



**Morton Michel**

The Childcare Insurance Specialist

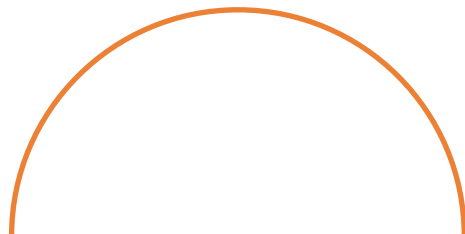


**Education  
& Training**

# Policy Wording

Arranged by **Morton Michel** and insured by **QBE UK Limited**  
under the **Childcare & Business Combined** policy

Made possible  
 **QBE**



# 1. Policy Contents

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## 2. Policy Guide

### 2.1. Your policy

- a) The **policy** is made up of this document and the **schedule** (including any substitution schedule) and endorsements.
- b) Together these documents form the **policy** and set out the scope of this insurance.
- c) **Your policy** is a legally binding insurance contract. Please read all parts carefully and if **you** require clarification of the terms, conditions or exclusions, please contact **your** broker.
- d) If **you** wish to make adjustments to **your policy**, or **you** believe that it does not meet **your** needs, please return it to **your** broker for alteration.
- e) All headings in the **policy** are included in bold. Other than in the headings, words in bold carry specific meanings which are set out in the 'General Definitions' or within any definitions specific to and contained within any **section** or **sub-section** of this **policy**.
- f) Words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed to include any individual, company, partnership or other legal entity.
- g) Any reference to legislation or regulations or industry guidance or standards in the **policy** extends to apply to any, or any subsequent, amending or replacement legislation or regulations, guidance or standards and to other legislation or regulation, guidance or standards of similar intent if applicable.
- h) Any reference to the United States of America includes its territories and possessions.

### 2.2. Navigation

- a) Each **section** sets out the extent of cover, how the indemnity under this **policy** may be limited or excluded and other relevant terms and conditions applicable to that **section**. Cover is subject to the terms, conditions, limitations and exclusions of the **policy**.
- b) Certain terms that may apply to a **section** or may apply to the whole **policy** are also set out in:
  - i General Definitions;
  - ii General Exclusions;
  - iii Claims Conditions and Requirements;
  - iv General Terms; and
  - v How to Complain.
- c) Unless expressly stated otherwise elsewhere in the **policy** **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit** and **compensation limits** are set out in the **schedule** and operate in accordance with the relevant provisions in the relevant specific **sections**, the 'General Definitions' **section** and/or the 'General Terms' **section** of the **policy**.
- d) The 'Legal Expenses' **section** includes its own terms and conditions which take precedence in the event of any conflict with any other **section** of the **policy**.

### 2.3. Fair presentation

- a) It is important that **you** have made a fair presentation of the risks insured by the **policy**, in accordance with the terms of the Insurance Act 2015.
- b) **Your** obligations in this regard, and **our** rights, are as set out in the Insurance Act 2015. **We** would advise **you** to obtain full details from **your** broker.
- c) If **you** have failed to make a fair presentation of the risk, this could lead to a reduction in the amount for which **we** will indemnify **you**, no payment being made under the **policy**, or the **policy** being treated as never having come into force in the first place, depending on the circumstances.

## 2.4. Conditions precedent

- a) The **policy** contains a number of terms which are conditions precedent to **our** obligation to indemnify **you** under the **policy**. These terms are specifically identified where they appear in the **policy** by the words “CONDITIONS PRECEDENT” which appear in capitals next to the title of the term.
- b) The consequences for breach of conditions precedent are serious. Unless **you** can demonstrate that any non-compliance with the requirements of these clauses has caused no prejudice to **us** in relation to a claim under the **policy**, **we** will have no liability for such claim.
- c) Additional terms may also be included in any endorsements to the **policy**, and **you** should check these carefully as they may also be conditions precedent to **our** obligation to indemnify **you** under the **policy**.

