



STEPHEN LOWER INSURANCE SERVICES LTD

Property Owners

Policy document

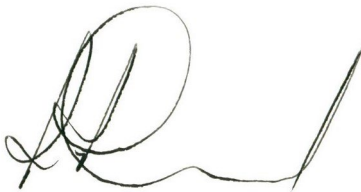
Arranged by Stephen Lower Insurance Services Ltd



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.

A handwritten signature in black ink, appearing to read 'P. M. Plews', with a stylized flourish at the end.

Patrick M Plews
Director

www.stephenlower.co.uk

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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 **0330 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 21 – 23.

Applicable to Section E – Legal expenses

Important Telephone Numbers and Voucher Code

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if **our** advisors consider that **your** helpline usage is becoming excessive, they will tell **you**. If following that warning, usage is not reduced to a more reasonable level, **we** can refuse to accept further calls. **We** record and monitor calls for training purposes, to improve the quality of **our** service, to help **us** deal with queries or complaints from **you** and to prevent and detect fraud and financial crime.

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 UK, Isle of Man, Channel Islands and 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 assistance 0330 303 1955

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. Calls to the Counselling assistance service will not be recorded.

Business legal services

Register today at **www.araglegal.co.uk** and using voucher code **EC426C378CB8** access the law guide and download legal documents to help with commercial legal matters.

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.

Note that sections A – D and F of **your** policy are underwritten by AXIS Specialty Europe (UK branch), trading as AXIS Specialty London and section E is underwritten by ARAG Legal Expenses Insurance Company Limited. In both cases, cover has been arranged by Stephen Lower Insurance Services Ltd who are authorised to underwrite and administer **your** policy on their behalf.

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 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 are dissatisfied and wish to make a complaint, **you** can do so at any time. 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, Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW
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 you are dissatisfied with the outcome of 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:

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.

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.

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 contacting Stephen Lower Insurance Services Ltd at 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent, CT18 7JR, info@stephenlower.co.uk, tel: 01303 241170 or your insurance agent.

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.

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Privacy Statement Sections A – D & F

We collect and use relevant information about **you** to provide the insurance cover from which **you** benefit and to meet **our** legal obligations.

This information includes details such as **your** name, address and contact details and any other information that **we** collect in connection with the insurance cover from which **you** benefit. This may include more sensitive details such as information about **your** health and any criminal convictions **you** may have.

In certain circumstances, **we** may need **your** consent to process certain categories of information (including sensitive details such as information about **your** health and any criminal convictions **you** may have). Where **we** need your consent, **we** will ask **you** for it separately. **You** do not have to give **your** consent and **you** may withdraw **your** consent at any time. However, if **you** do not give **your** consent, or **you** withdraw **your** consent, this may affect **our** ability to provide the insurance cover from which **you** benefit and may prevent **us** from providing cover for **you** or handling **your** claims.

The way insurance works means that **your** information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. **We** will only disclose **your** personal information in connection with the insurance cover that **we** provide and to the extent required or permitted by law.

Other people's details you provide to us

Where **you** provide us or **your** agent or broker with details about other people, **you** must provide this notice to them.

Want more details?

For more information about how **we** use your personal information, please see **our** full Privacy Notices which are available online as follows:-

Stephen Lower Insurance Services Ltd

<https://www.stephenlower.co.uk/Stephen Lower - General Insurance Privacy Notice – Current Version.pdf>

Axis Specialty London

<https://uatnew.axiscapital.com/londonmarket/privacy-notice/eu-uk-switzerland-privacy-notice>

This information is also available in other formats, upon request.

Contacting us and your rights

You have rights in relation to the information **we** hold about **you**, including the right to access **your** information. If **you** wish to exercise **your** rights, discuss how **we** use **your** information or request a copy of **our** full privacy notice, please contact **us** or the agent or broker that arranged **your** insurance:

AXIS Specialty London:

Address: The Data Protection Officer, AXIS Specialty London, c/o 52 Lime Street, London EC3M 7AF

Email: dpo@axiscapital.com

Phone: +44-20-7877-3800

Stephen Lower Insurance Services Ltd:

Address: The Operations Director, Stephen Lower Insurance Services Ltd, 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent CT18 7JR.

