



STEPHEN LOWER INSURANCE SERVICES LTD

Property Owners

Consolidated Policy Wording and Subsequent Endorsements

Policy Arranged by Stephen Lower Insurance Services Ltd

Dear Policy Holder

Since our highly-successful new Property Owners policy wording was launched in June 2016, there have been various important changes, both in terms of UK law and in respect of the policy's insurer.

Such changes have been dealt with by way of Endorsements to the main policy wording and must be read in conjunction with it.

At the time of writing, there have been five such endorsements. These are:-

- **Notice for change of legal name**
 - Effective from 3rd May 2016
- **Insurance Act 2015 Endorsement**
 - Applicable to policies starting or renewing from 12th August 2016
- **Data Protection and Privacy Cover Endorsement**
 - Applicable to policies starting on or after 25th May 2018 or renewing on or after 1st June 2018
- **Changes To How To Make A Complaint Endorsement**
 - Effective from 1st April 2019
- **COVID-19 Endorsement**
 - Applicable to policies starting on or after 23rd March 2020 or renewing on or after 1st April 2020

For your convenience, these Endorsements are appended at the end of this document, following the full Policy Wording.

Martin Kingston
Operations Director

23rd March 2020



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STEPHEN LOWER INSURANCE SERVICES LTD

Property Owners

Policy document

Arranged by Stephen Lower Insurance Services Ltd



A warm welcome to Stephen Lower Insurance Services Ltd

Thank **you** for taking out **your** Property owner's policy with **us** – and welcome to Stephen Lower Insurance Services Ltd. Stephen Lower Insurance Services Ltd has been arranging Property owners insurance since 1990.

As acknowledged experts within this area, the Stephen Lower team combines knowledgeable and experienced Underwriters with dedicated and conscientious Claims Managers, to provide an unparalleled level of service to policy holders and brokers alike.

www.stephenlower.co.uk

General information

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If you need to make a claim

If **you** need to make a claim under this policy, please telephone **us** on 01303 247047 and **we** will be pleased to advise **you** of the steps to take. It will assist if **you** have details of **your** policy and cover available when telephoning.

If **you** need to notify a possible claim under Section E – Legal expenses outside of **our** business hours, please telephone ARAG plc on **0117 917 1698** or download a claim form at www.arag.co.uk/newclaims.

In all communications with **us** please quote **your** policy number.

We would refer **you** also to the Claims conditions of this policy set out on pages 19 – 20.

Applicable to Section E – Legal expenses

Important Telephone Numbers and Voucher Code

Legal and tax advice 0344 571 7978

If **you** have a legal or tax problem relating to **your business**, **we** recommend **you** call the confidential legal and tax advice helpline. Legal advice is available 24/7, and tax advice is available between 9am and 5pm on weekdays (except bank holidays). The advice covers business-related legal matters under EU law and tax matters within the UK. **Your** query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Redundancy approval 0117 917 1698

We can arrange for specialist advice if **you** are planning redundancies. This will assist **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. This service is available 9am and 5pm on weekdays (except bank holidays), subject to a charge.

Crisis communication 0344 571 7964

Where **you** need help to respond to negative publicity or media attention **you** can access professional public relations support and crisis communication services. **You** are insured against the cost of crisis communication services under the Crisis communication cover when **you** use this helpline.

Counselling assistance 0333 000 2082

For an **employee** (including family members permanently living with them) needing confidential help and advice, **our** qualified counsellors are available to provide telephone support on any matter that is causing **your employee** upset or anxiety, from personal problems to bereavement.

Business legal services

Register today at www.araglegal.co.uk and enter the voucher code **X1232KC79BB5** to access the law guide and download legal documents to help with commercial legal matters.

General information

Your Property owner's policy

This is **your** Property owner's insurance policy. It sets out the details of **your** insurance contract with **us**.

This policy and any schedule, endorsement and certificate should be read as if they were one document.

We will insure **you** under those sections shown in the schedule during any **period of insurance** for which **we** have accepted **your** premium and in accordance with the terms and conditions contained in or endorsed on this policy. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

Please read the whole document carefully and keep it in a safe place. **You** should take the time to read all its terms, especially the conditions which **you** have to fulfil to ensure **your** insurance remains valid and what **you** have to do when making a claim.

It is important that **you**:

- check that the sections **you** have requested are included in the schedule;
- check that the information **you** have given **us** is accurate;
- comply with **your** duties under each section and under the insurance as a whole.

If this policy does not meet **your** requirements, or if **your** requirements change, **you** should contact **your** insurance agent at **your** earliest opportunity.

Renewal of this insurance

When **your** policy is due for renewal, **we** may offer to renew it for **you** automatically. This means **you** do not need to confirm **your** intention to renew before this policy ends. If **we** offer to do this for **you**, **we** will write to **your** insurance agent at least 21 days before the **period of insurance** ends with full details of **your** next year's premium and policy terms and conditions. If **you** do not want to renew this policy, please contact **your** insurance agent. Occasionally, **we** may not be able to offer to renew **your** policy. If this happens, **we** will write to **your** insurance agent at least 21 days before the expiry of **your** policy to allow enough time for **you** to make alternative insurance arrangements.

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme, **we** will have the right (which **we** may choose not to exercise) to renew this policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy (including the premium) at renewal however **we** will write to **your** insurance agent at least 21 days before the **period of insurance** ends with full details of **your** next year's premium and policy terms and conditions. If **you** decide that **you** do not want **us** to renew this policy, provided **you** tell **us** or **your** insurance agent before the next renewal date, **we** will not renew it.

General information

How to make a complaint

Stephen Lower Insurance Services Ltd's aim is to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times Stephen Lower Insurance Services Ltd are committed to providing **you** with the highest standard of service.

If **you** have any questions or concerns about **your** policy or the handling of a claim **you** should, in the first instance, contact Stephen Lower Insurance Services Ltd or **your** insurance agent. In the event that **you** remain dissatisfied and wish to make a complaint, **you** can do so at any time. Making a complaint does not affect any of **your** legal rights. Please contact:

For Sections A-D, F

Post: The Operations Director of Stephen Lower Insurance Services Ltd, 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent, CT18 7JR.
Telephone: +44 (0) 1303 241170
Email: complaints@stephenlower.co.uk

For Section E

Post: Customer Relations Department, ARAG plc, 9 Whiteladies Road, Clifton, Bristol BS8 1NN
Telephone: +44 (0) 117 917 1561
(hours of operation are 9.00 am to 5.00pm, Monday to Friday, excluding bank holidays)
Email: customerrelations@arag.co.uk
Website: www.arag.co.uk

If **your** complaint cannot be resolved within two weeks, or if **you** have not received a response within two weeks **you** are entitled to refer the matter to Lloyd's. Lloyd's will then conduct a full investigation of **your** complaint and provide **you** with a written final response.

Lloyd's contact details are:

Post: Complaints, Lloyd's, One Lime Street, London EC3M 7HA
Telephone: +44 (0) 20 7327 5693 Fax: +44 (0) 20 7327 5225
Email: complaints@lloyds.com

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at <http://www.lloyds.com/complaints> and are also available from the above address.

If **you** remain dissatisfied after Lloyd's has considered **your** complaint, or if **you** have not received a written final response within eight weeks from the date Stephen Lower Insurance Services Ltd received **your** complaint, **you** may be entitled to refer **your** complaint to the Financial Ombudsman Service who will independently consider **your** complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123
Tel (Outside UK): +44 (0) 20 7964 0500 Fax: +44 (0)20 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Please note:

- **You** must refer **your** complaint to the Financial Ombudsman Service within six months of the date of the final response.
- The Financial Ombudsman Service will normally only consider a complaint from private individuals or from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

General information

How to cancel your policy

You have a statutory right to cancel **your** policy within 14 days from the day of purchase or renewal of the contract or the day on which **you** receive **your** policy or the renewal documentation, whichever is the later.

If **you** wish to cancel and the insurance cover has not yet commenced, **you** will be entitled to a full refund of the premium paid. Alternatively, if **you** wish to cancel and the insurance cover has already commenced, provided **you** have not made a claim, **you** will be entitled to a refund of the premium paid, less a proportional deduction for the time **we** have provided cover.

If **you** do not exercise **your** right to cancel **your** policy, it will continue in force and **you** will be required to pay the premium.

For cancellation outside of this statutory cooling off period **you** can cancel this insurance at any time by writing (by e-mail, fax or letter) to Stephen Lower Insurance Services Ltd at 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent, CT18 7JR, info@stephenlower.co.uk, fax: 01303 850653.

If this insurance is cancelled outside the statutory cooling off period, provided **you** have not made a claim and there hasn't been an incident that could give rise to a claim, **you** will be entitled to a refund of any premium paid, less a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis, subject to **our** minimum charge. For example, if **you** have been covered for 6 months, the deduction for the time **you** have been covered will be half the annual premium or the minimum charge, whichever is higher.

If **we** pay any claim, in whole or in part, then no refund of premium will be allowed.

Cancellation – instalment payments

Time is of the essence in relation to **your** payment of the premium. If **you** pay **your** premium by Direct Debit and there is any default in payment, **we** will contact **you** to request payment by a given date, which will be 14 days from the date **we** contact **you**. If payment is still not received by this date, **we** may then cancel this policy. No refund or credit of premium will be due when cancellation takes place in these circumstances.

For **our** rights to cancel **your** policy please refer to General conditions on page 15.

General information

Privacy notice

Information we process

You should understand that information **you** provide, have provided and may provide in future will be processed by **us**, in compliance with UK data privacy laws for the purpose of providing insurance, handling claims and/or responding to complaints.

Information containing personal and sensitive personal information

Information **we** process may be defined as personal and/or sensitive personal information. Personal information is information that can be used to identify a living individual e.g. name, address, driving licence or national insurance number. Personal information is also information that can identify an individual through a work function or their title.

In addition, personal information may contain sensitive personal information; this can be information about **your** health and/or any criminal convictions.

We will not use personal and/or sensitive personal information except for the specific purpose for which **you** provide it and to carry out the services as set out within this notice.

Collecting electronic information

If **you** contact **us** via an electronic method, **we** may record **your** internet electronic identifier i.e. **your** internet protocol (IP) address. **Your** telephone company may also provide **us** with **your** telephone number.

How we use your information

Your personal and/or sensitive personal information may be used by **us** in a number of ways, including to:

- arrange and administer an application for insurance;
- manage and administer the insurance;
- investigate, process and manage claims; and/or
- prevent fraud.

Who we share your information with

We may pass **your** personal and/or sensitive personal information to industry related third parties, including authorised agents; service providers; reinsurers; other insurers; legal advisers; loss adjusters; and claims handlers.

We may also share **your** personal and/or sensitive personal information with law enforcement, fraud detection, credit reference and debt collection agencies and within the Amlin Group of companies to:

- assess financial and insurance risks;
- recover debt;
- to prevent and detect crime; and/or
- develop products and services.

We will not disclose **your** personal and/or sensitive personal information to anyone outside the Amlin Group of companies except:

- where **we** have **your** permission;
- where **we** are required or permitted to do so by law;
- to other companies who provide a service to **us** or **you**; and/or
- where **we** may transfer rights and obligations under the insurance.

Why it is necessary to share information

Insurance companies share claims data to:

- ensure that more than one claim cannot be made for the same personal injury or property damage;
- check that claims information matches what was provided when the insurance was taken out;
- act as a basis for investigating claims when **we** suspect that fraud is being attempted; and/or
- respond to requests for information from law enforcement agencies.

General information

The transferring of information outside the European Economic Area

In providing insurance services, **we** may transfer **your** personal and/or sensitive personal information to other countries including countries outside the European Economic Area. If this happens **we** will ensure that appropriate measures are taken to safeguard **your** personal and/or sensitive personal information.

Access to your information

You have a right to know what personal and/or sensitive personal information **we** hold about **you**. If **you** would like to know what information **we** hold, please contact the Data Protection Officer at the address listed within this notice, stating the reason for **your** enquiry. **We** may write back requesting **you** to confirm **your** identity, **we** may also charge a fee of GBP10 for processing **your** enquiry.

If **we** do hold information about **you**, **we** will:

- give **you** a description of it;
- tell **you** why **we** are holding it;
- tell **you** who it could be disclosed to; and
- let **you** have a copy of the information in an intelligible form.

If some of **your** information is inaccurate, **you** can ask **us** to correct any mistakes by contacting Stephen Lower Insurance Services Ltd.

Providing consent to process your information

By providing **us** with **your** personal and/or sensitive personal information, **you** consent to **your** information being used, processed, disclosed, transferred and retained for the purposes set out within this notice.

If **you** supply **us** with personal information and/or sensitive personal information of other people, please ensure that **you** have fairly and fully obtained their consent for the processing of their information. **You** should also show this notice to the other people.

You should understand that if **you** do not consent to the processing of **your** information or **you** withdraw consent, **we** may be unable to provide **you** with insurance services.

Changes to this notice

We keep **our** privacy notice under regular review. This notice was last updated on the 20th October 2015.

Contacting us

If **you** have any questions relating to the processing of **your** information, please write to: The Operations Director at Stephen Lower Insurance Services Ltd, 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent CT18 7JR.

General information

Employers' Liability Tracing Office

By entering into this insurance policy **you** will be deemed to specifically consent to the use of **your** insurance policy data in the following way and for the following purposes.

1. Certain information relating to **your** insurance policy including, without limitation:
 - a) the policy number(s);
 - b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;
 - d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
 - e) Companies House reference numbers (if relevant),

will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database.
2. This information will be made available by **us** to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will have regular periodic updating and certification and will be audited on an annual basis.
3. 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 (claimants):
 - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
 - b) to identify the relevant employers' liability insurance policies.
4. The database will be managed by ELTO.
5. The database and the data stored on it may be accessed and used by 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.

General information

Registration and regulatory information

Stephen Lower Insurance Services Limited is authorised and regulated by the Financial Conduct Authority, Financial Services Register number 628613, Registered in England and Wales No.4930449. Registered office: 145 New Dover Road, Capel-Le-Ferne, Folkestone CT18 7JR.

Amlin UK is a trading name of Amlin UK Limited. Amlin UK Limited is wholly owned by and an Appointed Representative of MS Amlin Underwriting Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference number 204918. Amlin UK Limited is registered in England No. 02739220. Registered office: Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG.

Financial Services Compensation Scheme (FSCS)

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

Contracts (Rights of Third Parties) Act 1999

A person or company who is not party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any subsequent amendment to it.

Sanctions

This policy will not provide any insurance cover or benefit and **we** will not pay any sum if doing so would mean that **we** are in breach of any sanction, prohibition or restriction imposed by any law or regulation applicable to **us**.

Tax

There may be circumstances where taxes may be due that are not paid via **us**. If this occurs then it is **your** responsibility to ensure that these are paid direct to the appropriate authority.

Choice of law

In the absence of any agreement to the contrary, the laws of England and Wales will apply and this policy will be subject to the exclusive jurisdiction of the courts of England unless, at the commencement of the **period of insurance**, **you** are either:

- a) a resident of; or
- b) a business with its registered office or principal place of business is situated in:

Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country, crown protectorate or dependency will apply and this policy will be subject to the exclusive jurisdiction of the courts of that country, crown protectorate or dependency.

General definitions

Certain words in this policy have special meanings. These meanings are given below or defined at the beginning of the appropriate section or sub-section. To help **you** identify these words in this policy **we** have printed them in blue, bold italicised text throughout like **this**.

Bodily injury

Death, injury, illness, disease or nervous shock.

Buildings

- a) Buildings being built mainly of brick, stone, concrete or other non-combustible materials unless otherwise agreed in writing by **us**;
- b) landlords' fixtures and fittings and tenants' improvements if **you** are responsible for them in, on or around the buildings;
- c) gangways, pedestrian malls and pedestrian access bridges;
- d) small outside buildings, extensions, annexes, gangways, canopies, fixed signs, communication aerials, closed circuit surveillance equipment, temporary buildings, conveniences, lamp posts, private garages and street furniture;
- e) walls, gates and fences, yards, pathways and loading bays;
- f) **services**;
- g) roads, pavements, car parks and hardstanding and other similar surfaces all constructed of solid material;
- h) landscaping excluding trees, shrubs, plants, turf and external ponds and lakes;
- i) patios, terraces, footpaths, swimming pools, tennis courts and drives;
- j) **contents of common parts** up to a limit of GBP25,000 within residential buildings or the residential portions of buildings;
- k) in respect of buildings not occupied for residential purposes, furniture, equipment and other similar property for which **you** are responsible, provided that **we** have been advised of the amount of cover required;
- l) fixed glass or polycarbonate substitutes including mirrors, fixed glass in furniture, plate glass tops, ceramic hobs, solar glass panels, double glazed units, intruder alarm foils and fixed sanitaryware for which **you** are responsible.

Business

The **business** shown in the schedule.

Contents of common parts

Contents of common parts comprising:

furniture, furnishing, potted plants, potted trees and shrubs, statues, garden furniture, garden machinery, contents of fuel tanks, video, audio, building management systems and security equipment, and other similar property belonging to **you** or for which **you** are responsible.

Damage

Loss or destruction of, or **damage** to, property insured by this policy.

General definitions

Declared value

The base value shown against the **buildings** item in the schedule which **you** consider to represent the cost of rebuilding at the level of costs applying at the start of the **period of insurance**. **You** should ignore any inflationary factors which may operate subsequently. **You** should also make an allowance for:

- a) the additional cost of reinstatement to comply with public authority requirements;
- b) professional fees; and
- c) debris removal costs.

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. Denial of service attacks include, but are 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.

