every Condition to which Section 3 or any part thereof is or may be subject shall from the time the Condition attaches apply and continue to be in force during the whole currency of Section 3 and non-compliance with any such Condition insofar as it increases the risk of loss destruction or damage shall be a bar to any claim in respect of such loss destruction or damage provided that whenever Section 3 is renewed a claim in respect of loss destruction or damage occurring during the renewal period shall not be barred by reason of a Condition not having been complied with any time before the commencement of such period

### 5. Contribution in respect of Sub-sections 1, 2 and 3 (not applicable to Personal Accident (Assault))

If in the event of **Damage** under Section 3 of this Policy there shall be in force any other insurance effected by or on behalf of the **Insured** providing cover against such a claim

- a) the liability of the **Insurer** shall be limited to its rateable proportion of such a claim
- b) but which is subject to any provision excluding it from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the claim then the liability of the **Insurer** shall be limited to such proportion of the claim as the Sum Insured bears to the value of the **Property**

### 6. Arbitration

If any difference shall arise as to the amounts to be paid under Section 3 such difference may at the **Insurer's** option be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Insurer**

Any other difference shall be subject to the exclusive jurisdiction of the courts of England and Wales

### 7. Claims Co-operation

The **Insured** will provide all help and assistance and co-operation required by the **Insurer** in connection with any claim



## USEFUL INFORMATION CANCELLATION AND HOW TO MAKE A CLAIM

This section of the Policy is offered in conjunction with Liverpool Victoria Insurance Company Limited.

Liverpool Victoria Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **Cancellation by the Insured – Cooling off period**

If this section of the cover does not meet your requirements you have the right to cancel it within 14 days of inception. We shall return the full premium relating to this section within 30 days of receipt of your request to cancel.

If you wish to terminate the cover at any other time, please contact the Broker, Intermediary or Agent who arranged the Policy.

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### **How to make a claim under Section 3 – Office Protect**

#### **Legal Expenses claims**

If you need to notify a possible Claim under Section 3, Sub-Section 4 - Legal Expenses please immediately Write to the Insurer's Representative (Claims Department, Abbey Legal Protection, Minorities House, 2 -5 Minorities, London, EC3N 1BJ) or Fax 0870 600 1481. If you have any queries please contact Abbey Legal Protection, telephone: 0870 600 1480.

#### **For all other claims under this section**

Please contact the broker, intermediary or agent who arranged the Policy. Please quote your policy number. Alternatively, you can telephone the Claims Helpline on telephone: 0845 640 5170.

#### **LV= Company details**

LV= and Liverpool Victoria are registered trade marks of Liverpool Victoria Friendly Society Limited and LV= and LV= Liverpool Victoria are trading styles of the Liverpool Victoria group of companies. Liverpool Victoria Insurance Company Limited, registered in England and Wales number 3232514 is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, register number 202965. Registered address: County Gates, Bournemouth BH1 2NF. Tel: 01202 292333

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