Email: data.protection@stephenlower.co.uk

Privacy Statement - Section E

This is a summary of how we, on behalf of the insurer, collect, use, share and store personal information. To view our full privacy statement, please see our website www.arag.co.uk.

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the relevant data protection regulations and legislation. Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations. We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected.

Please refer to our full privacy statement for full details.

Keeping personal information

We shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

For a full list of privacy rights and when we will not be able to delete personal data, please refer to our full privacy statement.

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.

AXIS Specialty London is a trading name of AXIS Specialty Europe SE. AXIS Specialty Europe SE is authorised and regulated by the Central Bank of Ireland.

Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

ARAG plc is authorised and regulated by the Financial Conduct Authority (FRN452369). Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England. Company Number 02585818. ARAG plc is authorised to administer this insurance on behalf of the insurer ARAG Legal Expenses Insurance Company Limited.

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority. Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 103274.

Financial Services Compensation Scheme (FSCS)

The insurers are covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the FSCS if we are unable to meet our obligations to **you** under this insurance.

If **you** are entitled to compensation from the FSCS, the level and extent of the compensation will depend on the nature of this insurance. Further information about the FSCS is available on their website: www.fscs.org.uk or **you** can write to them at PO Box 300, Mitcheldean, GL17 1DY.

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

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

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 and Wales 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.

Heave

Upward movement of the ground beneath the **buildings** as a result of the soil expanding.

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.

Landslip

Downward movement of sloping ground.

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 or until cancelled. 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.

General definitions

Rent receivable

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

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.

Settlement

Downward movement due to the ground being compressed by the **buildings** within 10 years of construction.

Subsidence

Downward movement of the ground beneath the **buildings**

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 His 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 occupation as declared by **you** and shown on the Statement of Facts, 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

AXIS Specialty London as insurer of **your** policy (unless otherwise stated in any section of cover) and Stephen Lower Insurance Services Ltd who are authorised to underwrite and administer **your** policy on **our** behalf in accordance with the Unique Market Reference shown in the schedule.

ARAG plc in respect of Section E, Legal Expenses, is authorised to administer this insurance on behalf of the insurer HDI Global Specialty SE under a binding authority agreement.

You, Yourself, Yourself 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** 14 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.

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.

5. Information you have given us – Insurance Act 2015

The duty of fair presentation

In deciding to accept this insurance and in setting the terms and premium, **We** have relied on information **You** have provided. **You** have a duty to inform **Us** of every material circumstance that **You** know or ought to know, in a way that is reasonably clear and accessible to **Us**. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium).

For the purposes of 'every material circumstance' mentioned above, **You** are expected to know the following:

- a) If **You** are an individual, what is known to the individual and anybody who is responsible for arranging **Your** insurance.
- b) If **You** are not an individual, what is known to anybody who is part of **Your** senior management; or anybody who is responsible for arranging **Your** insurance.
- c) Whether **You** are an individual or not, what should reasonably have been revealed by a reasonable search of information available to **You**. The information may be held within **Your** organisation, or by any third party (including but not limited to the broker, subsidiaries, affiliates or any other person who will be covered under the insurance). If **You** are insuring subsidiaries, affiliates or other parties, **We** expect that **You** will have included them in **Your** enquiries, and that **You** will inform **Us** if **You** have not done so. The reasonable search may be conducted by making enquiries or by any other means.

You also have a duty to answer any questions **We** have asked of **You** accurately and to ensure that any information provided by **You** is correct.

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.

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**.

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 = total premium actually charged divided by the 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 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.

6. Interest clause

The interest of any freeholder, mortgagee, lessor, lessee heritable creditor 'Primo Loco' or 'Secundo Loco' or similar party is noted. The nature and extent of such additional interests must be disclosed without delay following damage which is subject of any claim.