Employee

Any person who is:

- a) under a contract of service or apprenticeship with **you**;
- b) a labour master or supplied by a labour master;
- c) employed by labour only sub-contractors;
- d) self-employed and working for **you** and under **your** control;
- e) hired to or borrowed by **you**;
- f) supplied to **you** for the purposes of study, work or training experience;
- g) a prospective employee who is undergoing practical work experience whilst being assessed by **you** as to his or her suitability for employment;
- h) a voluntary helper while working under **your** supervision and control in connection with the **business**; or
- i) an outworker or homeworker employed under a contract to personally carry out any work in connection with the **business** while they are engaged in that work.

Excess

This is the first part of any claim that **you** will have to pay after the application of all other terms and conditions of the insurance including General condition 1. Average.

Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes, stores or retrieves data, whether **your** property or not.

General definitions

Landlords' contents

Furniture, furnishings, carpets, televisions, video and audio equipment and other household goods in individual flats or residential units at the **premises** owned by **you** or for which **you** are legally responsible but excluding:

- a) articles of gold, silver or other precious metals, jewellery or furs;
- b) money, stamps, collections, certificates, cheques, securities or documents;
- c) clothing and personal effects;
- d) pets or livestock;
- e) any amount exceeding GBP2,500 in respect of any one picture, curio (being a curious or unusual object) or work of art; and
- f) computer systems, peripheral equipment, software, data and records.

Money

Coins, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, giro drafts, national giro payment orders, travellers cheques, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, national savings stamps, war bonds, premium savings bonds, franking machine impressions, credit company sales vouchers, luncheon vouchers, trading stamps, VAT invoices, travel vouchers, travel tickets, airline tickets, uncrossed dividend warrants, consumer redemption vouchers, gift tokens, certificates of deposit and credit cards.

Period of insurance

The period from the effective date shown in the schedule until midnight on the expiry date shown in the schedule. This includes any subsequent period for which **we** may accept payment for renewal of this policy.

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception.

Pollution

Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and all loss, **damage** or injury, caused by pollution or contamination.

Premises

The **buildings** and the land within the boundaries belonging to them as stated in the schedule.

Property insured

Buildings, landlords' contents, contents of common parts and other property at the **premises** (subject to any specific exclusions) all as defined below or more fully described in the schedule and all belonging to **you** or for which **you** are responsible but excluding

1. property which is more specifically insured;
2. land, piers, jetties, bridges, culverts or excavations, unless specifically notified to and accepted by **us** as insured.

Rent receivable

The **money** paid or payable to **you** for accommodation and services provided in course of the **business** at the **premises**.

General definitions

Services

Telephone, gas, electricity, water mains, drains and sewers, electrical instruments, meters, piping, cabling and their accessories providing services to or from the **buildings** and for which **you** are responsible.

Terrorism

- a) acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing, by force or violence, of Her Majesty's government in the United Kingdom or any other legitimate government or accepted (illegitimate) government;
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

Unoccupied

For residential **premises**, this means any **building** or part of any **building** that has not been lived in continuously by **you** or any authorised person for more than 30 consecutive days.

For any **premises** other than residential **buildings** or residential portions of **buildings**, this means any **building** or part of any **building** that is not in normal occupation by **you** or any authorised person.

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. The definition of virus or similar mechanism includes but is not limited to Trojan horses, worms and logic bombs.

We or Us or Our

Lloyd's Syndicate 2001 managed by MS Amlin Underwriting Limited through its appointed representative Amlin UK Limited as insurers of **your** policy and Stephen Lower Insurance Services Ltd who are authorised to underwrite and administer **your** policy on their behalf.

You or Your

The policyholder named in the schedule.

General conditions

These are the conditions of the cover and apply throughout **your** policy. There are additional conditions under each section of cover. If **you** do not comply with these conditions **you** may not receive payment for a claim or **you** may lose all right to cover under **your** policy or to receive payment for a claim.

If **you** are unsure about any of these conditions or whether **you** need to notify **us** about any matter, please contact Stephen Lower Insurance Services Ltd or **your** insurance agent.

1. **Average** (Applicable to Section A – Material damage and Section B – Loss of rental income)

Wherever a **declared value** is stated to be in accordance with average, if at the time of any **damage** the **declared value** on any item of the **property insured** is less than the total value of the property, **you** will be considered as being **your** own insurer for the difference and will bear a rateable share of the loss accordingly.

2. **Cancellation – our rights**

We may cancel this policy or any section by giving 30 days' notice (amended to 14 days' notice in respect of e) below) in writing by registered letter to **you** at **your** last known address and in this case **you** will be entitled to a proportionate return of premium in respect of the unexpired term of this policy (other than in circumstances where **we** invoke Claims condition 6. Fraudulent claims).

Reasons **we** may decide to cancel **your** policy include if:

- a) there is a material change in **your business**;
- b) there is reasonable suspicion of fraud or where there has been a deliberate or reckless misrepresentation of material facts and/or other non-disclosure;
- c) **you** do not co-operate or supply information or documentation that **we** request which materially affects our ability to process this policy or **our** ability to defend **our** interests;
- d) following a survey at any of **your** properties or sites **we** have required **you** to make risk improvements and **you** have not completed these within a reasonable period of time advised by **us**;
- e) the first or renewal premium has not been paid within 14 days of the inception or renewal date to Stephen Lower Insurance Services Ltd;
- f) threatening or abusive behaviour or the use of threatening or abusive language, intimidation or bullying of **our** staff or suppliers;
- g) not exercising **your** duty of care as required under General condition 7. Maintenance and reasonable precautions contained in this policy and failing to put this right when **we** ask **you** by sending **you** 7 days' written notice to **your** last known address.

Where a claim has been made during the current **period of insurance**, the full annual premium will still be payable despite cancellation of cover and **we** reserve the right to deduct this from any claim payment.

General conditions

3. Change in circumstances or alteration to the risk

If **you** would like to make changes to **your** policy please contact Stephen Lower Insurance Services Ltd or **your** insurance agent.

If **you** are aware of any material changes to the information provided or if **you** become aware of any material changes **you** must tell **us** or **your** insurance agent about those changes. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **you** need to change the information **you** have given **us** please contact Stephen Lower Insurance Services Ltd or **your** insurance agent as soon as reasonably practicable on becoming aware of that change.

Examples where **we** would need **you** to notify **us** of a change include:

- if any sums insured **you** have declared to **us** have increased or decreased;
- there is a change to the business **you** undertake that **we** do not know about;
- **you** move premises or make alterations to the **premises you** occupy;
- the security and fire protections **you** have declared to **us** change.

These are just some examples and there may be other circumstances **we** would want **you** to tell **us** or **your** insurance agent about. If **you** are in any doubt, please contact Stephen Lower Insurance Services Ltd or **your** insurance agent directly as failure to notify **us** of any changes could lead to **your** policy being cancelled, or a claim rejected or not fully paid.

If **you** are unsure whether a change to the information **you** have given **us** is material please contact Stephen Lower Insurance Services Ltd or **your** insurance agent.

In addition **you** must notify **us** or **your** insurance agent of any alteration to the information provided at inception or renewal occurring during the **period of insurance** at which time **we** may apply an additional premium or other additional terms or conditions.

4. Index linking (*Applicable to Section A – Material damage*)

a) **Renewal**

For **buildings**, **we** will adjust the amounts insured to take into account movements in the appropriate index shown below.

Building and tenants improvements items

The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

NOTE: *If the above index is not available, we may select a suitable alternative.*

In the event of a negative index **we** will retain **your** existing amounts insured, unless **you** advise **us** otherwise.

b) **Claims**

For claims settlement purposes the adjustments set out above will continue during the **period of insurance** and the period of repair, replacement or reinstatement as long as the work is carried out and completed without undue delay.

General conditions

5. Information you have given us

If **we** establish that **you** or anyone acting on **your** behalf have made a deliberate or reckless breach of **your** duty to make a fair presentation of the risk **we** may cancel this policy and refuse all claims and need not return any of the premiums paid.

If **we** establish that **you** or anyone acting on **your** behalf have made a breach of **your** duty to make a fair presentation of the risk which is neither deliberate nor reckless the following proportionate remedies will apply, all of which are based on what **we** would have done if **we** had known the true facts:

- a) if **we** would not have entered into this contract of insurance on any terms, **we** may cancel this policy and refuse all claims but will in that event return the premiums paid;
- b) if **we** would have entered into the contract of insurance but on different terms (other than terms relating to the premium) this policy is to be treated as if it had been entered into on those different terms if **we** so require, even if **you** would never have accepted those terms;
- c) if **we** would have entered into this policy but would have charged a higher premium (whether the terms relating to matters other than the premium would have been the same or different) **we** may reduce proportionately the amount to be paid on a claim.

We or **your** insurance agent will write to **you** if **we** intend to apply one of the above proportional remedies.

If **you** become aware that the information **you** have given **us** is inaccurate, **you** must inform **us** as soon as reasonably practicable, at which time **we** may require **you** to pay more for **your** insurance.

6. Interest clause

We agree to automatically note the interest of any other party if requested to do so by **you**, to any of the **property insured** and which attached before the happening of any **damage**, but only to the extent that the interest is not otherwise insured and subject to their identity being disclosed in writing to **us** by **you** in the event of **damage**.

7. Maintenance and reasonable precautions

You will at **your** own expense:

- a) take all reasonable precautions to prevent or reduce **damage**;
- b) cease any activity which may give rise to liability under this policy;
- c) maintain all **buildings**, furnishings, ways, works machinery, caravans and vehicles in sound condition and good repair;
- d) exercise care in the selection and supervision of **employees**;
- e) remedy any defect or danger as soon as reasonably practicable after discovery and in the meantime take additional precautions as the circumstances may require; and
- f) comply with all statutory requirements and other safety regulations imposed by any authority.

General conditions

8. Unoccupied property

a) Unoccupied property (other than residential)

We or **your** insurance agent must be notified in writing by e-mail, letter or fax, as soon as reasonably practicable after **you** become aware that any insured **buildings** becomes or will become **unoccupied** or partially **unoccupied**. **We** will have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which will be paid by **you** if required.

b) Unoccupied property (residential)

We or **your** insurance agent must be notified in writing by e-mail, letter or fax, as soon as reasonably practicable after **you** become aware that any insured **buildings** becomes or will become **unoccupied** or partially **unoccupied** for more than 30 consecutive days. **We** will have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which will be paid by **you** if required.

9. Unoccupied property security

In respect of an **unoccupied property**:

- a) **we** will not be liable for the first GBP500 of each claim for **damage** caused by malicious persons (other than by fire or explosion) not acting on behalf of or in connection with any political organisation, storm, flood, escape of water, beer or fuel oil, sprinkler leakage or theft;
- b) **you** must take the following steps:
 - i) the gas, electricity (other than power required for an intruder or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down (unless the central heating system is kept running to maintain a temperature of 5 degrees centigrade) during the period 1st October to 31st March. Where sprinkler systems are installed and water supplies must be maintained, heating must be maintained at a minimum temperature of 5 degrees centigrade;
 - ii) **buildings** must be secured against unlawful entry by closing and locking doors and windows and setting any security and alarm systems;
 - iii) the **premises** and yards are clear of all waste materials and redundant contents;
 - iv) the letter box is permanently sealed shut or a non-combustible receptacle is permanently fixed to the letter box;
 - v) the **premises** are inspected both internally and externally at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the **buildings** and that compliance with conditions i) - iv) above continues.

We will in addition to the above have the option to change the terms and conditions of this policy including requiring **you** to action risk improvements **we** consider essential. If **you** are unable to accept the revised terms **we** want to apply **we** will give **you** notice of the date from which cover under this policy will be cancelled and the time on risk premium that will apply.

Claims conditions

1. Arbitration

If **we** agree to pay **your** claim and **you** disagree with the amount to be paid it may be referred to an arbitrator who is jointly appointed. Whether **we** or **you** bear the costs of the arbitration, or these are shared by **us** and **you** will be determined at the discretion of the arbitrator. Alternatively, depending on the size of **your business**, **you** may be able to refer **your** case to the Financial Ombudsman Service (FOS). In either case, this will not affect **your** right to take action against **us** over the disagreement.

2. Claims co-operation

You must provide all help and assistance and co-operation reasonably required by **us** in connection with any claim.

3. Claims procedures

Things **you** must do:

You must comply with the following conditions. If **you** fail to do so, **we** may not pay **your** claim, or any payment could be reduced.

- i) **You** must notify **us** or **your** insurance agent as soon as reasonably practicable giving full details of what has happened.
- ii) **You** must provide **us** or **your** insurance agent with any other information **we** may require.
- iii) **You** must forward to **us** or **your** insurance agent as soon as reasonably practicable, if a claim for liability is made against **you**, any letter, claim, writ, summons or other legal document **you** receive.
- iv) **You** must inform the police as soon as reasonably practicable following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property.
- v) **You** must not admit liability or offer or agree to settle any claim without **our** written permission.
- vi) **You** must take, or allow others to take, practical steps to prevent further **damage** or **bodily injury**, recover property lost and otherwise minimise the claim.

Under Section E – Legal expenses the following claims procedures apply:

- a) **we** have appointed ARAG plc to deal with all claims on **our** behalf;
- b) if an **insured person** needs to make a claim they must notify **us** as soon as reasonably practicable (see page 2 for contact details) or ARAG plc if outside of **our** business hours;
- c) under no circumstances should an **insured person** instruct their own lawyer or accountant as **we** will not pay any costs incurred without **our** agreement;
- d) an **insured person** can request a claim form anytime by downloading one at www.arag.co.uk/newclaims;
- e) where an **insured person** is making a claim to repossess an **insured property**, they must have issued the necessary notices informing their tenant of their intention to repossess the **insured property**;
- f) ARAG plc will issue an **insured person** with a written acknowledgement within one working day of receiving their claim form;

Claims conditions

- g) within 5 working days of receiving all the information needed to assess the availability of cover under Section E – Legal expenses of this policy, ARAG plc will write to an **insured person** either:
- i) confirming the appointment of a qualified representative who will promptly progress the claim for them; or
 - ii) if the claim is not covered, explaining in full why and whether **we** can assist in another way.

When a lawyer is appointed they will try to resolve the **insured person's** dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

4. Discharge of liability

Where in **our** opinion, the limit of liability or the sum insured of any claim may exceed the available limit of liability or sum insured **we** will be entitled at **our** discretion, to discharge **our** liability by paying the available limit of liability or sum insured to **you** or on **your** behalf and pay defence costs up to the date of that payment. In this situation, if at the time of payment **we** are conducting the defence of the claim, **we** will also relinquish that conduct.

5. Excess

Where stated in the schedule, **you** will be responsible for paying an **excess** in relation to each claim made by **you** under this policy.

6. Fraudulent claims

If **we** determine that any claim is in any respect fraudulent or if **you** or anyone acting on **your** behalf makes any claim or any statement knowing this to be false or fraudulent in any way, **we** will cancel this policy from the date of the fraudulent claim or false or fraudulent statement was made and all benefits under this policy will cease.

7. Multiple insureds

The most **we** will pay is the relevant amount shown in the schedule.

If more than one insured is named in the schedule, the total amount **we** will pay will not exceed the amount **we** would be liable to pay were there only one insured named in the schedule.

You agree that if there is more than one insured named in the schedule, the first insured listed is authorised to receive all notices and agree any amendments to this policy unless **we** are advised otherwise.

8. Other insurance

If the **damage** or liability which is the subject of a claim under this policy is covered by any other insurance **we** will not pay more than **our** rateable proportion.

9. Salvage

We may enter the **premises** where **damage** has occurred and take possession of or require to be delivered to **us** any property insured and deal with it in a reasonable manner but property may not be abandoned to **us**.

10. Subrogation

We are entitled to:

- a) take over and conduct the defence or settlement of any claim in **your** name or on **your** behalf at **our** discretion; and
- b) take steps to enforce rights against any other party before or after payment is made by **us**.

General exclusions

This policy does not apply to:

1. **Asbestos** (*Not applicable to Section D - Employers' liability*)

any loss, demand, claim or suit arising out of or related in any way to asbestos or asbestos containing materials.

2. **Cyber terrorism**

digital or cyber risks, that is:

- a) any loss caused by or contributed to, by, or arising from or occasioned by or resulting from:
 - i) the alteration, modification, distortion, corruption of or **damage** to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part of it whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii) any alteration, modification, distortion, erasure or corruption of data processed by any computer or other equipment or component or system or item,

whether **your** property or not, where the loss is caused by a **virus or similar mechanism, phishing or hacking or denial of service attack**;

or

- b) any legal liability or financial loss or expense, including but not limited to consequential loss, caused by or contributed to, by, or arising from or occasioned by or resulting from a **virus or similar mechanism, phishing or hacking or denial of service attack**.

3. **Date recognition**

damage caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

We will cover subsequent **damage** resulting from an insured cover, providing **damage** is covered elsewhere in this policy.

4. **Excess**

the **excess** shown in **your** schedule.

5. **Radioactive contamination**

bodily injury, disablement or **damage** to any property, or any resulting loss or expense or any legal liability caused by, contributed to or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or its nuclear components;
- c) any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter; or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when those isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

General exclusions

When applying to Section D – Employers’ liability, this exclusion will apply only in respect of **bodily injury** to an **employee** when **you** have under a contract agreed to:

- i) cover another party; or
- ii) assume the liability of another party,

in respect of the **bodily injury**.

6. **Riot and civil commotion**

riot or civil commotion in Northern Ireland. **Damage** is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the **damage**.