## 2.5. Sums insured limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit and compensation limits

- a) The **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit and compensation limits** (as applicable) act as a cap on the amount for which **we** will indemnify **you** under this **policy**. The way these provisions operate is set out in the relevant specific **sections**, the ‘General Definitions’ **section** and/or the ‘General Terms’ **section** of the **policy**.
- b) It is essential that the applicable **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit and compensation limits** (where applicable) are adequate for **your** needs. If a claim against **you** exceeds the **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit and compensation limits you** will face uninsured liability and costs.
- c) It is **your** responsibility to request appropriate **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit and compensation limits**. If **you** are in any doubt as to the adequacy of any **sums insured, limits of indemnity, maximum amounts payable, maximum accumulation limit and compensation limits** contained in the **policy**, **you** should contact **your** broker and seek advice.

## 2.6. Setting your sums insured

- a) For cover under the **sections** where you are required to have **sums insured** (for example, the ‘Property Damage’ and ‘Business Interruption’ **sections**, but not including the ‘Equipment Breakdown’ **section**, ‘Portable Equipment’ **section** and ‘Cyber’ **section** if insured by this **policy**) it is important that **you** check that all **sums insured** stated in the **schedule** are correct. The **sum insured** should be set at the maximum amount for which **we** could indemnify **you** under the ‘Basis of Settlement’ conditions for the applicable **sections** were that item of **property insured** to be entirely destroyed. If **you** are in any doubt **you** should ask **your** broker for advice.
- b) **Sums insured** are subject to the ‘Average’ condition in the ‘General Terms’ **section** unless expressly stated otherwise. This means that if at the time of any loss the total **sum insured** specified in the **schedule** is less than eighty-five percent (85%) of the total value of the **property insured** the amount **you** are able to claim under this **policy** will be reduced and **we** will bear only that proportion of the loss which the total **sum insured** bears to the total of the **property insured**. For example, if the **sum insured** for **property insured** is £250,000, but the **sum insured** ought to have been £500,000, **we** will only pay fifty percent (50%) of the valid claim. The way that this works is explained in the ‘Average’ condition in the ‘General Terms’ **section**. Please note that any underinsurance within the margin of error afforded by an ‘Average’ condition does not relieve **you** of **your** obligation to make a fair presentation under the Insurance Act 2015.

## 2.7. Premium payment

- a) **We** will indemnify **you** in accordance with and subject to the terms of the **policy**, in consideration of the payment to **us** of the premium set out in the **schedule** for the **period of insurance**.
- b) Unless expressly stated otherwise in a separate written agreement, if **you** do not pay any premium or premium instalment plus applicable taxes/levies to Morton Michel or **us**, **we** may give **you** written notice cancelling the **policy** with effect from the seventh (7<sup>th</sup>) day after the notice has been served on **you**.

- c) The **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect.
- d) Notice of cancellation is deemed to be served on the third (3<sup>rd</sup>) day after being posted by pre-paid letter to the correspondence address set out in the **schedule**.
- e) In the event of cancellation, premium is due to **us** on a pro rata basis for the period that **we** are on risk. However, the full contract premium shall be payable to **us** in the event of a loss or occurrence prior to the date of termination, which gives rise to a valid claim under this contract.
- f) **We** may, at **our** discretion, deduct overdue unpaid premium from claims settlements but shall not set off or deduct premium that is not overdue. Pursuant to **your** and **our** obligations under any relevant compulsory insurance legislation, **we** shall not set off or deduct premium from any amounts payable under the 'Employers' Liability' **section**.

## 2.8. Cooling off period

- a) **You** may cancel this **policy** by giving written notice to **us**, quoting **your policy** number, within fourteen (14) days from the inception day of the **policy**. **You** have the right to cancel the **policy** free of charge and to receive full refund of premium under this **policy**, provided that there have been;
  - i no claims made under the **policy** for which **we** have made a payment;
  - ii no claims made under the **policy** which are still under consideration;
  - iii no incident likely to give rise to a claim but is yet to be reported to **us**;
 during the current **period of insurance**.
- b) This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance** no refund for the unexpired portion of the premium will be given.
- c) Please refer to the 'Your Rights to Cancel the Policy' condition in the 'General Terms' **section** for full details of **your** rights where **you** wish to cancel this **policy** including after fourteen (14) days from the inception day of the **policy**.