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.

8. Unoccupied property

a) Unoccupied property (other than residential)

We or **your** insurance agent must be notified, 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, 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 constant minimum 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 constant 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.

10. **Illegal Cultivation of Drugs**

This Condition applies in respect of Residential Properties, Residential Portions and all other properties insured under this Policy. Damage to Property Insured at the Premises from the manufacture, cultivation, harvest or processing by other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971):

You must ensure that **You** or anyone acting on **Your** behalf:

- a) Complete internal and external inspections of the Buildings at least once every 3 months and maintain a log of those inspections for at least 24 months.
- b) Obtain, verify and retain suitable written references, such as from a current employer, guarantor or former landlord of any new tenant prior to allowing them to move in.
- c) Obtain and retain formal photo identification such as a driving licence or passport of any new tenant prior to allowing them to move in.
- d) Obtain and record details of **Your** tenant's bank account and verify those details by receiving at least one payment from that account.

Advise **Your** tenant where sub-letting is allowed by the tenancy agreement, that they must follow the measures set out in terms a), b), c) and d) above for all lettings they arrange and make those details available to **You** when reasonably requested.

Failure to comply with any of these requirements will result in **Us** not paying **Your** Property Damage claim

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 (see page 2 for contact details).
- ii) **You** must provide **us** or **your** insurance agent with any other information **we** may require. Only information relevant to the claim will be requested.
- 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;

- 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 any claim is caused by, contributed to by or arises from any malicious, dishonest or fraudulent act or omission, **we**:

- i) will not pay the claim; and
- ii) may recover (from **you**) any sums already paid by **us** in respect of the fraudulent claim; and
- iii) may terminate this insurance from the time of the fraudulent act.

If **we** exercise **our** right under point iii) above:

- iv) **we** will not pay any claim which occurs after the time of the fraudulent act; and
- v) will not return any of the premiums paid.

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. **Infectious or Contagious Diseases**

any loss, damage, liability, cost or expense, in any way caused by or resulting from:

- a) infectious or contagious disease;
- b) any fear or threat of a) above; or
- c) any action taken to minimise or prevent the impact of a) above.

Infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

3. **Cyber property and liability**

- a) We will not provide any cover under any circumstances for any loss, damage, liability, claim, fine, penalty, cost or expense of any nature, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:

- i. **cyber act** or **cyber incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**; or
- ii. loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any **data**, including any amount relating to the value of such **data**.

but this will not exclude subsequent loss or damage which itself results from a cause which is not otherwise excluded.

- b) This exclusion does not apply to a claim that would otherwise be covered under the Employers' Liability section of this Policy (if this cover is included and confirmed on your schedule). This cover is limited to the first £5,000,000 of any one claim or series of claims arising out of any one occurrence (inclusive of defence costs).
- c) This endorsement supersedes any other wording in the Policy or any endorsement having a bearing on a **cyber act**, **cyber incident** or **data** and if in conflict with such wording, replaces it.
- d) If we allege that by reason of this endorsement that loss sustained by the Insured is not covered by this Policy, the burden of proving the contrary will fall upon **you**.
- e) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder will continue in full force and effect.

Definitions applicable to this endorsement:

- a) **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller, including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by you or any other party.
- b) **Cyber Act** means:
 - i) a deliberate, unauthorised, malicious or criminal act;

General exclusions

- ii) a series of related deliberate, unauthorised, malicious or criminal acts; or
 - iii) any threat or hoax relating to i and/or ii above,
 - iv) regardless of time and place, involving access to or the processing, use or operation of any **computer system**.
- c) **Cyber Incident** means:
- i) any error or omission or series of related errors or omissions involving access to or the processing, use, or operation of any **computer system**; or
 - ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.
- d) **Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

4. **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**.

5. **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.

6. **Excess**

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

General exclusions

7. 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.

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**.

8. 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**.

9. 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.