7. **Terrorism**

damage or financial loss or expense, occasioned by or happening through or in consequence of **terrorism**. In any action suit or other proceedings where **we** allege that any **damage** is not covered by this policy the burden of proving that **damage** is covered will be upon **you**.

This exclusion will apply to all sections of this policy, other than liability covered under Section C - Property owners liability and Section D - Employers’ liability to the extent that it is necessary to comply with the minimum requirements of the laws of the countries, crown protectorates and dependencies in the United Kingdom of Great Britain and Northern Ireland and the Channel Islands and the Isle of Man, relating to compulsory insurance of liability to **employees** and provided that the maximum limit for any one claim or series of claims arising from one source or original cause will not exceed GBP5,000,000.

8. **War**

any consequence whatsoever which is the result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event:

- a) war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack:
 - i) by government or sovereign power (legal or illegal) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia; or
 - ii) by military, naval or air forces, or any other armed forces or militia; or
 - iii) by an agent of any government, power, authority or force;
- b) any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental,

insurrection, rebellion, or action taken by a government authority in hindering, combating, or defending against an occurrence, seizure or destruction.

Section A - Material damage

Definitions

The following words will have the same meaning wherever they appear in this section of this policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Day one rebuilding value

The total cost of reinstating the buildings insured to a condition substantially the same as when new at the level of costs applying at the beginning of the **period of insurance** in which the **damage** occurred.

Reinstatement

1. The rebuilding or replacement of property lost or destroyed which, provided **our** liability is not increased, may be carried out in any manner suitable to **you** or on another site; or
 2. the repair or restoration of property damaged,
- in either case to a condition equal to but not better or more extensive than its condition when new.

Insuring clause

We will at **our** option pay for, repair or reinstate any **property insured** that sustains **damage** at the **premises** directly caused by any of the covers listed below provided they are shown as applying in the schedule.

Our liability in any one **period of insurance** will not exceed:

1. the total sum insured as stated in the schedule;
2. in respect of any item, its individual sum insured; or
3. any other stated limit of liability.

Section A - Material damage

Covers

1. **Fire, lightning and explosion** but not **damage** caused by:
 - i) earthquake, subterranean fire; or
 - ii) explosion of non-domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **damage** caused by:
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds; or
 - ii) fire.
3. **Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons** but not **damage** arising from:
 - i) confiscation, requisition or destruction by order of the government or any public authority;
 - ii) stopping work;
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons; or
 - iv) theft or attempted theft.
4. **Earthquake or subterranean fire.**
5. **Storm** but not **damage**:
 - i) caused by lightning, frost, subsidence, ground heave or landslip; or
 - ii) to fences and gates.
6. **Flood** but not **damage**:
 - i) attributable solely to change in the water table level;
 - ii) caused by lightning, frost, subsidence, ground heave or landslip; or
 - iii) to fences and gates.
7. **Escape of water, beer or oil** from any tank, fixed water apparatus or pipe but not **damage** caused by:
 - i) water discharged or leaking from any automatic sprinkler installation; or
 - ii) subsidence, ground heave or landslip.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **damage** caused by:
 - i) freezing whilst the **building** is **unoccupied** or not in use for more than 30 consecutive days; or
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.

Section A - Material damage

9. **Impact** by any road or rail vehicle or animal.
10. **Accidental damage** but not:
- i) **damage** caused by:
 - a) any of the Covers specified in this section;
 - b) the causes expressly excluded from the Covers specified in this section;
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include subsequent **damage** which itself results from a cause not otherwise excluded;
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - f) change in temperature, colour, flavour, texture or finish;
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services;
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - i) mechanical, electronic, electrical or computer breakdown or disturbance in the order, arrangement or functioning of the particular machine, apparatus or equipment in which the breakdown or disturbance in the order, arrangement or functioning originates but this will not exclude subsequent **damage** so long as it is not excluded above;
 - j) **pollution**;
 - k) normal settlement or bedding down of new structures;
 - l) acts of fraud or dishonesty;
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - n) **damage** to a **building** or structure caused by its own collapse or cracking;
 - o) any process of cleaning, repairing, restoring, cutting, preparation or fitting.

Section A - Material damage

- ii) **damage** to:
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c) property or structures in the course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy; or
 - d) any **building** or structure caused by its own collapse or cracking.
- 11. **Theft or attempted theft** but not **damage**:
 - i) which, other than in respect of residential **buildings** or the residential portions of **buildings**, does not involve:
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence;
 - ii) to property in transit; or
 - iii) to **money** and securities of any description.
- 12. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **damage**:
 - i) to yards, car parks, roads, pavements, hardstanding, patios, terraces, pathways, swimming pools, tennis courts, drives, walls, gates and fences unless also affecting the structure of other portions of the **buildings** as a result of the same incident;
 - ii) caused by:
 - a) normal settlement or bedding down of new structures;
 - b) settlement or movement of made up ground;
 - c) coastal or river erosion;
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
 - iii) which originated before the inception of this cover;
 - iv) resulting from:
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavation,at the same **premises**.

Section A - Material damage

Special condition applicable to Cover 12.

- a) **You** must notify **us** as soon as reasonably practicable after **you** become aware of any demolition, groundworks or excavation being carried out on any adjoining site.
- b) **We** will then have the right to vary the terms or cancel this cover.

Excess

An **excess** applies to the Covers under this section as shown in the schedule.

Additional covers

The following clauses describe insurance cover that **we** will also provide in addition to that described under the Insuring clause.

1. Additional metered water, electricity or gas charges

We will pay for excess gas, electricity or other supply charges demanded from **you** by the supply authority following loss of metered supplies as a result of **damage** insured by this policy to fixed pipes, apparatus and tanks.

The most **we** will pay is GBP5,000 for any one claim and GBP25,000 in any one **period of insurance**.

2. Additional sprinkler costs

We will pay for the costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council (LPC) Rules solely as imposed upon **you** by **us** following **damage** to the **buildings** provided that at the time of **damage** the installation conformed:

- a) to the 28th or 29th Edition Rules; or
- b) to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those rules.

3. Additions

The insurance extends to include any newly acquired buildings, alterations, additions and improvements to **buildings** anywhere in the United Kingdom to the extent that they are not insured elsewhere subject to the following:

- a) cover under this extension in any one situation is limited to the value of the newly acquired buildings, alterations, additions or improvements but will not exceed GBP1,000,000;
- b) **you** must advise **us** as soon as reasonably practicable of any extension in cover as detailed above and **you** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

Section A - Material damage

4. Automatic reinstatement after a loss

Unless **we** advise **you** to the contrary, **our** liability will not be reduced by the amount of any loss provided that:

- a) **you** pay the appropriate additional premium for reinstatement of cover; and
- b) **you** carry out any reasonable recommendations **we** put forward to prevent further loss.

The most **we** will reinstate in any one **period of insurance** is the sum insured stated in the schedule.

5. Boarding up

We will pay costs necessarily and reasonably incurred in boarding up and making secure the **buildings** following **damage** insured by this section.

6. Clearing of drains

We will pay for costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at **your premises** and in the immediate vicinity for which **you** are responsible following **damage**.

We will not pay more than the sum insured stated in the schedule.

7. Concern for welfare costs

We will pay costs incurred following **damage** insured by this section to residential **buildings** or the residential portion of **buildings** caused by the police or persons acting under their control in gaining access to the **buildings** as a result of their concern for the welfare of any resident of the **premises**.

We will not pay:

- i) more than GBP5,000 for any one claim and GBP15,000 in any one **period of insurance**;
- ii) for costs incurred following **damage** caused by the police in the course of criminal investigations.

8. Contract works

We will pay for the temporary and permanent works including associated materials, executed in the performance of a contract, provided that **you** have contracted to arrange cover with a limit of GBP250,000 for any one claim at any **premises**. This insurance will only apply in so far as the contract works are not otherwise insured.

9. Contracting purchaser's interest

If at the time of **damage**, **you** have contracted to sell **your** interest in any **building** insured and the purchase has not been, but will be, completed, the purchaser on exchange will be entitled to benefit under this policy without prejudice to the rights and liabilities of **you** or **us** from the date of the **damage** until completion as long as the purchaser has not otherwise insured the **building** against **damage**.

Section A - Material damage

10. Contractor's interest

Where **you** are required to effect insurance on the **buildings** in the joint names of **yourselves** and the contractor under the terms of a contract, then the interest of the contractor in the **buildings** as a joint insured is noted, provided that the details of any single contract valued in excess of GBP250,000 have been advised to **us** before work commences and any additional premium has been paid.

11. Debris removal

We will pay for costs and expenses **you** necessarily incur with **our** written consent for:

- a) removing debris from;
- b) dismantling and/or demolishing;
- c) shoring or propping up of; and
- d) clearing, cleaning or repairing **services** to

those parts of the **property insured** damaged by any cover insured.

We will not pay:

- i) more than the sum insured stated in the schedule for each item;
- ii) for any costs or expenses:
 - a) incurred in removing debris except from the site of property damaged and the area immediately adjacent to it;
 - b) arising from **pollution** or contamination of property not insured by this policy; or
 - c) in respect of **damage** which occurred before the granting of cover under this policy.

12. Designation of property

For the purpose of determining the heading under which any property is insured, **we** agree to accept the designation under which the property has been entered in **your** books.

13. European Union and public authorities' requirements

We will pay for the additional cost of rebuilding or repair as may be incurred with **our** written consent in complying with any regulations or requirements of the European Union, any public authority or other statutory requirements first imposed upon **you** following the **damage**.

However, **we** will not be liable in respect of any rate, tax, duty, development or other charge or assessment which may arise out of any capital appreciation as a result of complying with any of the requirements referred to in this extension.

Section A - Material damage

14. Failure of third party insurances

We will pay for **damage** to **buildings** or loss of rent, in accordance with the terms, conditions, exclusions, provisions and definitions of this policy at the premises defined below, and only to the extent that the lessee or freeholder is unable to recover the amount equivalent to that which could be payable under this policy if the lessee or freeholder were the insured, as a result of:

- a) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease; or
- b) the lessee or freeholder having failed to insure for an adequate amount whether the amount insured had been approved by **you** or not,

but excluding any payments in respect of **damage** or loss of rent that **you** recover from any other party.

We will not pay more than GBP500,000 for any one premises.

No amount will be recoverable:

- i) if it arises due to the operation of any excess or deductible under any more specific insurance;
- ii) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within their policy as a result of **your** action;
- iii) if it arises due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim; or
- iv) unless **you** carry out at least annually a check of all premises owned or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for those premises.

For the purpose of this Additional cover 14. "premises" is defined as all **your** properties anywhere in the United Kingdom which are leased to or by **you** but not specifically insured or referred to elsewhere under this policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with **you**.

Special conditions applicable to Additional cover 14.

- A. **We** will not pay for loss of rent unless the **building** to which the rent relates is damaged so as to be rendered unfit for occupation and then only for that proportion of the rent payable as may be equivalent to the period necessary for reinstating the **damage** sustained, such period not to exceed 36 months.
- B. This Additional cover 14. will only take effect if **we** are the sole provider of **buildings** insurance in respect of **your** properties owned in connection with the **business** and where **you** have an obligation to arrange the insurance.

Section A - Material damage

15. Fire extinguishing expenses and alarm resetting expenses

We will pay for the reasonable costs incurred by **you**:

- a) for refilling fire-extinguishing appliances and replacing any used sprinkler heads solely in consequence of **damage**;
- b) in extinguishing operations in order to minimise loss;
- c) for **damage** to lawns, trees, shrubs and gardens caused by extinguishing operations;
- d) for recharging gas flooding systems;
- e) for refilling sprinkler tanks where costs are metered; and
- f) for resetting fire and intruder alarms and closed circuit television systems.

16. Fly tipping

We will pay for costs necessarily and reasonably incurred in cleaning and removing any property in consequence of its being illegally deposited in, on or around the **premises** subject to the following:

- a) **we** will not be liable for the first GBP1,000 of each and every loss; and
- b) **we** will not pay more than GBP25,000 during any one **period of insurance**.

17. Further investigation expenses

Where a **building** has suffered **damage** and in the opinion of a competent construction professional there is a reasonable possibility of other **damage** to portions of the same **building** which is not initially apparent, **we** will pay for:

- a) the reasonable costs incurred by **you** with **our** written consent in establishing whether or not the **damage** has occurred; and
- b) the reasonable costs incurred by **you** in establishing whether or not other **buildings** in the vicinity have suffered **damage** in the same incident but only if the **buildings** are subsequently found to have suffered **damage** for which **we** are liable.

We will not pay more than GBP25,000 for any one claim.

18. Gas flooding systems

We will pay for **your** costs incurred in refilling the cylinders of gas flooding systems installed solely for the protection of the **buildings** provided that the discharge is accidental.

We will not pay more than GBP50,000 for any one claim.

Section A - Material damage

19. Inflation provision (day one basis)

- a) In accordance with the following special conditions, the basis upon which a claim will be settled for material **damage** will be the **reinstatement** of the property damaged.
- b) The premium has been calculated according to the **declared value** which **you** gave to **us**.

Special conditions applicable to Additional cover 19.

1. **You** will notify **us** of the **declared value** of the **property insured** for each item at the beginning of each **period of insurance**. In the absence of the declaration or where index linking is not applied, the last amount declared by **you** will be taken as the declared value for the ensuing **period of insurance**.
2. If at the time of **damage** the **declared value** of the property is less than the cost of **reinstatement** at the inception of the **period of insurance**, then **our** liability for the **damage** will not exceed that proportion of the amount of the **damage** which the **declared value** bears to the cost of **reinstatement**.
3. **Our** liability for the reinstatement of property partly damaged will not exceed the amount which would have been payable had the property been wholly destroyed.
4. No payment beyond the amount which would have been payable in the absence of this Additional cover 19. will be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay;
 - b) until the cost of reinstatement has been incurred; or
 - c) if the **property insured** at the time of its **damage** is insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
5. All the other terms and conditions of this policy will apply:
 - a) in respect of any claim payable under this Additional cover 19. unless they are varied.
 - b) where claims are payable as if this Additional cover 19. had not been incorporated except that the sum insured will be limited to the percentage of the **declared value** stated in the schedule.

Section A - Material damage

20. Landscaping

Subject to **our** written consent, **we** will pay the necessary and reasonable costs and expenses that **you** incur in making good **damage** to landscaped gardens or grounds at the **premises** caused by:

- a) **damage** insured by this policy; or
- b) the emergency services while attending the **premises** to deal with an emergency caused by **damage** insured by this policy.

We will not pay for:

- i) the cost of movement of soil other than as necessary for surface preparation;
- ii) the failure of trees, shrubs or turf to become established following replanting;
- iii) the failure of seeds to germinate; and
- iv) the first GBP1,000 of any claim arising out of one event.

The most **we** will pay is the lesser of GBP25,000 or 10% of the sum insured as stated in the schedule for any one claim.

21. Loss minimisation and prevention expenditure

We will pay for costs and expenses incurred by **you** with **our** written consent for the sole purpose of avoiding or diminishing the amount of a loss following **damage** which but for that expenditure would have occurred.

We will not pay more than GBP25,000 for any one claim.

22. Loss of market value

It is agreed that if:

- a) **you** choose not to repair or rebuild, **we** will pay to **you** the reduction in market value of the **buildings** following **damage** but not exceeding the amount that would have been payable had the **buildings** been repaired or rebuilt; and
- b) as a result of **damage**, **you** are required to rebuild or reinstate the **buildings** in a manner different from that before **damage** solely to comply with any regulations or requirements of the European Union, public authority or other statutory requirements (as shown under Additional cover 13. European Union and public authorities' requirements) and as a result there is reduction in market value, **we** agree to pay:
 - i) the cost of repairing or reinstating the **buildings**; and
 - ii) a cash settlement representing the reduction in market value,

so that the total payment made is no greater than the amount that would have been payable had the **buildings** been repaired or reinstated in an identical manner to their condition before the **damage**.

Special conditions applicable to Additional cover 22.

- i) the total amount recoverable under any item of this policy will not exceed its sum insured as stated in the schedule; and

Section A - Material damage

- ii) all other terms and conditions of this policy will apply as if they had been incorporated in this Additional cover 22.

23. Mortgagees and lessors

Any increase in the risk of **damage** resulting from any act or failure to act of any mortgagor, leaseholder, lessee or occupier of any **buildings** insured by this policy will not prejudice the interest of any mortgagee, freeholder or lessor provided that:

- a) the increase in risk is without their knowledge or authority;
- b) **we** are notified as soon as reasonably practicable when they become aware of the increase in risk; and
- c) **you** pay any additional premium required.

24. Non-invalidation

This insurance will not be invalidated by any act, omission or alteration where the risk of **damage** is increased unknown to or beyond **your** control provided that as soon as reasonably practicable following **your** becoming aware of it **you** tell **us** and pay any additional premium required.

25. Other premises

We will pay for **damage** to any contents including **contents of common parts** and landlords' fixtures and fittings insured under this policy whilst temporarily removed to any other premises in **your** occupation in Great Britain and Northern Ireland provided that they are not otherwise insured.

We will not pay more than the lesser of GBP10,000 and the sum insured on contents for any one claim.

26. Privity of contract

We will pay for all sums as **you** become legally liable to pay and will pay to any tenant in respect of the repair or reinstatement of **premises** previously owned but which are no longer **your** property and where the current owner has failed to maintain adequate insurance cover, in accordance with the special conditions stated below.

Special conditions applicable to Additional cover 26.

- a) The insurance by this clause will not contribute to any more particular insurance effected by the new owner, tenants or sub-tenants.
- b) **You** will take all reasonable and appropriate steps to obtain release from **your** liabilities under the covenants to insure the property on its disposal.