## 2.9. Notifications

### Non-claims notifications

- a) Other than for claims and complaints and unless stated otherwise in the **policy**, in the first instance please contact Morton Michel with all notifications and reporting required in accordance with the **policy** terms and conditions. Morton Michel can be contacted by:
 

telephone: 0330 058 9861

email: [customerservice@mortonmichel.com](mailto:customerservice@mortonmichel.com)

post: Morton Michel, 6th Floor, Knollys House, 17 Addiscombe Road, Croydon CR0 6SR

### Notification of claims

- b) **We** pride ourselves on placing effective management and handling of claims at the heart of **our** business. **Our** claims teams have the skills and expertise to ensure that claims are processed effectively and in a timely manner.
 

Claim notification contact details are explained in this wording booklet in the 'Claim Notification' **section**. Claim notification procedures are explained in the 'Claims Conditions and Requirements' **section**. Please ensure that **you** are familiar with those procedures. **Your** claim may not be paid in full or part if **you** do not follow the correct procedure or comply with the applicable claims conditions and requirements.

Please ensure that **you** are also familiar with the claim notification contact details and procedure for notifying a claim under the 'Legal Expenses' **section** of the **policy**, which has its own claim notification contact details and procedures.



## Complaints

- c) To make a complaint please use the applicable complaint contact details provided in the 'How to Complain' **section**.

### 2.10. Legal Expenses section and Helpline services

- a) The 'Legal Expenses' **section** of your **policy** is administered by ARAG plc ("ARAG"). The insurer of the 'Legal Expenses' **section** is HDI Global Specialty SE.
- b) The 'Legal Expenses' **section** Helpline services are provided by ARAG.

### 2.11. Registration and Regulatory Information

#### a) Insurers under the policy

QBE UK Limited is the insurer under this **policy** except under the 'Legal Expenses' **section**.

The insurer of the 'Legal Expenses' **section** is HDI Global Specialty SE.

#### b) QBE UK Limited

QBE UK Limited is registered in England number 01761561. Registered Office: 30 Fenchurch Street, London, EC3M 3BD, United Kingdom. QBE UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority and Prudential Regulation Authority are independent watchdogs that regulate financial services. **Our** Financial Services Registration Number is 202842. **You** can check this on the Financial Services Register by visiting the Financial Conduct Authority website [www.fca.org.uk/register](http://www.fca.org.uk/register).

#### c) ARAG plc

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN.

ARAG plc is authorised to administer the 'Legal Expenses' **section** of this **policy** on behalf of the insurer HDI Global

Specialty SE. Registered address: Roderbruchstraße 26, 30655 Hannover, Germany.

HDI Global Specialty SE is authorised and regulated by Bundesanstalt für Finanzdienstleistungsaufsicht. Deemed authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

#### d) Morton Michel

This policy is arranged for **you** by Morton Michel Limited. Morton Michel Limited ('Morton Michel') is a private company limited by shares incorporated in England and Wales number 5120835. Registered Office is PIB Group, Rossington's Business Park, West Carr Road, Retford, Nottinghamshire DN22 7SW. Morton Michel is authorised and regulated by the Financial Conduct Authority. It appears on the Financial Services Register under number 527300. **You** can check this on the Financial Services Register by visiting the Financial Conduct Authority website [www.fca.org.uk/register](http://www.fca.org.uk/register).

## 3. Claim Notification

Please refer to the 'Claims Conditions and Requirements' **section** in addition to any claims conditions applicable to a **section** of cover set out in the **section** of cover for details of when to notify a claim.

### 3.1. Claims notification contact details for all sections except the Legal Expenses section

**You** may contact **us** to notify a claim by using the following claims notification contact details (for all **sections** except the 'Legal Expenses' **section**).

**We** will be able to deal with **your** claim promptly and more effectively if you provide **your policy** number when first contacting **us** about a claim.