10. War

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority

11. Micro Organisms

This Insurance does not cover loss, destruction, damage, claim, cost, expenses or other sum directly or indirectly arising out of or relating to: mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health This Exclusion applies regardless

General exclusions

of whether there is

- a) any physical loss or damage to insured Property;
- b) any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c) any loss of use, occupancy, or functionality;
- d) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns

12. **Pollution and Contamination**

This Insurance does not cover loss, destruction or damage caused by or arising from any kind of seepage or any kind of pollution and/or contamination.

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**.
 - iii) failure of grouting or sealant.
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) motor vehicles (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) unauthorised entry to the Premises resulting in Damage to the Building, or
 - b) violence or threat of violence against **You** or any director, officer or person employed by **You**,
 - 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, carpark, 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,
 - c) defective design or workmanship or the use of defective materials including inadequate construction of foundations

at the same **premises**.

Section A - Material damage

Special condition applicable to Cover 12.

- a) **You** must notify **us**, via **your** insurance broker or agent, 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**, via **your** insurance broker or agent, 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 incurred in boarding up and making secure the **buildings** following **damage** insured by this section.

6. 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.

7. 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.

8. 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

9. 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.

10. 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.

11. 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.

12. 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 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

13. 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 13. "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 13.

- 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 13. 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

14. Fire extinguishing expenses and alarm resetting expenses

We will pay for the necessary 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.

15. Fly tipping

We will pay for costs necessarily 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**.

16. 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 necessary costs incurred by **you** with **our** written consent in establishing whether or not the **damage** has occurred; and
- b) the necessary 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.

17. 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

18. 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 18.

- 1. **You** will notify **us**, via **your** insurance broker or agent, 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 18. 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 18. unless they are varied.
 - b) where claims are payable as if this Additional cover 18. 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

19. Landscaping

Subject to **our** written consent, **we** will pay the necessary 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.

20. 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.

21. 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 any public authority or other statutory requirements (as shown under Additional cover 12. 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 21.

- i) the total amount recoverable under any item of this policy will not exceed its sum insured as stated in the schedule; and
- ii) all other terms and conditions of this policy will apply as if they had been incorporated in this Additional cover 21.

Section A - Material damage

22. 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.

23. Non-invalidating

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.

24. 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.

25. 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 25.

- 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

26. Professional fees

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

27. 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.

We will not pay the cost of replacing any undamaged or unbroken item or parts of items forming part of a pair, set, suite or collection of the same type, colour or design if the damage happens to one particular area or to a specific part and replacements cannot be matched.

28. Removal of vermin

Regardless of anything contained within this section to the contrary, **we** will cover the necessary 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).

29. Removal of nests

We will pay for the costs incurred in the removal of any bees or wasps' nests 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).

30. 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

31. 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** where the premises is tenanted; or
- b) where the premises is owner occupied, the necessary additional cost 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 (as per section 31. a) and b) above);

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.

32. 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

33. 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 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 lessee or managing agent.

34. 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.

35. 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 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.

36. Tree felling and lopping

We will pay for the cost of lopping or felling trees which are an immediate and imminent threat to the safety of life or immediate and imminent threat 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

37. 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 GBP1500 for any one claim or GBP3000 in the aggregate during any one **period of insurance**.

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

We will also pay up to GBP3000 in respect of replanting of trees as may be necessary as a result of **damage**.

38. 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.

39. 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.

40. 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**.

Exclusions applicable to Section A – Material damage

The General exclusions apply in addition to the exclusions listed below.

- 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.

Section A - Material damage

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 and Additional cover 6. b) Contingency rent, where it is 3 months.

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) unauthorised entry to the Premises resulting in Damage to the Building, or
 - b) violence or threat of violence against **You** or any director, officer or person employed by **You**,
 - 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, carpark, 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**.

Section B - Loss of rental income

Special condition applicable to Cover 12.

- a) **You** must notify **us**, via **your** insurance broker or agent, 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.