Section A - Material damage

27. Professional fees

The sum insured for each item on **buildings** and **contents of common parts** includes an amount for professional fees necessarily and reasonably incurred in the reinstatement of the **property insured** but not for preparing any claim.

28. Reinstatement to match

Where a **building** has suffered **damage**, **you** may replace, repair or restore the property with equivalent property which employs current technology and replacement, repair or restoration will not for the purposes of this policy be regarded as being better or more extensive than when new.

This policy further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored. Provided that **our** total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

When the **buildings** are damaged or destroyed in part only, **our** liability will not exceed the sum representing the cost which **we** could have been called upon to pay for reinstatement if the property had been wholly destroyed.

29. Removal of vermin

Regardless of anything contained within this section to the contrary, **we** will cover the reasonable costs incurred by **you** where **you** are required by a local authority or similar body to have vermin removed from any **building**.

We will not pay more than GBP500 for any one loss and GBP2,500 during any one **period of insurance**.

(No **excess** will apply to this extension of cover).

30. Removal of nests

We will pay for the costs incurred in the removal of any insect or vermin nest found at the **property insured**, provided that such removal is carried out by specialist persons and we will not pay more than GBP500 for any one loss.

(No **excess** will apply to this extension of cover).

31. Replacement locks

We will pay for the necessary replacement of locks following the loss of keys to the **buildings** by theft from:

- a) the **buildings**; and
- b) **your** home or that of any authorised **employee**.

We will also pay for the necessary replacement of locks where there is reasonable evidence that such keys have been copied by an unauthorised person.

The most **we** will pay is GBP5,000 for any one loss.

Section A - Material damage

32. Residential property

If residential **buildings** or residential portions of **buildings** are made uninhabitable or access to them is prevented by **damage** insured under this section, **we** will pay for:

- a) loss of **rent receivable**; or
- b) the reasonable additional costs of comparable accommodation including accommodation for pets which normally live in the **buildings** and temporary storage costs for residents furniture,

until the **buildings** are inhabitable or accessible.

The most **we** will pay is 33.33% of the sum insured as stated in the schedule of the damaged **buildings** in any **period of insurance**.

We will also pay for:

- A) loss of **rent receivable**; or
- B) the reasonable additional costs of comparable accommodation,

if residential **buildings** or a residential portion of **buildings** are made uninhabitable or access to them is prevented by **damage** insured under this section to property at any:

- i) generating station or sub-station of the public electricity supplier;
- ii) land based premises of the public gas supplier or of any natural gas producer linked directly to them;
- iii) water works or pumping station of the public water supplier; or
- iv) land based premises of the public telecommunications supplier,

from which **you** obtain electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland.

The most **we** will pay is 20% of the sum insured as stated in the schedule of the **buildings** to which the public utility supply is affected.

33. Re-writing of deeds and documents

We will pay the cost of materials and clerical labour to rewrite deeds and documents relating to the ownership and/or management of residential **premises** or residential portions of **premises** due to **damage** insured by this section to the deeds and documents occurring at the **premises** or whilst held in safekeeping by a bank or solicitor.

We will not pay more than GBP500 for any one claim.

(No **excess** will apply to this extension of cover).

Section A - Material damage

34. Subrogation waiver

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

- a) any company standing in relation of parent (subsidiary to parent) to **you** as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**; or
- b) any company which is a subsidiary of a parent company of which **you** are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**; and
- c) any tenant, lessee or managing agent in respect of **damage** applicable to the **premises** unless the **damage** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

35. Temporary removal

We will pay for **damage** to any landlords' fixtures and fittings or other property within the definition of **buildings** not otherwise insured whilst temporarily at other premises for cleaning, renovation or repair or other similar purposes and whilst in transit by road, rail or inland waterway.

We will not pay more than 10% of the item's sum insured for any one claim.

36. Trace and access

In the event of **damage** resulting from escape of water, beer or oil as covered by this policy, **we** will pay for:

- a) the costs necessarily and reasonably incurred in locating the source of the **damage**; and
- b) the costs and expenses incurred in repairing any **damage** caused in locating the source of the **damage**.

We will not pay more than GBP25,000 for any one claim.

37. Tree felling and lopping

We will pay for the cost of lopping or felling trees which are a pressing threat to life or causing **damage** to the **property insured**.

We will not pay more than GBP5,000 in the aggregate during any one **period of insurance**.

Section A - Material damage

38. Tree removal

We will pay for costs and expenses incurred in removing fallen trees and branches from the **premises** resulting from any of the covers insured under this policy.

We will not pay more than GBP500 for any one claim or GBP2,500 in the aggregate during any one **period of insurance**.

(No **excess** will apply to the cover described above).

We will also pay up to GBP2,500 in respect of replanting of trees as may be necessary as a result of **damage**.

39. Unauthorised use of public utilities

We will pay the cost of metered electricity, gas, oil or water for which **you** are legally responsible following its unauthorised use by persons taking possession, keeping possession or occupying the **premises** without **your** authority, provided that all practical steps are taken to terminate the unauthorised use as soon as practicable following its discovery.

The most **we** will pay is the lesser of 10% of the sum insured as stated in the schedule or GBP2,500.

40. Value Added Tax (VAT)

The insurance by each item on **buildings** extends to include VAT paid by **you** which is not subsequently recoverable provided that:

- a)
 - i) **your** liability for the tax arises solely as a result of the reinstatement or repair of the **buildings** to which the item relates following **damage**;
 - ii) **we** have paid or agreed to pay for the **damage**;
 - iii) if payment made by **us** in respect of reinstatement or repair of **damage** is less than the actual cost of reinstatement or repair, any payment under this provision resulting from the **damage** will be reduced in like proportion; and
 - iv) an allowance has been made in the sum insured for VAT where necessary, it being understood that **you** will still be entitled to cover if the allowance has inadvertently not been made;
- b) **your** liability for the tax does not arise from the replacement **buildings** having greater floor area or being better or more extensive than the destroyed or damaged **buildings**;
- c) where an option to reinstate on another site is exercised, **we** will not pay more than the amount of tax that would have been payable had the **buildings** been rebuilt on their original site; and
- d) **we** will not pay for amounts payable by **you** as penalties or interest for non-payment or late payment of tax.

For the purpose of paragraph c), rebuilding costs will be exclusive of VAT.

Our liability may exceed the sum insured by an item or in the whole the total sum insured where the excess is solely in respect of VAT.

41. Workmen

Workmen may be employed for repairs and minor structural alterations in any of the **buildings** without prejudice to the insurance.

Section A - Material damage

Conditions applicable to Section A – Material damage

Included here are the conditions of the insurance that **you** need to meet as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Condition of average (underinsurance)

If, at the time **damage** occurs, the total of the **declared value** by all **buildings** insured is less than the insurable amount then the amount otherwise payable will be proportionately reduced.

The insurable amount will be the total of the **day one rebuilding value** of all **buildings** insured.

2. Delays in rebuilding

We will not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with any regulations or requirements of the European Union, public authority or other statutory requirements unless the delays are wholly outside **your** control.

3. Fire protection equipment

You will take all reasonable measures to ensure that:

- a) any sprinkler or alarm installation or other fire protection equipment, for which a reduced premium rate is allowed, is maintained in efficient working order;
- b) the routine tests prescribed by **us** are carried out and any defects revealed by the tests are promptly remedied; and
- c) **our** written consent is obtained to any proposed changes, repairs or alterations to any sprinkler or alarm installation.

4. Firebreak doors and shutters

Where there are firebreak doors and shutters, which are within **your** custody and control, **you** must:

- a) maintain them in efficient working order; and
- b) keep them free from obstruction at all times.

5. Our option to rebuild

We may at **our** option rebuild or restore the **buildings** destroyed or portions damaged but without being bound to rebuild or restore the property exactly or completely and only as circumstances permit and in reasonably sufficient manner. **You** will at **your** own expense produce and give to **us** all plans, documents, books and information as **we** may reasonably require.

6. Rebuilding on another site

The **buildings** may be wholly or partially rebuilt upon another site and in any manner suitable to **your** requirements provided that it does not increase **our** liability.

7. Reinstatement

In accordance with the following special provisions, the basis upon which the amount payable in respect of **buildings** and **landlords' contents** is to be calculated will be the reinstatement of the property lost, destroyed or damaged.

Section A - Material damage

Special provisions applicable to Condition 7.

- a) **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had the property been wholly destroyed.
- b) No payment beyond the amount which would have been payable in the absence of this condition will be made:
 - i) unless reinstatement commences and proceeds without unreasonable delay;
 - ii) until the cost of reinstatement has been incurred; or
 - iii) if the **property insured** at the time of its **damage** is insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- c) All other terms and conditions of this policy will apply:
 - i) in respect of any claim payable under the provisions of this condition; or
 - ii) where claims are payable as if this condition had not been incorporated.

8. Security requirements

The following security precautions apply in respect of **buildings** occupied by **you**, for which the security is the direct responsibility of **you** or **your** agents or in respect of any empty or disused **buildings** of which **we** have been notified.

- a) Any additional protection required by **us** will be fitted in accordance with **our** requirements and, together with all other devices for the protection of the **property insured**, will be kept in good order and put into full and effective operation whenever the **premises** are closed for business or are left unattended.
- b) All keys, including duplicate keys, relative to the security of a portion of the **premises** or to any safe or strong room containing **property insured** will be removed from that portion of the **premises** whenever they are closed for business or left unattended.

9. Seventy two hour provision

In respect of Covers 5. Storm, 6. Flood, 7. Escape of water, beer or oil and 8. Accidental escape of water from a sprinkler installation only, **damage** occurring continuously or intermittently during any period of 72 hours will be deemed to constitute one loss at each separate **premises** for the purpose of the application of the **excess**.

Section A - Material damage

Exclusions applicable to Section A – Material damage

1. Cover under this section does not apply to the following items unless specifically mentioned:
 - a) **money**, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs and rare books;
 - b) goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, explosives, video tapes or cassettes for sale or hire;
 - c) property in transit; or
 - d) patterns, models, moulds, plans and designs.
2. **We** will not be liable for **damage** caused by **pollution** except **damage** caused by:
 - a) **pollution** which results solely and directly from an insured cover; or
 - b) any insured cover which results from **pollution**.

Section B - Loss of rental income

Definitions

The following words will have the same meaning wherever they appear in this section of this policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Consequential loss

Loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** following **damage** to property used by **you** at the **premises** for the purpose of the **business**.

Day one rental value

The actual annual rent at the commencement of the **period of insurance** or, if the **buildings** are untenanted at that date, the actual annual rent at which the **buildings** were subsequently let (or the estimated annual rent at which they are expected to be let) in all cases proportionately increased where the **indemnity period** exceeds twelve months.

Incident

Damage to property used by **you** at the **premises** for the purpose of the **business**.

Indemnity period

The period beginning with the occurrence of the **incident** and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** will be affected following the **incident**.

Maximum indemnity period

As stated in the schedule except in respect of Additional cover 1. Actions of competent authorities, Additional cover 6. b) Contingency rent, Additional cover 9. Legionellosis and Additional cover 13. Notifiable diseases, where it is 3 months.

Notifiable disease

Injury or illness sustained by any person resulting from:

- a) food or drink poisoning; or
- b) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the competent public authority has stipulated will be notified to them.

Insuring clause

If any **building** or other property used by **you** at the **premises** for the purpose of the **business** suffers **damage** by any of the covers specified in the schedule and there is a **consequential loss**, **we** will pay **you** in respect of each item in the schedule the amount of the loss provided that:

1. at the time of the happening of the **damage** there is in force an insurance covering **your** interest in the property at the **premises** against **damage** and that:
 - a) payment has been made or liability admitted; or
 - b) payment would have been made or liability admitted but for the operation of a clause in that insurance excluding liability for losses below a specified amount; and
2. **our** liability under this section will not exceed:
 - a) in the aggregate the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the schedule at the time of the **damage**; nor
 - b) the sum insured remaining after deduction of any other **consequential loss** occurring during the same **period of insurance** unless **we** have agreed to reinstate any sum insured.

Section B - Loss of rental income

Covers

1. **Fire, lightning and explosion** but not *consequential loss* caused by:
 - i) earthquake, subterranean fire; or
 - ii) explosion of non-domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not *consequential loss* caused by:
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds; or
 - ii) fire.
3. **Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons** but not *consequential loss* arising from:
 - i) confiscation, requisition or destruction by order of the government or any public authority;
 - ii) stopping work;
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons; or
 - iv) theft or attempted theft.
4. **Earthquake or subterranean fire.**
5. **Storm** but not *consequential loss*:
 - i) caused by lightning, frost, subsidence, ground heave or landslip; or
 - ii) in respect of fences and gates.
6. **Flood** but not *consequential loss*:
 - i) attributable solely to change in the water table level;
 - ii) caused by lightning, frost, subsidence, ground heave or landslip; or
 - iii) in respect of fences and gates.
7. **Escape of water, beer or oil** from any tank apparatus or pipe but not *consequential loss*:
 - i) caused by water discharged or leaking from any automatic sprinkler installation; or
 - ii) in respect of subsidence, ground heave or landslip.
8. **Accidental escape of water** from or freezing of water in any automatic sprinkler installation in the **premises** but not *consequential loss* caused by:
 - i) freezing whilst the **building** is **unoccupied** for more than 30 consecutive days; or
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.

Section B - Loss of rental income

9. **Impact** by any road or rail vehicle or animal.
10. **Accidental damage** but not:
 - i) **consequential loss** caused by:
 - a) any of the Covers specified in this section;
 - b) the causes expressly excluded from the Covers specified in this section;
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include subsequent **damage** which itself results from a cause not otherwise excluded;
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - f) change in temperature, colour, flavour, texture or finish;
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services;
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - i) mechanical, electronic, electrical or computer breakdown or disturbance in the order, arrangement or functioning of the particular machine, apparatus or equipment in which the breakdown or disturbance in the order, arrangement or functioning originates but this will not exclude **consequential loss** caused by subsequent **damage** so long as it is not excluded above;
 - j) **pollution**;
 - k) normal settlement or bedding down of new structures;
 - l) acts of fraud or dishonesty;
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - n) **damage** to a **building** or structure caused by its own collapse or cracking; or
 - o) any process of cleaning, repairing, restoring, cutting, preparation or fitting.

Section B - Loss of rental income

- ii) **consequential loss** in respect of:
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - b) vehicles licensed for road use (including accessories), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy; or
 - d) any building or structure caused by its own collapse or cracking.
- 11. **Theft or attempted theft** but not **consequential loss**:
 - i) which, other than in respect of residential **buildings** or the residential portions of **buildings**, does not involve:
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence;
 - ii) to property in transit; or
 - iii) to **money** and securities of any description.
- 12. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **consequential loss**:
 - i) to yards, carparks, roads, pavements, hardstanding, patios, terraces, pathways, swimming pools, tennis courts, drives, walls, gates and fences unless also affecting the structure of other portions of the **buildings** as a result of the same incident;
 - ii) caused by:
 - a) normal settlement or bedding down of new structures;
 - b) settlement or movement of made up ground;
 - c) coastal or river erosion;
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
 - iii) which originated before the inception of this cover; or
 - iv) resulting from:
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavation,at the same **premises**.

Special condition applicable to Cover 12.

- a) **You** must notify **us** as soon as reasonably practicable when **you** become aware of any demolition, groundworks or excavation being carried out on any adjoining site.
- b) **We** will then have the right to vary the terms or cancel this cover.

Section B - Loss of rental income

Additional covers

1. Action of competent authorities

We will pay for loss resulting from interruption or interference with the **business** following action by the police or other competent local, civil or military authority following a danger or disturbance in the vicinity of the **premises** where access will be prevented provided always that there will be no liability under this extension for loss resulting from interruption of the business during the first 12 hours of the **indemnity period**.

We will not pay more than GBP1,000,000 under this extension in any one **period of insurance**.

2. Additions

The insurance extends to include alterations, additions and improvements to **buildings**, any newly acquired and/or newly erected **buildings**, adding new or bettering existing assets at the **property insured**, anywhere in the United Kingdom to the extent that they are not insured elsewhere subject to the following:

- a) cover under this extension in any one situation is limited to the value of the anticipated amount of additional rent but shall not exceed GBP500,000; and
- b) **you** must pay the appropriate additional premium from the date on which the items become **your** legal responsibility.

3. Alternative trading

If during the **indemnity period** the **business** will be conducted elsewhere than at the **premises**, the money paid or payable to **you** in respect of the other premises will be brought into account in arriving at the **rent receivable** during the **indemnity period**.

4. Anchor tenant

If property in any part of the **premises**:

- a) is **damaged** by any cover insured and, as a direct result, any agreements for leases are terminated or other loss of tenancy or delay in completion of the letting of other parts of the **premises** occurs solely in consequence; and
- b) there is an identifiable reduction in **your business**,

it will be deemed that an **incident** has occurred.

We will not pay:

- i) more than GBP1,000,000; or
- ii) for more than 3 months' **maximum indemnity period**

under this extension.

Section B - Loss of rental income

5. Buildings awaiting sale

If, at the time of the **damage**, **you** have contracted to sell **your** interest in the **buildings** or have accepted an offer in writing to purchase **your** interest in the **buildings** awaiting contract and the sale is cancelled or delayed solely following the **damage**, provided that **you** have made all reasonable efforts to complete the sale of the **buildings** as soon as reasonably practicable after the **damage**, **you** may opt for the amount payable by **us** to be as follows:

- a) loss of rent, being the actual amount of the reduction in the **rent receivable** by **you** solely following the **damage**, during the period before the date upon which, but for the **damage**, the **buildings** would have been sold;
- b) loss of interest during the period commencing with the date upon which, but for the **damage**, the **buildings** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier. Loss of interest will be:
 - i) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the **business**; plus
 - ii) the investment interest lost to **you** on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) less any amount receivable in respect of rent.