**Property (including Property Damage, Portable Equipment, Equipment Breakdown, Business Interruption, Loss of Registration Certificate, Personal Accident, Money, Employee Dishonesty, Terrorism and Loss of License)**

By telephone: **+ 44 (0)800 0853 187**

By email: **newclaim.property@uk.qbe.com**

**Casualty (including Employers' Liability and Public and Products Liability, Treatment Liability for Registered Providers and Treatment Liability for Unregistered Providers)**

By telephone: **+ 44 (0)800 876 6399**

By email: **ukadminnewclaims@uk.qbe.com**

**Financial Lines (Professional Indemnity Directors', Trustees' and Officers' Liability and Trustees' and Officers' Financial Liability)**

By telephone: **+ 44 (0)20 7105 4000**

By email: **CoreFSM@uk.qbe.com**

### **Cyber**

By telephone: **+ 44 (0)20 7105 4000**

By email: **fidospécialistclaims@uk.qbe.com**

### **Panel Adviser (Cyber)**

Telephone: **+44 (0)207 523 5333**

Email: **CyberResponseLine.UK@clydeco.com**

The Panel Adviser 24-hours hotline should be called immediately upon discovery of actual or alleged cyber risk.

### 3.2. Claim notification contact details for the Legal Expenses section

If **you** need to make a claim under the 'Legal Expenses' **section** **you** must notify ARAG as soon as possible.

**You** can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning **0330 303 1955** or by downloading one at **www.arag.co.uk/newclaims**

If an **insured person** instructs their own solicitor or accountant without telling ARAG, they will be liable for costs that are not covered by this **policy**.

## 4. Legal Expenses Helplines

These Helpline services are provided by ARAG. Helplines are subject to fair and reasonable use and will only incur the cost of the call (unless otherwise stated).

To help ARAG check and improve service standards, all inbound and outbound calls will be recorded, except those to the counselling helpline.

### Legal and Tax Advice

If **you** have a legal or tax problem relating to **your business**, we recommend **you** call ARAG's 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 professional and business-related legal matters within 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.

**To contact the above services, phone 0330 303 1466 quoting Morton Michel policy and your policy number.**

### Redundancy Assistance

If **you** are planning redundancies and need extra legal support, ARAG can arrange specialist consultancy assistance for **you**. Redundancy assistance will help **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. This service is available between 9am and 5pm on weekdays (except bank holidays).

**To contact the above service, phone 0330 303 1955 quoting Morton Michel policy and your policy number.**

### Crisis Communication

Following an event that has attracted negative publicity which could affect **your business**, **you** can access professional public relations support from ARAG's Crisis communication experts at any time. In advance of any actual adverse publicity, where possible, initial advice for **you** to act upon will be provided over the phone. If **your** circumstances require professional work to be carried out at that time, ARAG can help on a consultancy basis and subject to **you** paying a fee. Where an event has led to actual publicity online, in print or broadcast, that could damage **your** business, **you** are insured against the costs of crisis communication services under Insured event 3 Crisis communication when **you** use this helpline.

**To contact the above service, phone 0344 571 7964 quoting Morton Michel policy and your policy number.**

### Counselling Assistance

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

**To contact the service, phone 0333 000 2082.**

**The counselling service helpline is open 24 hours a day, seven days a week.**

### Identity Theft Resolution Service

This service is available to the principal, executive officers, directors and partners of **your business** and to self employed professionals, between 9am and 5pm on weekdays (except bank holidays). ARAG will provide advice to help keep executives'/professionals' personal identity secure. Where identity theft is suspected, specialist caseworkers can help the victim to correspond with their card issuer, bank or other parties to restore their credit rating. Callers can claim for expenses incurred to put things right when using this helpline.

**To contact the service, phone 0333 000 2083 quoting Morton Michel policy and your policy number.**

### Business Legal Service

Register today at [www.araglegal.co.uk](http://www.araglegal.co.uk) and enter the voucher code **ARAG753BIZ** to access the law guide and download legal documents to help with commercial or professional legal matters.