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 Sterling Overnight Index Average Rate applying during the **indemnity period**;

- c) additional expenditure, being:
 - i) the expenditure necessarily 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 of Section B, 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) Food or drink poisoning 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 food or drink poisoning;
- 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 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 necessarily 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**.

Section B - Loss of rental income

9. 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**.

10. 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 Sterling Overnight Index Average 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.

11. 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.

12. 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.

13. 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**.

14. Professional accountants and legal fees clause

In respect of each item of rent if any of the **buildings** suffer **damage**, **we** will pay the necessary 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 cessor clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

Section B - Loss of rental income

15. 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.

16. 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**.

17. 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 directly associated covers as stipulated above.

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

This Additional cover 17. 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.

18. 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.

Section B - Loss of rental income

19. 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 of Section B, 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;
 - i) 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 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**.

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 section.
- 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.

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**.

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

- 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.

Section C - Property owners' liability

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.

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**.

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**.

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

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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;
 - 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;

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- 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. 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**.

14. 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

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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.

15. 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**.

16. 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 their 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;

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- 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.

17. 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.

Exclusions

The **General exclusions** apply in addition to the exclusions listed below.

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:

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- 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 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

The General exclusions apply in addition to the exclusions listed below.

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;
 - 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) 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 contact **us** ,via their insurance broker or agent, 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 king'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 king'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 king'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

The General exclusions apply in addition to the exclusions listed below.

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

finances 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

Definitions

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

- 1) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the insured;
- 2) mediator appointed by us to provide impartial dispute resolution in relation to a claim accepted by **us**.

Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to 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 either:

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Conditional fee agreement

A legally enforceable agreement between the **insured person** and the **appointed adviser** for paying their professional fees on the basis of either:

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

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.
- f) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Insured event 10) c) where the **insured** has taken advice from **our** Identity Theft Advice and Resolution Service.

Section E - Legal expenses

- g) Health and Safety Executive Fees for Intervention.

Employee

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

Insurer

For the purposes of Section E only ARAG Legal Expenses Insurance Company Limited.

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) The insured premises shown in the schedule; 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
- 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.
- d) In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

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.

Section E - Legal expenses

Territorial limit

- a) For Covers PART B 8. Legal defence: The European Union, the Isle of Man, the Channel Islands, Norway, Switzerland and the United Kingdom.
- b) For all other Covers under PART B: 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.

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.

We or Us or Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**.

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 **the insurer** will pay the **insured person's costs and expenses** up to GBP50,000 for claims under PART A insured events and GBP100,000 for claims under PART B insured events unless otherwise specified below 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; and/or
 - b) before proceedings have been or need to be issued; and

Section E - Legal expenses

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. This policy will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other policy terms.

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.

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.

Any claim arising from or relating to:

- 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 physical damage to your insured property and/or material property owned by you at your insured property.</p> <p>Provided that if your insured property is used as holiday accommodation:</p> <ul style="list-style-type: none">i) you can provide a detailed inventory of its condition and contents which has been signed by your guest(s); andii) a dilapidations deposit has been paid in cash or payment has cleared in your bank account. <p>b) A public or private nuisance or a trespass relating to your insured property.</p>	<p>What is not covered under insured cover 3.</p> <p>Any claim relating to:</p> <ul style="list-style-type: none">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;ii) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or material property by any government, local or public authority;iii) a dispute with any party other than the party who caused the damage, nuisance or trespass;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);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.
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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> <ul style="list-style-type: none">a) your tenant or ex-tenant of insured property;b) guest(s) staying at your insured property which is used as holiday accommodation.	
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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. have demanded rent in writing from **your** tenant as soon as it is overdue and can provide evidence of this
- B. give the tenant the correct notices for the repossession; and
- C. 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

1. Compliance and regulation

- a) Receipt of a Statutory Notice served against **you**.
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.
- c) A claim against **you** for compensation under the Data Protection Act 2018 provided that:
 - i) **you** are registered with the Information Commissioner
 - ii) **you** can evidence that **you** have in place a process to:
 - investigate complaints from data subjects regarding a breach of their privacy rights
 - offer suitable redress where a breach has occurred and that **your** complaints process has been fully engaged.
- d) A civil action alleging wrongful arrest arising from an allegation of theft.
- e) A civil action alleging that an insured (or an ex-**employee** provided that they have **your** agreement to claim under this policy) has:
 - i) committed an act of unlawful discrimination; or
 - ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of **your employees**.