The assessment of the interest lost will be at a rate of not more than 2% above the London Interbank Offered Rate applying during the **indemnity period**;

- c) additional expenditure, being:
 - i) the expenditure necessarily and reasonably incurred following the **damage** solely to avoid or minimise the loss payable under paragraphs a) or b) above but not exceeding the amount of loss avoided by that expenditure; and
 - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay following the **damage** but not exceeding the lesser of an amount equivalent to the expenditure incurred before the **damage** and GBP50,000 except:
 - 1) the amount payable will be adjusted to provide for any benefit derived by **you** from cancellation of or delay in the sale so that it represents as nearly as possible the actual loss suffered by **you**; and
 - 2) in the event of underinsurance the amount payable will be adjusted in accordance with Condition 7. Underinsurance (rent).

Section B - Loss of rental income

6. Contingency rent

Where there is provision in the lease agreed between the landlord and tenant of the **buildings** for a reduction of rent in the event of any loss as described below, or where the **rent receivable** by the landlord is reduced as a direct consequence of the turnover of the lessee's business being reduced by any loss, the insurance by the item of rent is extended to include the following:

a) Failure of utilities

loss caused by the failure of the supply of:

- i) electricity at the terminal ends of the supply authority's service feeders at the **buildings**;
- ii) gas at the supply authority's meters at the **buildings**; or
- iii) water at the supply authority's main stop cock serving the **buildings**,

by any accidental cause other than the deliberate act of any supply authority or by any authority exercising its power to withhold or restrict supply or by drought.

b) Notifiable disease, vermin, defective sanitary arrangements, murder and suicide

loss caused by:

- i) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of:
 - a) any occurrence of a **notifiable disease** within a 25 mile radius of the **premises** or attributable to food or drink supplied from the **premises**; or
 - b) any discovery of an organism within a 25 mile radius of the **premises** likely to result in the occurrence of a **notifiable disease**;
- ii) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- iii) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority; or
- iv) any occurrence of murder or suicide at the **buildings**.

For the purpose of this clause only:

A. the **indemnity period** will commence:

- i) in the case of paragraphs i) and iv) above with the occurrence or discovery of the **incident**;
- ii) in the case of paragraphs ii) and iii) above on the date from which the restrictions on the **buildings** are applied;

Section B - Loss of rental income

- B. **indemnity period** means the period during which the results of the **business** will be affected in consequence of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph iv) above, with the date of the occurrence) and ending not later than the **maximum indemnity period**; and
- C. **premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the occurrence.

We will not be liable under this Additional cover 6. for:

- i) any costs incurred in the cleaning, repair, replacement recall or checking of property;
- ii) loss arising at **buildings** which are not directly affected by the occurrence or accident; or
- iii) more than GBP250,000 for any one occurrence.

7. **Cost of reletting**

We will pay for the costs necessarily and reasonably incurred with **our** written consent during the **indemnity period** in reletting the **buildings** (including legal fees in connection with the reletting) following the **incident**.

8. **Increased cost of working**

The amount payable under this additional cover will be the increased expenditure reasonably incurred by **you** during the **indemnity period** in order to minimise any interruption of or interference with the **business** following an **incident**.

We will not be liable for:

- i) more than 33.33% of the sum insured stated in the schedule in respect of any additional expenditure arising in the first quarter of the **maximum indemnity period** following the date of the **incident**; or
- ii) more than an equal proportion of the balance of the sum insured stated in the schedule per month in respect of the additional expenditure in the remainder of the **maximum indemnity period**.

9. **Legionellosis**

We will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** following any outbreak of legionellosis at the **premises** causing restrictions on their use on the order or advice of the competent local authority subject to the following:

Special conditions applicable to this Additional cover 9.

1. **We** will only be liable for loss arising at those **premises** which are directly related to the discovery or accident.
2. The maximum **we** will pay under this Additional cover 9. in respect of the total of all losses occurring during the **period of insurance** is GBP1,000,000.
3. The provisions of any automatic reinstatement clause do not apply in respect of this Additional cover 9.

Section B - Loss of rental income

4. If in relation to any claim arising from an occurrence of legionellosis or Legionnaires' disease **you** have failed to fulfil the following condition, **you** will lose **your** right to cover or payment for that claim.

At the **premises you** must ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, "The Prevention and Control of Legionellosis (including Legionnaires' Disease)" Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

For **your** information **you** can find information by following this link:

<http://www.hse.gov.uk/aboutus/meetings/hseboard/2013/220513/pmayb1352a.pdf>

We will not pay for any costs incurred in cleaning, repair, replacement or checking of property except those costs and expenses necessarily incurred with **our** written consent in cleaning and decontamination of the air-conditioning or water supply equipment at the **premises**, the use of which has been restricted on the order or advice of the competent local authority.

For the purposes of this extension only, the following definitions apply:

- a) **premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the **incident**;
- b) **indemnity period** means the period during which the results of the **business** will be affected following the occurrence or discovery, beginning with the date from which the restrictions on the **premises** are applied and ending not later than the **maximum indemnity period**.

10. **Loss of attraction (leased premises)**

The insurance by the item of rent is extended to include **damage** by any of the covers insured to **buildings** or other property at any location in the immediate vicinity of the **premises** following which the turnover of the lessee's business is affected and **rent receivable** by **you** is reduced.

We will not pay under this clause more than GBP50,000 for any one loss and GBP250,000 during any one **period of insurance**.

11. **Loss of investment income on late payment of rent**

If, as a result of **damage**, **we** are paying **you** in respect of **your** loss of rent and the payment by **us** to **you** is made later than the date upon which **you** would normally have expected to receive the rent from a lessee, **we** will pay a further sum representing the investment interest lost by **you** during the delay period.

Provided that:

- a) the assessment of the interest lost will be at a rate of not more than 2% above the London Interbank Offered Rate applying during the **indemnity period**; and
- b) **our** liability in total in any one **period of insurance** will in no case exceed the lesser of 200% of the sum insured specified against the relative item or any limit of liability stated in this section.

12. **Managing agents' premises**

The insurance by each item of rent is extended to include loss resulting solely from **damage** by any of the covers insured to buildings or other property at any location in the United Kingdom owned or occupied by **your** managing agents for the purposes of their business following which **rent receivable** by **you** is reduced.

Section B - Loss of rental income

13. **Notifiable diseases, murder and suicide**

We will pay for loss caused by:

- a) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of:
 - i) any occurrence of a **notifiable disease** within a 25 mile radius of the **premises** or attributable to food or drink supplied from the **premises**; or
 - ii) any discovery of an organism within a 25 mile radius of the **premises** likely to result in the occurrence of a **notifiable disease**;
- b) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority; and
- d) any occurrence of murder or suicide at the **buildings**.

For the purpose of this clause only:

- i) the **indemnity period** will commence:
 - a) in the case of paragraphs a) and d) above with the occurrence or discovery of the **notifiable disease**;
 - b) in the case of paragraphs b) and c) above with the date from which the restrictions on the **buildings** are applied.
- ii) **indemnity period** means the period during which the results of the **business** will be affected in consequence of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph d) above, with the date of the occurrence) and ending not later than the **maximum indemnity period**.
- iii) **premises** means only those **premises** which are stated in the schedule to be insured and which are directly affected by the occurrence.

We will not be liable under this clause for:

- A. any costs incurred in the cleaning, repair, replacement recall or checking of property;
- B. loss arising at **buildings** which are not directly affected by the occurrence or accident;
- C. more than GBP250,000 for any one occurrence.

Section B - Loss of rental income

14. **Payments on account**

Payments on account will be made to **you** in respect of claims for loss of rent on the date upon which, but for the **damage**, the rent would have been due from the lessee.

15. **Prevention of access**

The insurance by each item of rent is extended to include loss caused by prevention or hindrance of access to the **buildings** or prevention of use of the **buildings** following **damage** by any cover insured to property in the immediate vicinity of the **buildings**.

16. **Professional accountants and legal fees clause**

In respect of each item of rent if any of the **buildings** suffer **damage**, **we** will pay the reasonable charges payable by **you** and incurred with **our** written consent to:

- a) **your** professional accountants for producing any information as may be required by **us** under the terms of Claims condition 3. Claims procedures applicable to property damage insurance and for reporting that the information is in accordance with **your** accounts; and
- b) **your** lawyers for determining **your** contractual rights under any rent cesser clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

17. **Public utilities**

We will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** following any **damage** arising at any:

- a) generating station or sub-station of the electricity supply undertaking;
- b) land based premises of the gas supply undertaking or of any natural gas producer linked directly with it;
- c) water works or pumping station of the water supply undertaking; or
- d) land based premises of the telecommunications undertaking,

from which **you** obtain electricity, gas, water or telecommunication services, all in the United Kingdom of Great Britain or Northern Ireland.

18. **Rent free periods**

If at the date of the **incident** the **premises** are affected by a rent free concession under the terms of the lease the **indemnity period** will be adjusted by adding the unexpired portion of the rent free period to the **maximum indemnity period**.

19. **Rent of residential property**

In the event that **buildings** occupied solely or partly for residential purposes suffer **damage** and no sum insured of rent for the residential portions has been allocated, then this insurance extends to include loss of rent including the cost of reletting and any additional expenditure as detailed above.

For the purposes of the cover by this extension Condition 7. Underinsurance (rent) is deleted.

This Additional cover 19. will also cover **you** in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

We will not pay under this provision more than 33.33% of the sum insured as stated in the schedule applicable to the residential **building** or residential portion of the **building** concerned.

Section B - Loss of rental income

20. Subrogation waiver

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

- a) any company standing in the relation of parent to subsidiary or subsidiary to parent to **you** as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the **incident**;
- b) any company which is a subsidiary of a parent company of which **you** are **yourself** a subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the **incident**; and
- c) any tenant, lessee or managing agent in respect of **consequential loss** applicable to the **premises** unless the **consequential loss** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

21. Unlawful occupation

This section is extended to include loss resulting from interruption of or interference with the **business** following access to or use of the **premises** being hindered or prevented due to the **premises** or property in the vicinity of the **premises** or any rights of way being:

- a) occupied by terrorists or persons thought to be terrorists by the police;
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers; or
- c) thought to contain or actually containing a harmful device provided that the police are informed as soon as reasonably practicable.

We will not be liable for:

- i) loss arising from any cause within **your** control;
- ii) loss as a result of **damage** to property;
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear;
- iv) any **incident** involving prevention or hindrance of access to or use of the **premises** for less than 12 hours duration; and
- v) more than GBP10,000 for any one occurrence.

Section B - Loss of rental income

Conditions

1. **Alternative accommodation - reduction of loss**

If, following the **damage**, **you** will use other premises to provide accommodation to tenants, the rent received from those premises during the **indemnity period** will be taken into account in assessing the loss of rent.

2. **Automatic reinstatement**

We will not reduce the sum insured by the amount of any loss as long as **you** pay the extra premium on the amount of the loss from the date it occurred to the date of the expiry of the **period of insurance**.

3. **Current cost accounting**

For the purpose of these conditions any adjustment implemented for current cost accounting will be disregarded.

4. **Renewal**

Before each renewal, **you** will provide **us** with the estimated **rent receivable** for the financial year most nearly concurrent with the ensuing year of insurance. In the absence of an estimate the last amount declared by **you** will be taken as the estimated **rent receivable** for the ensuing **period of insurance**.

5. **Savings**

If any charge or expense payable out of rent will cease or reduce during the **indemnity period** following the **damage**, the sum saved will be deducted from the amount otherwise payable under this insurance before the application of Condition 7. Underinsurance (rent).

6. **Service charges**

Rent is deemed to include service charges unless otherwise stated in the schedule.

7. **Underinsurance (rent)**

If, at the time **damage** occurs, the total sum insured of rent is less than the **day one rental value**, **our** liability for any loss will be limited to that proportion of the amount otherwise payable which the sum insured bears to the **day one rental value**.

8. **Value Added Tax (VAT)**

To the extent that **you** are accountable to the tax authorities for VAT, all terms in this section will be exclusive of this tax.

Section C - Property owners' liability

Definitions

The following words will have the same meaning wherever they appear in this section of this policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Business

The business carried on in the United Kingdom, the Channel Islands and the Isle of Man, including the following activities:

- a) use, repair, maintenance and decoration of premises owned or occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services;
- d) participation in exhibitions held in the United Kingdom, the Channel Islands and the Isle of Man, in connection with the business specified in the schedule; and
- e) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** consent.

Clean up

- a) Testing for or monitoring of **pollution**.
- b) Cleaning up, removing, containing, treating, detoxifying or neutralising **pollution**.

Costs and expenses

- a) Claimants costs and expenses arising in respect of any claim against **you** which may be the subject of cover under this policy.
- b) All cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of cover under this policy.

Products

Anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on **your** behalf including containers, packaging or labelling and which is not in **your** possession at the time of the occurrence.

Property

Property which is both material and tangible.

Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

Remediation

Remedying the effects of **pollution**.

Section C - Property owners' liability

You or Your

- a) This policyholder named in the schedule.
- b) Any associated or subsidiary company of the insured provided it has been notified to and agreed by **us**.
- c) At your request:
 - i) any director or **employee** while they are acting on behalf of or in course of their employment or engagement with you in respect of liability for which you would have been entitled to cover under this policy if the claim against that person had been made against you;
 - ii) any officer, member or **employee** in their respective capacities of your social, sports or welfare organisation or fire, first aid or ambulance service;
 - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent;
 - iv) any principal for legal liability in respect of which you would have been entitled to cover under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement; or
 - v) your personal representatives (in the event of your death) in respect of liability incurred by you, provided that if cover is extended to any party described in paragraphs i) to iii) above that party will be subject to the terms of this policy so far as they can apply and in any event **our** liability will not exceed the limit of liability.

Insuring clause

We will cover **you** under this section against:

1. all sums which **you** will become legally liable to pay as damages; and
2. **costs and expenses**,

in the event of:

- a) accidental **bodily injury** to any person other than any **employee**;
- b) accidental loss of or damage to **property**;
- c) accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water; or
- d) wrongful arrest or false imprisonment,

occurring during the **period of insurance** and arising out of **your business** in the United Kingdom, the Channel Islands or the Isle of Man.

Section C - Property owners' liability

Limit of liability

1. The most **we** will pay in respect of all claims arising out of one original cause will not exceed the limit of liability as stated in the schedule irrespective of the number of claims or claimants.
2. **Costs and expenses** are payable in addition to the limit of liability as stated in the schedule.

Additional covers

These additional covers are subject to all other terms of this policy so far as they can apply unless otherwise stated.

1. Additional benefit

We will pay costs incurred with **our** written consent for:

- a) representation at any coroner's inquest or fatal injury inquiry in respect of any death; and
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of cover under this section.

2. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to cover under this policy, **we** will provide compensation at the following rates for each day on which attendance is required:

- a) any director or partner GBP250 per day;
- b) any **employee** GBP100 per day.

3. Contingent liability (non-owned vehicles)

We will cover **you** in respect of legal liability for **bodily injury** and loss of or damage to **property** arising out of the use of any motor vehicle, which is not **your property** or leased or hired to **you** and is not provided by **you**, being used in connection with the **business**.

This cover does not apply in respect of:

- i) loss of or damage to the vehicle;
- ii) **bodily injury** or **damage** to **property** while the vehicle is being driven by **you**;
- iii) liability arising from circumstances in which it is compulsory for **you** to insure or provide security in respect of the vehicle as a requirement of relevant Road Traffic Act legislation; or
- iv) a vehicle being used outside the United Kingdom, the Channel Islands and the Isle of Man.

For the purposes of this exclusion the definition of "**you**" is restricted to its paragraphs a) and b) only.

Section C - Property owners' liability

4. Contractual liability

Regardless of the Contracts (Rights of Third Parties) Act 1999 clause contained under General information, **we** will cover **you** under this extension against liability in respect of **bodily injury** or **damage to property** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires, provided that:

- a) the liability arises out of the performance by **you** of the contract or agreement;
- b) the conduct and control of claims is vested in **us**; and
- c) nothing in this extension will increase **our** liability to pay any amount in excess of the limit under this section.

For the purpose of this extension, "principal" means the other party to a contract or agreement for whom **you** are undertaking work or services or providing products, where the party is responsible for setting out the terms of the contract or agreement.

5. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension will increase **our** liability to pay any amount in excess of the limit of liability under this section.

6. Data Protection legislation

We will provide cover to **you** and, at **your** request, any of **your** directors, partners or **employees** against legal liability to pay damages and **costs and expenses** for damage or distress as described in Section 13 of the Data Protection Act 1998.

However this extension will not apply in respect of:

- i) the payments of fines or penalties;
- ii) the costs of replacing, reinstating, rectifying or erasing any personal data;
- iii) liability arising from or caused by a deliberate act or omission of any person eligible for cover by this extension if the result could reasonably have been expected by **you** or any other person having regard to the nature and circumstances of an act or omission;
- iv) claims which arise out of circumstances notified to previous insurers and known to **you** at inception of this extension; or
- v) liability where cover is provided by any other insurance.