## 5. General Definitions

The following definitions, when used in bold, apply to the **sections** of the **policy** in which they are used, unless specified to apply to a particular **section** or **sections** only, or unless an alternative definition for any of the terms below is provided for within a specific **section**, in which case that definition shall apply. Where undefined terms are used in the **policy** (i.e. not in bold) they are to be given their ordinary meaning.

Where a term with more than one definition is used within another general definition, the term shall have the meaning given to it that is applicable to the **section** to which it relates.

### 5.1. Act of terrorism

In respect of all **sections** other than the 'Terrorism' **section**, means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) endangers life other than that of the person committing the action;
- b) involves violence against one or more persons;
- c) involves **damage** to property;
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

### 5.2. Asbestos

Means asbestos, asbestos fibres, asbestos dust or asbestos-containing materials.

### 5.3. Bodily injury

Means death, disease, illness, physical or mental injury of or to an individual.

### 5.4. Buildings

Means the fixed permanent structures within the boundaries of the **premises** belonging to **you** or for which **you** are responsible, including:

- a) walls, gates, fences, yards, car parks, roadways, driveways, pavements, paths, steps drains and sewers;
- b) landlords' fixtures and fittings, annexes and outbuildings;
- c) foundations, landscaping, ponds/pools/water features, fixed glass, heat pumps, solar panels or other electricity generating equipment;
- d) security, fire or monitoring devices;
- e) pipes, cables and wires and associated control gear, instruments and accessories including any part of any pipes, cables or wires and associated control gear, instruments and accessories extending beyond the boundary of the **premises**, but only to the lesser of either:
  - i the public mains and which partly or wholly serves to supply the **premises**; or
  - ii up to fifty (50) metres beyond the perimeter of the **premises**; and;
- f) underground storage tanks

### 5.5. Business

Means **your** activities set out in the **schedule** conducted solely within the **territorial limits** including:

- a) the ownership, repair and maintenance of **property insured** and the **premises**;
- b) the provision and management of catering, social, sports and welfare organisations for the benefit of **employees** or volunteers;
- c) **your** first aid, medical, ambulance, security and fire services;

- d) participation in exhibitions trade fairs conferences and the like;
- e) provision of gifts and promotional material incidental to the business; or
- f) organised and supervised outings away from the **premises** that last for up to three consecutive days.

but not including:

- i receipt of rent unless this activity is specifically included in the **schedule** as part of **your** business;
- ii any overnight or twenty-four (24) hour care other than as part of an organised and supervised outing away from the **premises**.

#### 5.6. Business hours

Means the period during which the **premises** are occupied by **you** or **your** authorised **employees** for the purposes of the **business**.

#### 5.7. Circumstance

Means information or facts or matters of which **you** are aware that are likely to give rise to a claim against **you** which **you** could become legally liable to pay and which arise out of the exercise and conduct of the **business**.

#### 5.8. Compensation

Means damages including interest.

#### 5.9. Computer system

For all **sections** other than the 'Terrorism' **section**, 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 at the **premises** or elsewhere.

#### 5.10. Contents

Means the following property used solely in connection with **your business**, belonging to **you** or for which **you** are legally responsible and kept at the **premises**:

- a) electronic, computer or other data processing and/or storage equipment including other peripheral devices such as projectors, printers, scanners that are used with this equipment , laptops, palmtops and notebooks, removable satellite navigation systems and digital cameras;
- b) fax, audio, television, video and photographic equipment;
- c) deeds, documents, manuscripts, business books and computer system records;
- d) patterns, models, moulds, plans and designs;
- e) machinery, plant, trade and office furniture;
- f) fixtures, fittings, blinds and signs;
- g) **stock**;
- h) all other contents including pictures;
- i) **fixed outside equipment**.

not including **money**, **vehicles**, **personal effects**, **specified stock** and **tenant's improvements**.

#### 5.11. Costs and expenses

Means:

- a) claimants' legal costs for which **you** are legally liable;
- b) all **defence costs** incurred with **our** written consent in defending any claim;
- c) the solicitor's fees incurred with **our** written consent for representation at proceedings in any court of summary jurisdiction in respect of any alleged act causing or relating to any occurrence which may be the subject of indemnity under this **policy** or at any coroner's inquest or fatal accident inquiry.