What is not covered under insured cover 1.

Any claim arising from or relating to:

- i) a routine inspection by a regulatory authority;
- ii) the pursuit of an action by **you** other than an appeal;
- iii) an enquiry, investigation or enforcement action by HMRC
- iv) a claim brought against **your business** where unlawful discrimination has been alleged.

2. Contract and debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** or on **your** behalf to buy, sell, hire or lease goods or services provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures.

What is not covered under insured cover 2.

Any claim arising from or relating to:

- 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;

Section E - Legal expenses

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|--|--|
| | <ul style="list-style-type: none">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. |
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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 an event which media will be reporting; and/ or
- c) prepare communications for **your** staff/customers/suppliers and/or a telephone or website script, or social media messaging
- d) support the **insured** by taking phone calls/emails and managing interaction with media outlets
- e) support and prepare the **insured** for media interviews

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

What is not covered under insured cover 3.

Any claim relating to:

- i) **costs and expenses** in excess of GBP25,000;
- ii) matters that should be dealt with through **your** normal complaints procedures.
- iii) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast

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.

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.
- iv) a pension scheme where actions are brought by ten or more **employees** or **ex-employees**.

Section E - Legal expenses

5. Employment compensation awards

Following a claim **we** have accepted under PART B Cover 4. Employment above, the **insurer** 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:
- d) agreed through mediation or conciliation or under a settlement approved by **us**; or
 - A. awarded by a tribunal after full argument unless given by default.

What is not covered under insured cover 5.

The **insurer** 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. Personal Injury

An event that causes bodily injury to, or the death of, an **insured person**.

What is not covered under insured cover 6.

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

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

Section E - Legal expenses

- 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;

What is not covered under insured cover 8.

Any claim relating to a parking offence.

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.

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 required to run **your business**.

Section E - Legal expenses

11. Tax disputes

- a) A formally notified enquiry into **your business** tax.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- c) A dispute with HMRC about Value Added Tax.

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.

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 or omission;
- ii) an investigation by the Fraud Investigation Service 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.

12. Executive Suite

This Insured event applies only to the principal, executive officers, directors and partners of **your business**.

- a) A HMRC enquiry into the executive's personal tax affairs.
- b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from **your business**.
- c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.
- d) A dispute that arises from the terms of **your business** partnership agreement that is to be referred to mediation.
- e) Crisis communication as described in PART B Cover 3. Crisis Communication shall be available to the principal, executive officers, directors and partners of the **business** for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

What is not covered under insured cover 12.

1) Any claim arising from or relating to:

- a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
- b) an investigation by the Fraud Investigation Service of HMRC
- c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
- d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- e) a parking offence
- f) costs incurred in excess of £25,000 for a claim under 12) d) and 12) e).

2) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

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 the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** 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) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **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 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 the **insurer** 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** the **insurer's** liability in respect of that claim 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.
- f) In respect of pursuing a claim **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

4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured person's** claim.
- b) The **insured person** must not negotiate or settle the claim without **our** written agreement.
- c) If the **insured person** refuses to settle the claim following advice to do so from the **appointed advisor** the insurer reserves the right to refuse to pay further costs.

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

fines, 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) money laundering or bribery offences, breach of international sanctions, fraud or any other financial crime activities except in relation to PART B Cover 3. Crisis Communication;

Section E - Legal expenses

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);

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.

12. **Minimum Wage**

National minimum wage and/or National living wage regulations

13. **HMOs**

any claim arising from or relating to an **insured property** owned by **you** which has been or which should have been registered as a House of Multiple Occupation.

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 may 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



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