7. Defective premises

We will cover **you** against liability in respect of **bodily injury** or **damage to property** arising in respect of any **premises** disposed of by **you**. This cover does not apply to any **costs or expenses** incurred in repairing, replacing or making any refund in respect of any **premises**.

Section C - Property owners' liability

8. Discharge of liability

We may at any time pay to **you** or on **your** behalf:

- a) the maximum sum payable under this policy in respect of any one occurrence;
- b) the balance of the maximum sum should any payments have already been made in respect of claims arising out of the same occurrence; or
- c) the balance of the maximum sum payable in any one **period of insurance** if this is less than either of the amounts specified in paragraphs a) and b) by reason of any payments made in connection with any previous claims together with the amount of any legal costs incurred before the time of the payment,

and **our** liability for any further payment arising out of or in connection with any occurrences will be fully discharged and at an end.

If the sum payable in respect of any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this policy, **you** will pay:

- i) the excess; and
- ii) the proportion of the legal costs payable to any claimants or incurred in the defence of any claim or claims in respect of the occurrence which the excess bears to the total sum payable in respect of those occurrences.

9. Environmental statutory clean-up costs

We will pay for all sums including statutory debts that **you** are legally liable to pay in respect of **remediation** or **clean-up** costs arising from environmental damage caused by **pollution** where liability arises under an environmental Directive, Statute or Statutory Instrument.

The following conditions apply:

- a) liability must arise from **pollution** caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **period of insurance**. All **pollution** which arises out of one incident will be deemed to have occurred at the same time the incident takes place;
- b) **our** liability will not exceed GBP1,000,000 for any one occurrence and in the aggregate in any one **period of insurance** and will be the maximum **we** will pay inclusive of all **costs and expenses**. This limit will form part of and not be in addition to the limit of liability stated in the schedule.
- c) **We** will not be liable:
 - i) in respect of **remediation** or clean-up costs for **damage** to **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - ii) in respect of primary, complementary or compensatory **remediation** costs for damage to **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - iii) in respect of removal of any risk of an adverse effect on human health on **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;

Section C - Property owners' liability

- iv) in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time **remediation** commences;
- v) in respect of costs for prevention of imminent threat of environmental damage where costs are incurred without there being **pollution** caused by a sudden, identifiable, unintended and unexpected incident;
- vi) in respect of costs for the reinstatement or reintroduction of flora or fauna; or
- vii) in respect of fines or penalties of any kind.

10. Indemnity to directors and employees

In the event of any claim in respect of which **you** would be entitled to receive cover under this policy being brought or made against:

- a) any of **your** directors or **employees**; or
- b) any officer, member or **employee** of **your** social, sports or welfare organisations, first aid, fire or ambulance services,

we will cover them if **you** request it against any claim and any costs, charges and expenses in accordance with the following conditions:

- i) the person must not be entitled to cover under any other insurance;
- ii) the person must observe, fulfil and be bound by the terms, limitations and conditions of this policy as though they were **you**;
- iii) **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims; and
- iv) **our** total liability under this extension will not exceed the limit of liability.

11. Indemnity to principal

In the event of any claim in respect of which **you** would be entitled to receive cover under this policy being brought or made against any public or local authority or other principal, **we** will cover them against any claim and its costs, charges and expenses provided always that **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims.

12. Leased premises

We will cover **you** against liability for **damage** to premises or their fixtures or fittings which are leased to **you**. This cover does not apply in respect of liability for:

- i) **damage** if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of an agreement; or
- ii) the first GBP250 of **damage**.

13. Legionellosis

We will provide cover to **you** against legal liability for damages and **costs and expenses** in respect of **bodily injury** caused by legionellosis arising out of the **business** and for which:

- a) a claim first made in writing to **you** during the **period of insurance**; or

Section C - Property owners' liability

- b) the first notification of any circumstance which:
 - i) has caused or is alleged to have caused **bodily injury**; or
 - ii) can be reasonably expected to give rise to a claim under this policy, is made to **us** during, or within 30 days after expiry of, the **period of insurance**.

Provided that the total amount payable by this extension does not exceed in any one **period of insurance** the limit of liability stated in the schedule.

14. Libel and slander

We will cover **you** in respect of legal liability to pay compensation and **costs and expenses** in respect of claims made against **you** during the **period of insurance** arising from any act of libel or slander committed or uttered in good faith by **you** during the **period of insurance** in the course of the **business**.

This extension is in accordance with the following.

- a) The cover granted by this extension will apply solely to **your** in-house and trade publications; and
- b) **our** liability under this extension will not exceed GBP250,000 in any one **period of insurance**.

15. Personal liability overseas

We will cover you in respect of personal legal liability of any of **your** directors or **employees** or any member of their family whilst accompanying them during temporary visits anywhere in the world in connection with **your business**.

This extension does not apply to:

- i) legal liability arising from:
 - a) any agreement or contract unless liability would have existed but for such agreement or contract;
 - b) the ownership or occupation of land or buildings;
 - c) the carrying on of any trade or profession; or
 - d) the ownership, possession or use of fire arms (other than sporting guns), mechanically propelled vehicles, craft designed to travel through air or space, hovercraft, watercraft or animals of a dangerous species;
- ii) **damage** to property owned or held in trust by any of **your** directors, **employees** or any members of their family;
- iii) liability more specifically insured under any other insurance;
- iv) legal liability for accidental death or personal injury to any of **your** directors, employees or members of their family.

This extension is in accordance with the following.

- a) any person indemnified under this extension will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as if they were **you**;
- b) **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims;
- c) **our** total liability under this extension will not exceed the limit of liability.

Section C - Property owners' liability

16. Personal representatives

In the event of **your** death, the cover provided by this policy will apply to **your** personal representatives in respect of liability incurred by **you**, provided always that any personal representatives will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were **you**.

17. Products liability

In the event of:

- a) accidental injury to any person;
- b) accidental loss of or damage to material property;
- c) accidental loss of amenities, nuisance, trespass or interference with any right of way light air or water,

occurring during the **period of insurance** and caused by **products** anywhere in the world except as excluded **we** will cover **you** against **your** legal liability for compensation together with **costs and expenses**.

Our liability for compensation will not exceed the limit stated in the schedule for any one claim or series of claims arising from one source or original cause and in total during any one **period of insurance**.

In addition **we** will pay **costs and expenses**.

We will not be liable:

- i) for **bodily injury** or disease sustained by any **employee** arising out of and in the course of his employment by **you** in connection with **your business**;
- ii) for replacing, reinstating, rectifying, repairing, recalling or guaranteeing the performance of any **products**;
- iii) arising from any **products** which at the time of the contract of sale or supply are knowingly:
 - a) sold or supplied for use in craft designed to travel through air or space;
 - b) exported to the United States of America or Canada;
- iv) arising from any **products** in **your** custody or control;
- v) arising from professional advice given by **you** for a fee or in circumstances where a fee would normally be charged;
- vi) arising out of programming or for loss of information or the provision of wrong information on, in or from computer disks, tapes or other data recording equipment;
- vii) for any associated or subsidiary company of **yours** or branch office or representative of **yours** with power of attorney outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; or
- viii) aggravated, exemplary, vindictive or punitive damages awarded by any court of law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Section C - Property owners' liability

18. Terrorism

We will cover **you** against legal liability and **costs and expenses** caused by or contributed to, by or arising from **terrorism** provided that **our** liability for all damages (including interest) does not exceed:

- a) in respect of or arising out of any one event or all events of a series consequent upon one original cause, the lesser of GBP5,000,000 or the amount of the applicable limit of liability stated in the schedule, but in respect of products supplied this limit will apply in the aggregate to all insured events occurring in any one **period of insurance**;
- b) in respect of all **pollution** consequent upon **terrorism** and which is deemed to have occurred during any one **period of insurance**, the lesser of GBP2,000,000 in the aggregate or the amount of the applicable limit of liability stated in the schedule.

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Use of heat

It is a condition of **our** liability under this section that the following precautions are complied with on each occasion that the use or application of heat as defined below takes place elsewhere than on **your** own **premises**.

- a) **Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers**
 - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
 - ii) At least 2 adequate and appropriate portable fire extinguishers in proper working order must be kept in the immediate area of the work and used immediately as smoke or smouldering or flames are detected.
 - iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered.
 - iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
 - v) A person must be appointed by **you** to act as an observer to watch for signs of smoke or smouldering or flames.

Paragraph v) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers.

- b) **Use of asphalt, bitumen, tar, pitch or lead heaters**

The heating must be carried out in the open in a vessel designed for the purpose and if carried out on a roof the vessel must be placed on a non-combustible heat insulating base.

Section C - Property owners' liability

Exclusions

We will not cover **you** under this section against liability:

1. for **damage to property** belonging to **you** or in the custody or control of **you** or any **employee** other than:
 - a) **property** including motor vehicles belonging to an **employee** or visitor; and
 - b) any premises or their contents which are temporarily occupied by **you** for the purpose of carrying out work in or to the premises.
2. arising from the ownership, possession or use under the control of **you** or any **employee** of any mechanically propelled vehicle in circumstances where compulsory insurance or security is required under any Road Traffic Act legislation;
3. arising out of the ownership, possession or use by **you** or on **your** behalf of any aircraft or other aerial devices, hovercraft, **offshore** installation or watercraft (other than hand-propelled or wind-powered watercraft whilst on inland waterways);
4. arising from any products after they have ceased to be in **your** custody or control other than food or drink for consumption on **your premises**;
5. caused by or arising out of the deliberate, conscious or intentional disregard of **your** obligation to take all reasonable steps to prevent **bodily injury** or **damage to property**;
6. caused by or arising out of liquidated damages clauses, penalty clauses or performance warranties unless liability would have attached in the absence of those clauses or warranties; or
7. caused by or arising out of **pollution**.

But **we** will cover **you** against liability in respect of accidental **bodily injury** or accidental **damage to property** caused solely by **pollution** which results from a sudden, identifiable, unintended and unexpected incident and the incident takes place in its entirety at a specific and identified time and place during the **period of insurance** provided that:

- a) all **pollution** which arises out of any one incident will be deemed to have occurred at the time the incident takes place; and
- b) nothing in this proviso will increase **our** liability to pay damages, costs, fees and expenses in excess of the limit of liability in the schedule in the aggregate in respect of any one **period of insurance**.

Section D - Employers' liability

Definitions

The following words will have the same meaning wherever they appear in this section of this policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Business

The business stated in the schedule and carried on in the United Kingdom, the Channel Islands and the Isle of Man, including the following activities:

- a) ownership, use, repair, maintenance and decoration of premises occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services; and
- d) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** written consent.

Costs and expenses

- a) claimants costs and expenses arising in respect of any claim against **you** which may be the subject of cover under this policy; and
- b) all cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of cover under this section.

Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

Principal

The other party to a contract or agreement for whom **you** are undertaking work or services where that party is responsible for setting out the terms of the contract or agreement.

You or Your

- a) This policyholder named in the schedule.
- b) Any of **your** associated or subsidiary companies provided they have been notified to **us**.
- c) At your request:
 - i) any director or **employee** while they are acting on behalf of or in the course of their employment or engagement with you in respect of liability for which you would have been entitled to cover under this policy if the claim against that person had been made against you;
 - ii) any officer, member or **employee** in their respective capacities of your social, sports or welfare organisation or fire, first aid or ambulance service;
 - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent;
 - iv) any principal for legal liability in respect of which you would have been entitled to cover under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement; or

Section D - Employers' liability

- v) your personal representatives (in the event of your death) in respect of liability incurred by you, provided that if cover is extended to any party described in paragraphs i) to iii) above that party will be subject to the terms of this policy so far as they can apply and in any event our liability will not exceed the limit of liability stated in the schedule.

Insuring clause

We will cover **you** against:

1. all sums which **you** will become legally liable to pay as damages; and
2. **costs and expenses**,

in the event of **bodily injury** sustained by any **employee** which arises out of and in the course of their employment by **you** in the **business** and which is caused:

- a) in the United Kingdom, the Channel Islands or the Isle of Man; or
- b) elsewhere in the world in respect of temporary manual visits by any **employee** provided that the **employee** is normally resident in the United Kingdom, the Channel Islands or the Isle of Man.

Limit of liability

1. The amount specified in the schedule.

Our total liability payable to any claimant or any number of claimants in respect of or arising out of any one occurrence or all events of a series consequent on or attributable to one source or original cause will not exceed the limit of liability.

The limit of liability will be the maximum amount payable including **costs and expenses**.

2. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable in respect of any one claim arising out of any one event or all events of a series consequent on or attributable to one source or original cause and arising out of **terrorism** will not exceed GBP5,000,000.
3. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable in respect of any one claim arising out of any one event or events of a series consequent on or attributable to one source or original cause and arising out of or related to the manufacture, mining, processing, distribution, testing, **remediation**, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos will not exceed GBP5,000,000.

Employers' liability compulsory insurance

The cover granted by this section is deemed to be in accordance with the provisions of any law enacted in the United Kingdom, the Channel Islands and the Isle of Man, relating to compulsory insurance of liability to **employees**.

If, however, **we** pay any sum which would not have been paid but for the provisions of this law then **you** will repay that sum to **us**.

Section D - Employers' liability

Additional covers

These additional covers are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to cover under this policy, **we** will provide compensation at the following rates for each day on which attendance is required:

- a) any director or partner GBP250 per day;
- b) any **employee** GBP100 per day.

2. Contractual liability

Regardless of the Contracts (Rights of Third Parties) Act 1999 clause contained under General information, **we** will cover **you** under this section against liability in respect of **bodily injury** assumed by **you** to the extent that any contract or agreement entered into by **you** with any **principal** so requires provided that:

- a) the liability arises out of the performance by **you** of a contract or agreement;
- b) the conduct and control of claims is vested in **us**;
- c) the cover granted will apply only in respect of liability to any **employee**; and
- d) nothing in this extension will increase **our** liability to pay any amount in excess of the limit of liability under this section.

3. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension will increase **our** liability to pay any amount in excess of the limit of liability under this section.

4. Indemnity to principal

In the event of any claim in respect of which **you** would be entitled to receive cover under this policy being brought or made against any public or local authority or other **principal**, **we** will cover them against any claim and its costs, charges and expenses provided always that **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims.

Section D - Employers' liability

5. Injury to partner or proprietor

In respect of **bodily injury** to any partner or proprietor named in the schedule as this policyholder, **we** will deem them to fall within the definition of **employee** subject to the following conditions:

- a) the **bodily injury** arises out of and in the course of **your business**;
- b) the **bodily injury** is caused by another partner or **employee** working for **you** in connection with **your business**; and
- c) the partner or the proprietor has a valid right of action against the party responsible for **bodily injury**.

6. Solicitors' fees

We will pay solicitors' fees incurred with **our** written consent for:

- a) representation at any coroners' inquest or fatal injury inquiry in respect of any death; and
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event,

which may be the subject of cover under this section.

7. Unsatisfied court judgements

In the event that:

- a) a judgement for damages is obtained against any company or individual operating from premises within the United Kingdom, the Channel Islands and the Isle of Man, by any **employee** in respect of **bodily injury** caused during any **period of insurance** arising out of and in the course of their employment by **you** in the **business**; and
- b) it remains unsatisfied in whole or in part six months after the date of that judgement,

we will cover the **employee** or their personal representative up to the limit of liability for the amount of damages and awarded costs which remain unsatisfied as long as:

- i) there is no appeal outstanding;
- ii) any payment made by **us** will only be in respect of **bodily injury** which would otherwise be within the scope of cover of this section of this policy;
- iii) any payment made by **us** will only be in respect of liability for which **you** would have been entitled to cover under this section of this policy if the judgement had been made against **you**; and
- iv) **we** will be entitled to take over and prosecute for **our** own benefit any claim against any other party and **you**, the **employee** or their personal representatives will give all information and assistance required.

Section D - Employers' liability

Exclusions

1. **We** will not cover **you** under this section against liability for **bodily injury** to an **employee**:
 - i) in circumstances where compulsory insurance or security is required by Road Traffic Act legislation;
 - ii) in respect of any **employee** undertaking the following activities:
 - a) tree felling and lopping;
 - b) window cleaning, painting or similar operations carried out from cradles and/or hoists;
 - c) the provision of, erection of, dismantling of or addition to new or existing buildings.
2. **We** will not cover **you** under this section against liability arising **offshore**.

Prosecution defence costs applicable to Section C - Property owners' liability and Section D - Employers' liability

Prosecution defence costs are only available where Section C - Property owners' liability and/or Section D - Employers' liability are shown as operative in your schedule.

Definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Applicable legislation

- a) Health and Safety at Work etc. Act 1974 including the Control of Substances Hazardous to Health Regulations 2002 concerning the risk from exposure to legionella;
 - b) Management of Health and Safety at Work Regulations 1999;
 - c) Corporate Manslaughter and Corporate Homicide Act 2007;
 - d) Health and Safety Inquiries (Procedure) Regulations 1975;
 - e) Protection from Harassment Act 1997,
- or similar legislation in force in the **territorial limits**; and
- f) Part II of the Consumer Protection Act 1987 and Part II of the Food Safety Act 1990.

Appointed adviser

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this section.

Costs and expenses

- a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed adviser** on the **standard basis** and agreed in advance by **us**.
- b) In civil claims, the other side's costs, fees and disbursements where the **insured person** has been ordered to pay them or pays them with **our** agreement.

Insured person

- a) **You** and **your** directors, partners, managers, officers and the **employees** of **your business**.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of the person dying.
- c) Any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Prosecution defence costs applicable to Section C - Property owners' liability and Section D - Employers' liability

Reasonable prospects of success

In criminal prosecution claims where the *insured person*:

- i) pleads guilty, a greater than fifty per cent chance of the *insured person* successfully reducing any sentence or fine;
- ii) pleads not guilty, a greater than fifty per cent chance of that plea being accepted by the court.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Territorial limit

The United Kingdom, Channel Islands and the Isle of Man.

What is covered

We will pay the *insured person's costs and expenses* up to GBP1,000,000 in the aggregate during the *period of insurance* for all claims related by time or original cause including the cost of appeals, in respect of:

- a) the defence of any criminal proceedings brought against *you* in respect of an offence or breach, whether actual or alleged, of any *applicable legislation*;
- b) any prosecution costs awarded against *you* arising from those proceedings described in a) above;
- c) *costs and expenses* incurred with *our* consent for *your* legal representation at an inquiry ordered under any applicable legislation;
- d) appeals against improvement and prohibition notices incurred with *our* consent.

Provided that:

- 1. the claim arises in connection with *your business* and occurs within the *territorial limits*;
- 2. the claim always has *reasonable prospects of success*; and
- 3. the prosecution or proceedings relate to an offence alleged to have been committed during the *period of insurance*.

Prosecution defence costs applicable to Section C - Property owners' liability and Section D - Employers' liability

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this contract. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Acts of parliament, statutory instruments, civil procedure rules and jurisdiction

All legal instruments and rules referred to within this section of the policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation.

2. Consent

The **insured person** must agree to **us** having sight of the **appointed adviser's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to **us** or **our** appointed agent to have sight of the **appointed adviser's** file for auditing and quality and cost control purposes.

3. Freedom to choose an appointed adviser

- a) **We** will choose the **appointed adviser**, however, the **insured person** is free to choose an **appointed adviser** if they wish.
- b) Where the **insured person** wishes to exercise their right to choose, they must write to **us** (by e-mail, fax or letter) with their preferred representative's contact details. If the **insured person** does choose their own **appointed adviser**, the amount payable for their services will be on the basis of **our** standard terms of appointment for legal representation or other reasonable terms of appointment to which **we** agree, **our** agreement not to be unreasonably withheld.
- c) If the **insured person** dismisses the **appointed adviser** without good reason, or withdraws from the claim without **our** written agreement or if the **appointed adviser** refuses with good reason to continue acting for the **insured person**, cover will end with immediate effect.

4. Barrister's opinion

At any time **we** may seek an independent barrister's opinion as to the **reasonable prospects of success** in defending the prosecution.

If the opinion is that a "not guilty" plea does not have a **reasonable prospect of success** then **we** will advise **you** of that opinion.

Should **you** elect to continue with a "not guilty" plea then **we** will withdraw **our** support for the **insured person's** defence and be under no further obligation to cover **you** for any costs incurred from the date of **your** refusal to accept that opinion; unless **you** obtain an independent barrister's opinion at **your** own expense which contradicts the opinion that **we** have obtained; in which case **we** will ask the chairperson or vice-chairperson of the bar council to appoint a queen's counsel to give a final opinion, at **our** expense, as to the prospects of success in defending the prosecution.

If the opinion of the queen's counsel agrees with the **insured person's** barrister's opinion then **we** will continue to support the **insured person's** defence, but if it does not **we** will withdraw **our** support for the **insured person** and be under no further obligation to cover the **insured person's** costs incurred from the date of the queen's counsel final opinion.

This does not affect the **insured person's** right under Claims condition 1. Arbitration.

Prosecution defence costs applicable to Section C - Property owners' liability and Section D - Employers' liability

5. **The insured person's responsibilities**

An *insured person* must:

- a) tell **us** as soon as is practicably possible of anything that may make it more costly or difficult for the **appointed adviser** to resolve a claim in their favour;
- b) cooperate fully with **us**, give the **appointed adviser** any instructions **we** require, and keep them updated with progress of the claim and not hinder them;
- c) take reasonable steps to recover **costs and expenses** and pay them to **us**; and
- d) keep **costs and expenses** as low as reasonably possible.

What is not covered

We will not be liable under this section for any claim arising from or relating to:

1. **Costs and expenses incurred without consent**

costs and expenses incurred without **our** consent;

2. **Fines & penalties**

finest or penalties of any kind;

3. **Prior losses**

any actual or alleged act, omission or dispute happening before, or existing at the inception of the policy, and which the **insured person** knew or ought reasonably to have known could lead to a claim; and

4. **Legal expenses insurance**

costs and expenses incurred as a result of any criminal proceedings, appeals or inquiries which arise independently of any legal liability **you** may have to pay damages which may, subject always to all applicable terms, conditions and exclusions, be covered under Section E Legal expenses.

Section E - Legal expenses

Certain words in this section have specific meanings. These meanings are defined below. The words defined carry the same meaning wherever they appear in this section, and are printed in **bold** to help **you** identify them.

Appointed adviser

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed by **us** to act for an **insured person** in accordance with the terms of this policy.

Collective conditional fee agreement

A legally enforceable agreement entered into on a common basis between the **appointed adviser** and **us** to pay their professional fees on the basis of “no-win no-fee”.

Conditional fee agreement

A legally enforceable agreement between the **insured person** and the **appointed adviser** for paying their professional fees on the basis of “no-win no-fee”.

Costs and expenses

- a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed adviser** on the **standard basis** and agreed in advance by **us**;
- b) in civil claims, other side’s costs, fees and disbursements where the **insured person** has been ordered to pay them or pays them with **our** agreement;
- c) reasonable accountancy fees reasonably incurred under PART B Cover 11. Tax protection by the **appointed adviser** and agreed by **us** in advance;
- d) **your employee's** basic wages or salary under PART B Cover 9. Loss of earnings in the course of their employment with **you** while attending court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the **appointed adviser** or whilst on jury service where **you** do not pay for time lost and lost wages or salary cannot be claimed back from the court, tribunal or other relevant body;
- e) the professional fees and expenses of an **appointed adviser** selected by **us** to reduce the actual or anticipated adverse or negative publicity or media attention directed towards **you** arising from an event insured under PART B Cover 3. Crisis communication.

Employee

A worker who has or alleges they have entered into a contract of service with **you**.

Full enquiry

An extensive examination by the HM Revenue & Customs which considers all aspects of **your** tax affairs, or where applicable the personal tax affairs of **your** directors or partners excluding those enquiries which are limited to one or more specific aspects of the self-assessment and/or corporate tax return.

Insured person

- a) **You** and **your** directors, partners, managers, officers and **employees of your business**.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of that person dying.
- c) Any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Insured property

- a) **Your business** premises; and/or
- b) buildings owned by **you** which are let or which **you** intend to let to tenants for business or residential purposes; and/or

Section E - Legal expenses

- c) accommodation which is owned by **you** and which **you** let or intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement, located within England, Scotland, Wales or Northern Ireland.

Property

Material property or land.

Reasonable prospects of success

- a) For all claims that are not described in b) and c) below the **insured person** must have a greater than 50 percent chance of successfully pursuing or defending their claim.
- b) If the **insured person** is seeking damages or compensation, there must also be a greater than 50 percent chance of enforcing any judgment that might be obtained.
- c) In criminal prosecution claims where the **insured person**:
 - i) pleads guilty, the **insured person** must have a greater than 50 percent chance of successfully reducing any sentence or fine;
 - ii) pleads not guilty, there must be a greater than 50 percent chance of that plea being accepted by the court.

Small claims court

A court in:

- a) England and Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999;
- b) Scotland that uses the small claims procedure as set out by the Act of Sederunt (Small Claims) Rules 2002;
- c) Northern Ireland where the sum in dispute is less than GBP3,000.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Territorial limit

- a) For Covers PART B 1. Compliance and regulation, 2. Contract and debt recovery, 8. Legal defence and 9. Loss of earnings: The European Union, the Isle of Man, the Channel Islands, Norway and Switzerland.
- b) For Covers PART B 3. Crisis communication, 4. Employment, 5. Employment compensation awards, 6. Employees extra protection, 7. Employment restrictive covenants, 10. Statutory licence appeals and 11. Tax protection: the United Kingdom, Channel Islands and the Isle of Man.
- c) For Covers not listed in a) and b) above: England, Scotland, Wales and Northern Ireland.

Section E - Legal expenses

You or Your

The **insured person** named in the schedule and additionally is extended to include any person or business appointed as an agent of the **business** to manage the letting of **insured property** to the extent that any such agent has acted on **your** behalf.

Insuring clauses

This Cover has two parts:

PART A covers **you** for legal disputes that arise from owning or letting out **your insured property**;

PART B relates to other legal matters arising from **your business**.

If you are not trading as a business only PART A of this section applies.

For the covers described below **we** will pay the **insured person's costs and expenses** up to GBP100,000 for all claims related by time or original cause including the cost of appeals. This limit includes payment of employment compensation awards where cover applies with an annual aggregate limit of GBP1,000,000.

Provided that:

1. the claim (unless otherwise stated) arises in connection with **your business** and occurs within the **territorial limits** and;
2. the claim:
 - a) always has **reasonable prospects of success**;
 - b) is reported to **us**:
 - i) during the **period of insurance** and;
 - ii) as soon as is practicably possible after the **insured person** becomes aware of the circumstances which could give rise to a claim under this policy; and
 - iii) within 60 days of **you** first becoming aware of the matter in dispute where **you** are in disagreement with a tenant of **your insured property**;
3. unless there is a conflict of interest, the **insured person** always agrees to use the **appointed adviser** chosen by **us** in any claim;
 - a) to be heard by an Employment Tribunal or **small claims court**; and/or
 - b) before proceedings have been or need to be issued; and
4. any dispute will be dealt with by a court, tribunal, Advisory Conciliation and Arbitration Service (ACAS) or a relevant regulatory or licensing body in the **territorial limits**.

A claim is considered to be reported to **us** when **we** have received the **insured person's** fully completed claim form.

Section E - Legal expenses

PART A – Your insured property

Insured events covered

1. Commercial lease disputes

Pursuit or defence of **your** legal rights arising from a dispute with **your** tenant under the terms of a written lease agreement in relation to **your insured property** which is:

- a) granted under the Landlord & Tenant Act 1954, provided that where the dispute arises from or relates to renewal of **your** lease agreement or the granting of a new business tenancy:
 - i) **reasonable prospects of success** exist to oppose **your** tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act; and
 - ii) **you** can demonstrate that **you** have served the correct legal notice to terminate on the tenant in the prescribed form before **your** tenant has served **you** with a request for a new tenancy;
- b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) **you** have correctly served the necessary legal notice on **your** tenant; and
 - ii) **your** tenant has made the relevant declaration; and
 - iii) the lease is noted accordingly.

What is not covered under insured cover 1.

We will not cover **you** for any claim that arises from a disagreement with **your** tenant over payment or non-payment of rent and or service charges.

2. Holiday homes contract disputes

A dispute that arises from:

- a) a written agreement which **you** have entered into to let out **your insured property** as holiday accommodation that is not otherwise covered by PART A Covers 3. Property damage, nuisance & trespass or 4. Recovery of rent arrears below;
- b) a contract **you** have entered into to buy or hire goods or services for the benefit of **insured property** which **you** have let or intend to let to guests as holiday accommodation.

What is not covered under insured cover 2.

We will not compensate **you** for:

- i) goods or services which exceed GBP6,000 (including VAT) in value;
- ii) loans and mortgages;
- iii) an employment contract;
- iv) a settlement due under an insurance policy.

Section E - Legal expenses

<p>3. Property damage, nuisance and trespass</p> <p>a) An event which causes visible damage to your insured property and/or material property owned by you at your insured property.</p> <p>b) A public or private nuisance or a trespass relating to your insured property.</p> <p>Provided that if your insured property is used as holiday accommodation:</p> <p>i) you can provide a detailed inventory of its condition and contents which has been signed by your guest(s); and</p> <p>ii) a dilapidations deposit has been paid in cash or payment has cleared in your bank account.</p>	<p>What is not covered under insured cover 3.</p> <p>We will not cover you for any claim relating to:</p> <p>i) damage or loss arising from a contract between you and a third party who is not a tenant, ex-tenant; or guest staying at insured property you have let out as holiday accommodation;</p> <p>ii) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or material property by any government, local or public authority;</p> <p>iii) a dispute with any party other than the party who caused the damage, nuisance or trespass;</p> <p>iv) any nuisance or trespass claim under PART A Cover 3. b) that arises from a contract, lease, licence or tenancy agreement between you and the third party (including trespass by your ex-tenant);</p> <p>v) an excess of GBP250 applies to PART A Cover 3. b) except where you bring a claim against a person who is living at the insured property without your permission (squatters). We will ask you to pay the excess when we accept your claim.</p>
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<p>4. Recovery of rent arrears</p> <p>Pursuit of your legal right to recover rent owed to you by:</p> <p>a) your tenant or ex-tenant of insured property;</p> <p>b) guest(s) staying at your insured property which is used as holiday accommodation.</p>	
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Section E - Legal expenses

5. Repossession of residential property

a) Pursuit of **your** legal rights to repossess **your insured property** that has been let under:

- i) an assured shorthold tenancy; or
- ii) a shorthold tenancy; or
- iii) an assured tenancy,

as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010 or the Housing (Scotland) Act.

Provided **you**:

A. give the tenant the correct notices for the repossession; and

B. will try to get repossession under:

- i) Schedule 2, Part 1 (grounds 1 to 8) of the Housing Act 1988 as amended by the Housing Act 1996; or
- ii) Schedule 5, Part 1 (grounds 1 to 8) of the Housing Act (Scotland) 1988; or
- iii) Part 1, Section 21 of the Housing Act 1988 amended by the Housing Act 1996; or
- iv) Part 2, Section 33 of the Housing Act (Scotland) 1988.

b) Pursuit of **your** legal rights to repossess **your insured property** that **you** have let:

- i) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
- ii) to a limited company or business partnership for residential use by **employees**.

c) Pursuit of **your** legal right to recover or repossess **your insured property** that is occupied by an **employee** or ex-**employee** under a service occupancy agreement.

Section E - Legal expenses

PART B – Your business

<p>1. Compliance and regulation</p> <p>a) Receipt of a Statutory Notice served against you.</p> <p>b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.</p> <p>c) A claim against you for compensation under Section 13 of the Data Protection Act 1998 including compensation awarded against you provided that you are registered with the Information Commissioner.</p> <p>d) A civil action alleging wrongful arrest arising from an allegation of theft.</p>	<p>What is not covered under insured cover 1.</p> <p>We will not cover any claim arising from or relating to:</p> <ul style="list-style-type: none">i) a routine inspection by a regulatory authority;ii) the pursuit of an action by you other than an appeal;iii) a Health and Safety Executive Fee for intervention.
<p>2. Contract and debt recovery</p> <p>A breach or alleged breach of an agreement or alleged agreement which has been entered into by you or on your behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services, provided that if you are claiming for an undisputed debt you have exhausted your normal credit control procedures.</p>	<p>What is not covered under insured cover 2.</p> <p>We will not cover you for any claim arising from or relating to:</p> <ul style="list-style-type: none">i) an amount which is less than GBP200;ii) the letting, leasing, licensing, sale or purchase of land or buildings where you act as the landlord;iii) loans, mortgages, endowments, pensions or any other financial product;iv) the settlement payable under an insurance policy;v) computer hardware, software, internet services or systems which have been:<ul style="list-style-type: none">A. tailored to your requirements;B. supplied by you;vi) a breach or alleged breach of a professional duty by an insured person;vii) a dispute between you and an employee or ex-employee;viii) adjudication or arbitration.

Section E - Legal expenses

3. Crisis communication

Following an event which causes **your business** significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your business**, we will:

- a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed adviser** under this policy, or acts on **your** behalf under any other policy), to draft a media statement or press release; and/or
- b) arrange, support and represent an **insured person** at a press conference; and/ or
- c) prepare communications for **your** customers and/or a telephone or website script,

provided that **you** have sought and followed advice from **our** Crisis Communication helpline.

What is not covered under insured cover 3.

We will not compensate any claim relating to:

- i) **costs and expenses** in excess of GBP10,000;
- ii) matters that should be dealt with through **your** normal complaints procedures.

4. Employment

A dispute between **you** and **your employee**, ex-**employee**, or a prospective **employee**, arising from a breach or an alleged breach of their:

- a) contract of service with **you**; and/or
- b) related legal rights.

A claim can be made under this section of the policy provided that all internal procedures as set out in the:

- i) ACAS Code of Practice for Disciplinary and Grievance Procedures; or
- ii) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland,

have been or ought to have been concluded.

What is not covered under insured cover 4.

We will not cover **you** for any claim relating to:

- i) the pursuit of an action by **you** other than an appeal;
- ii) redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first 180 days of the start date of this policy, except where **you** have had equivalent cover in force up until the start of this policy;
- iii) **costs and expenses** for preparation and representation at an internal disciplinary hearing, grievance or appeal.

Section E - Legal expenses

5. Employment compensation awards

Following a claim **we** have accepted under PART B Cover 4. Employment above, **we** will pay any:

- a) basic and compensatory award;
- b) Employment Tribunal fees under Schedule 3 of the Employment Tribunals and the Employment Appeal Tribunal Fees Order 2013, awarded against **you** by a tribunal; or
- c) an amount agreed by **us** in settlement of a dispute.

Provided that:

- i) **reasonable prospects of success** exist for a wholly successful defence throughout; and
- ii) compensation is:
 - A. agreed through mediation or conciliation or under a settlement approved by **us**; or
 - B. awarded by a tribunal after full argument unless given by default.

What is not covered under insured cover 5.

We will not pay employment compensation awards relating to:

- i) money owed to an **employee**;
- ii) trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council;
- iii) civil claims or statutory rights relating to trustees of occupational pension schemes.

6. Employees' extra protection

At **your** request:

- a) where civil proceedings are issued against **your employee**:
 - i) for unlawful discrimination; or
 - ii) in their capacity as a trustee of a pension fund set up for the benefit of **your employees**;
- b) where **your employee** or a member of their family suffers death or physical injury as the result of a sudden event;
- c) a claim arising from personal identity theft targeted at **your** directors and/or partners.

What is not covered under insured cover 6.

We will not cover any claim arising from or relating to:

- i) defending **you**;
- ii) a condition, illness or disease which develops gradually over time.

Section E - Legal expenses

7. Employment restrictive covenants

- a) A dispute with **your employee** or ex-**employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.

Provided that the restrictive covenant:

- i) is designed to protect **your** legitimate **business** interests; and
 - ii) is evidenced in writing and signed by **your employee** or ex-**employee**; and
 - iii) extends no further than is reasonably necessary to protect the **business** interests; and
 - iv) does not contain restrictions in excess of 12 months.
- b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

8. Legal defence

- a) A criminal investigation and/or enquiry by:
- i) the police;
 - ii) a health and safety authority; or
 - iii) other body with the power to prosecute,
- where it is suspected that an offence may have been committed that could lead to the **insured person** being prosecuted;
- b) an offence or alleged offence which leads to the **insured person** being prosecuted in a court of criminal jurisdiction;
- c) a motor prosecution brought against **your** directors and/or partners which does not relate to the **business**.

What is not covered under insured cover 8.

We will not cover any claim relating to a parking offence.

Section E - Legal expenses

9. Loss of earnings

The **insured person's** absence from work to attend court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the **appointed adviser** or whilst on jury service which results in loss of earnings.

What is not covered under insured cover 9.

We will not pay any sum that can be recovered from the court or tribunal.

10. Statutory licence appeals

An appeal against the decision of the relevant authority to alter, suspend, revoke or refuse to renew **your** statutory licence or compulsory registration.

Section E - Legal expenses

11. Tax protection

- a) A formally notified aspect or **full enquiry** into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners.
- b) A dispute about **your** compliance with regulations relating to any of the following:
 - i) Value Added Tax (VAT);
 - ii) Pay As You Earn;
 - iii) Social Security;
 - iv) National Insurance Contributions;
 - v) the Construction Industry Scheme;
 - vi) IR35,following a compliance check by HM Revenue and Customs.
- c) An enquiry into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners, arising from an alleged discovery by HM Revenue and Customs.

Provided that:

- i) all returns are completed and have been submitted within the statutory timescales permitted;
- ii) **you** keep proper records in accordance with statutory requirements;
- iii) in respect of any appealable matter **you** have requested an Internal Review from HM Revenue and Customs where available.

What is not covered under insured cover 11.

We will not cover any claim arising from or relating to:

- i) tax returns which result in HM Revenue and Customs imposing a penalty or claiming interest or which contain negligent misstatements;
- ii) an investigation by the Specialist Investigations Branch of HM Revenue and Customs;
- iii) where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the **insured person's** financial arrangements;
- iv) any enquiry that concerns assets, monies or wealth outside of the United Kingdom;
- v) **your** failure to register for VAT.

Section E - Legal expenses

Conditions

1. Barrister's opinion

We may require the **insured person** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured person**, then we will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then **we** will pay for a final opinion which shall be binding on the **insured person** and **us**. This does not affect the **insured person's** right under Claims condition 1. Arbitration above.

2. Consent

The **insured person** must agree to **us** having sight of the **appointed adviser's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to **us** or **our** appointed agent to have sight of the **appointed adviser's** file for auditing and quality and cost control purposes.

3. Freedom to choose an appointed adviser

a) In certain circumstances, as set out in Condition 3. b) below, the **insured person** may choose an **appointed adviser**. In all other cases no such right exists and **we** shall choose the **appointed adviser**.

b) If:

- i) **we** agree to start proceedings or proceedings are issued against the **insured person**; or
- ii) there is a conflict of interest,

the **insured person** may choose a qualified **appointed adviser** except where the **insured person's** claim is to be dealt with by the Employment Tribunal or **small claims court** where **we** shall always choose the **appointed adviser**.

c) Where the **insured person** wishes to exercise their right to choose, they must write to **us** (by e-mail, fax or letter) with their preferred representative's contact details. Where the **insured person** chooses to use their preferred representative **we** will not pay more than **we** agree to pay a solicitor from **our** panel.

d) If the **insured person** dismisses the **appointed adviser** without good reason, or withdraws from the claim without **our** written agreement or if the **appointed adviser** refuses with good reason to continue acting for the **insured person** cover will end immediately.

e) In respect of a claim under PART B Cover 2. Contract and debt recovery **you** must enter into a **conditional fee agreement** (unless the **appointed adviser** has entered into a **collective conditional fee agreement**) where legally permitted.

Section E - Legal expenses

Exclusions

This policy does not apply to:

1. **Before cover commenced**

any actual or alleged act, omission or dispute happening before, or existing at the inception of this policy, and which the **insured person** knew or ought reasonably to have known could lead to a claim;

2. **Fines and penalties**

finer, penalties or compensation awarded against the **insured person** (except as covered under PART B Cover 5. Employment compensation awards or PART B Cover 1. c) or costs awarded against the **insured person** by a court of criminal jurisdiction;

3. **Franchise**

franchise or agency agreements;

4. **Judicial review**

a judicial review;

5. **Legal proceedings**

the defence of legal proceedings relating to:

- a) damages for personal injury (other than injury to feelings arising from an employment dispute);
- b) loss or damage to **property** owned by the **insured person**;

6. **Money laundering, malicious falsehoods, dishonesty, violence and illegal immigration**

an allegation against the **insured person** involving:

- a) assault, violence, dishonesty;
- b) malicious falsehood or defamation (except in relation to PART B Cover 3. Crisis communication);
- c) the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
- d) illegal immigration;
- e) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences);

7. **Patents, copyright and confidential information**

patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to restrictive covenants as covered under PART B Cover 7. Employment restrictive covenants);

Section E - Legal expenses

8. **Property chamber of the First-tier Tribunal**

registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal;

9. **Subsidiaries**

a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners;

10. **Tenant disagreements**

any disagreement with a tenant of an **insured property** during the first 90 days of the first **period of insurance** where the tenancy agreement started before the start of this policy unless **you** were insured for equivalent cover immediately prior to the start of this policy;

11. **Without consent**

costs and expenses or employment compensation awards incurred without **our** consent.

Section F - Directors' and Officers' liability

If you are a formally constituted Resident Management Company or Residents Association, upon written request to Stephen Lower Insurance Services Ltd you will be provided with the cover available under Section F - Directors' and Officers' liability. Full details of which can be found in the Directors' and Officers' liability insurance policy wording document.

Arranged by



T 01303 241170 F 01303 850653 145 New Dover Road,
T 01303 247047 (Claims) Capel-le-Ferne,
T 01303 241180 (Accounts) Folkestone, Kent CT18 7JR
E info@stephenlower.co.uk www.stephenlower.co.uk

Notice for change of legal name

With effect from 3rd May 2016, all references to “Amlin Underwriting Ltd” shall be deemed to read “MS Amlin Underwriting Ltd”; and all references to “AUL” shall be deemed to read “MS AUL”.

All other terms and conditions remain unaltered.

Insurance Act 2015 Endorsement

Applicable to policies arranged by Stephen Lower Insurance Services Ltd and underwritten by MS Amlin, which start or renew from 12th August 2016 onwards

This endorsement relates to aspects of the Insurance Act 2015 which came into force on 12 August 2016 and amends certain terms of *your* policy. Unless addressed in these terms, the Insurance Act will apply as enacted.

All other terms remain unaltered.

The duty of fair presentation

By entering into this insurance contract *we* accept that *you* have made a reasonably clear and accessible presentation of the risk, in accordance with Section 3(3)(b) of the Insurance Act 2015.

Remedy for breach of the duty of fair presentation

Before this policy was entered into

If *you* have breached *your* duty to make a fair presentation of the risk to *us* before this policy was entered into, then:

- a) where the breach was deliberate or reckless, *we* may avoid this policy and refuse all claims, and keep all premiums paid;
 - b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) ***we would not have agreed to provide cover under this policy on any terms:***
we may avoid this policy and refuse all claims, but will return any premiums paid;
 - ii) ***we would have agreed to provide cover under this policy but on different terms*** (other than premium terms):
we may require that this policy includes those different terms with effect from its start; and/or
 - iii) ***we would have agreed to provide cover under this policy but would have charged a higher premium,***
 - a. if the discovery of the breach arose because of a claim, at *your* option:
 - i. *we* will reduce proportionately the amount paid on a claim. *We* will pay only X% of what *we* would otherwise have been required to pay, where X = premium actually charged divided by the higher premium that would have been charged x 100; or
 - ii. *we* will pay the claim in full provided that *you* pay to *us* the additional premium that *we* would have charged, but for *your* breach of the duty of fair presentation, calculated from the start of the *period of insurance*.
- NOTE: In the case of underinsurance option ii. is not available.
- b. If the discovery of the breach did not arise because of a claim *you* must pay to *us* the additional premium that *we* would have charged, but for *your* breach of the duty of fair presentation, calculated from the start of the *period of insurance*.

{Continued Overleaf}

Before a variation was agreed

If **you** have breached **your** duty to make a fair presentation of the risk to **us** before any variation to this policy was agreed, then:

- a) If the breach was deliberate or reckless, **we** may terminate this policy with effect from the date of the variation, and keep all premiums paid;
 - b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) **we would not have agreed to the variation on any terms:**
we may treat this policy as though the variation was never made, but will return any additional premiums paid in relation to the variation;
 - ii) **we would have agreed to the variation but on different terms** (other than premium terms):
we may require that the variation includes those different terms with effect from the date the variation was made; and/or
 - iii) **we would have agreed to the variation but would have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did:**
 - a. if the discovery of the breach arose because of a claim, at **your** option:
 - i. **we** may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, **we** will pay only Y% of what **we** would otherwise have been required to pay, where $Y = \text{total premium actually charged} \div \text{the premium that would have been charged} \times 100$; or
 - ii. **we** will pay the claim in full provided that **you** pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.
- NOTE: In the case of underinsurance option ii. is not available.
- b. If the discovery of the breach did not arise because of a claim, **you** must pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.
- iv) **where we would have agreed to the variation but on different terms and we would also have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did**
 - a. **we** may require that the variation includes those different terms with effect from the date the variation was made; and
 - b. before a variation was agreed b) iii) as shown above will also apply.

Remedy for fraud

If **you** or anyone acting on **your** behalf makes a fraudulent claim under **your** policy, including providing fraudulent information or documentation, **we** will:

- a) refuse to pay the claim;
- b) seek to recover any costs already incurred by **us** relating to the fraudulent claim;
- c) have the option to cancel the policy from the date of the fraudulent act; and
- d) keep any premium paid to **us**.

This will not affect separate claims made before the fraudulent act, unless they too were fraudulent.

Data Protection and Privacy Cover Endorsement

Applicable to policies arranged by Stephen Lower Insurance Services Ltd and underwritten by MS Amlin, which start on or after 25th May 2018 or which renew from 1st June 2018 onwards

A. Applicable to Section C – Property Owners’ Liability

Additional Cover 6. Data Protection Legislation is deleted.

B. Applicable to Section E – Legal Expenses

The following amendments are made to Section E Legal Expenses:

1. Part B Cover 1 – Compliance and regulation c) is deleted.
2. Part B Cover 8 – Legal defence.

The following exclusion is added:

We will not cover any claim relating to a claim made against **you** for compensation under Section 13 of the Data Protection Act 1998 or under the General Data Protection Regulation and any enabling data protection legislation.

3. Exclusion 2 is deleted and replaced as follows:

2. **Fines and penalties**

finances, penalties or compensation awarded against the **insured person** (except as covered under PART B Cover 5. Employment compensation awards or the Data Protection and Privacy Cover endorsement) or costs awarded against the **insured person** by a court of criminal jurisdiction;

C. Data Protection and Privacy Cover

This cover operates on a claims-made basis. This means that **we** will only provide cover for claims or circumstances made against **you** and notified to **us** during the **period of insurance**.

Additional definitions applicable to this cover C. – Data Protection and Privacy Cover

Costs and expenses

- a) All cost and expenses incurred by **you** with **our** written consent for any claim against **you** which may be covered under this endorsement.
- b) Claimants costs and expenses arising for any claim against **you** which may be covered under this policy.

GDPR

General Data Protection Regulation and any enabling data protection legislation.

What is covered

We will cover **you** for **your** liability to pay compensation including **costs and expenses** arising from a claim made against **you** for breach of the **GDPR**, Section 13 of the Data Protection Act 1998 or any amending legislation, caused in connection with the **business** during the **period of insurance**.

Provided that the claim is first made against **you** and notified to **us** during the **period of insurance**.

Limit of Liability (how much we will pay)

We will pay **£250,000** for all claims made including **costs and expenses** during the **period of insurance**.

Conditions (actions that you or we agree to take)

Included here are the conditions of the insurance that you need to meet as your part of this contract. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced. In some circumstances your policy may not be valid.

1. a) For the purposes of this Data Protection and Privacy cover, any Other insurance clause contained in **your** policy will not apply and will instead be replaced by either b) or c) as shown below, as may be applicable:
 - b) **We** will have no liability to pay any sum under this additional cover if cover for that sum is payable under another policy issued to **you** by **us** (or would be but for the exhaustion of the limit of liability or the application of the excess amount under that other policy).
 - c) If the liability which is being claimed for under this additional cover is covered by any other Insurer **we** will not pay more than **our** proportionate share.
2. **You must:**
 - a) have in place an appropriate procedure to detect, report and investigate a personal data breach;
 - b) offer suitable redress where a data breach has occurred;
 - c) only make a claim under this Data Protection and Privacy cover where a) and b) above have been complied with.

What is not covered

We will not cover any claim arising from or relating to:

1. compensation, costs or expenses covered by any other Legal Expenses insurance;
2. the costs of rectifying, rewriting, replacing, reinstating or erasing personal data as defined in the **GDPR**;
3. the payment of fines or penalties;
4. refund of monies paid to **you** by any claimant;
5. liability arising solely because you did not comply with your legal obligations set out under the GDPR;
6. any cover relating to the Data Protection Act 1998 which may have applied or does apply to a previous or concurrent policy which is referenced under a DIC/DIL (Difference in Cover / Difference in Limits) clause or similar, which is in excess of the cover available under this endorsement;
7. any actual or alleged act, omission or dispute happening before, or existing at the start of this Data Protection and Privacy cover, and which **you** knew or ought reasonably to have known could lead to a claim;
8. any deliberate act by **you** or any director, partner or **employee** of **yours**.

If you need to make a claim

If **you** need to make a claim under C. Data Protection and Privacy Cover of this endorsement, please telephone ARAG on **0117 917 1698** or download a claim form at www.arag.co.uk/newclaims.

Updated MS Amlin Privacy notice

In addition to the above Endorsement, the following MS Amlin Privacy Notice also applies:-

Your information has been, or will be, collected or received by MS Amlin plc. We will manage personal data in accordance with data protection law and data protection principles. We require personal data in order to provide good-quality insurance and ancillary services and will collect the personal data required to do this. This may be personal information such as name, address, contact details, identification details, financial information and risk details. The full Data Privacy Notice can be found on www.msamlin.com/en/site-services/data-privacy-notice.html. A paper copy of the Data Privacy Notice can be obtained by contacting the Data Protection Officer by email (dataprotectionofficer@msamlin.com) or at the below address:

Data Protection Officer, MS Amlin plc

The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG

How to make a complaint - Endorsement

Applicable to policies arranged by Stephen Lower Insurance Services Ltd and underwritten by MS Amlin, which start on or after 1st April 2019 or which renew from 1st April 2019 onwards

Applicable to the “how to make a complaint” clause

The following paragraph is deleted from the “How to make a complaint” clause, found at the bottom of page 5 of the full policy wording:

- The Financial Ombudsman Service will normally only consider a complaint from private individuals or from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

and is replaced with the following:

- To check if **you** are an eligible complainant or if **you** are unsure whether the Financial Ombudsman Service will look at **your** complaint please contact them directly for further information. **You** are entitled to contact the Financial Ombudsman Service at any stage of **your** complaint. Their contact details are shown above.

The existence of this Complaints Procedure does not affect any right of legal action **you** may have against MS Amlin Underwriting Limited.



STEPHEN LOWER INSURANCE SERVICES LTD

IMPORTANT POLICY WORDING ENDORSEMENT - COVID-19

Please note that for any Stephen Lower Insurance Services Limited policies underwritten by MS Amlin, the following 'Coronavirus Exclusion' clause shall additionally apply as follows:-

New Business: Policies incepted on or after Monday 23rd March 2020

Renewals: Policies incepted on or after 1st April 2020

CORONAVIRUS EXCLUSION

This clause shall be paramount and shall override anything in this Insurance Policy inconsistent therewith.

Your Insurance Policy does not cover any claim in any way caused by or resulting from:

- a) Coronavirus disease (COVID-19);
- b) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- c) any mutation or variation of SARS-CoV-2;
- d) any fear or threat of a), b) or c) above.

LMA5391 (amended)

04 March 2020

Any policies incepted or renewing before the dates shown above shall be subject to the interpretation of the policy wording at the date of inception or renewal.

Martin Kingston

Operations Director

23rd March 2020