#### 5.12. Cyber act

Means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.

#### 5.13. Cyber event

Means any programming or operator error whether by **you** or any other person or persons, or any unintentional or unplanned whole or partial outage of **your** computer system not directly caused by physical loss or damage; affecting access to, processing of, use of or operation of any computer system.

Where a **cyber event** is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act**, the **cyber event** will be considered to be a **cyber act**.

#### 5.14. Cyber incident

Means:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
- b) 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**.

#### 5.15. Cyber loss

Means any loss, **damage**, liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of or in connection with:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system** or 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**; or
- b) any **cyber act**.

#### 5.16. Cyber operation

Means the use of a **computer system** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in a **computer system** of or in another sovereign state.

#### 5.17. Damage

Means physical loss of, physical destruction of or physical damage to tangible property.

#### 5.18. 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**.

#### 5.19. Data processing media

Means any **property insured** on which **data** can be stored but not the **data** itself.

#### 5.20. Defence costs

Means the reasonable and necessary costs and expenses which **you** incur with **our** consent for:

- a) the investigation, adjustment, defence or settlement of a claim which is insured by the **operative sections** of the **policy**; and
- b) legal representation at a Coroner's Court or Fatal Accident Inquiry in respect of death which could give rise to a claim under the **policy**;

excluding costs and expenses which:

- a) are recoverable from **you** by any claimant or investigating or prosecuting authority;
- b) are contributed to by the deliberate act or omission of **you** or an **employee**, but **we** will not exclude reasonable and necessary costs and expenses **you** incur with **our** consent which are contributed to

by the deliberate act or omission of an **employee** not authorised, agreed or consented to by **you** before or after the act or omission, or which **you** are aware of or ought to have been aware of at the time of such act or omission and did not and have not taken all reasonable steps to prevent or mitigate the consequences of such act or omission;

- c) relate to improvement or prohibition notices, remedial or publicity orders or steps required to be taken by such orders;
- d) relate to attendance or representation at a public inquiry; or
- e) are covered wholly or partly by another insurance.

Defence costs do not include and there is no indemnity for **your** own internal costs and expenses, management time or employee time or any adjusters' fees.

#### 5.21. Defined peril

Fire, lightning, explosion, **earthquake**, aircraft or other aerial device or satellite or missile or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, **flood, storm**, escape of water from any tank or pipe, sprinkler leakage, theft or impact by any vehicle or animal provided that such perils are insured under the 'Property Damage' section.

#### 5.22. Earthquake

Means earth movement, including landslide, mudflow, tsunami, volcanic eruption, earth sinking, earth rising or shifting, including collapse, cracking or shifting of buildings, structures or their parts, as a direct and immediate result of a sudden release of energy in the earth's crust creating seismic waves and including **damage** resulting directly from earthquake.

#### 5.23. Electronic data

Means facts, concepts, and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

#### 5.24. Emergency cover

Means a temporary arrangement of no more than four (4) weeks duration whereby a person satisfying the conditions applicable to them is employed by **you** to cover the temporary illness, absence or other unavoidable absence of an **employee** on a **permanent contract of service** with **you**.

#### 5.25. Employee

Means a person:

- a) engaged under a contract of service or apprenticeship with **you**; or
- b) acting in the capacity of **your** non-executive director; or
- c) who works for **you** in the course of **your business** including but not limited to:
  - i persons on secondment from another company who are not an insured under the **policy**;
  - ii labour masters or persons supplied by them;
  - iii labour-only subcontractors;
  - iv self-employed persons providing labour only;
  - v persons engaged under work experience, training, study, exchange or similar schemes;
  - vi any officer, member or voluntary helper of the organisations or services stated in the **business**;
  - vii voluntary workers, helpers and instructors;
  - viii outworkers or homeworkers;
  - ix persons a court in the **United Kingdom**, Channel Islands or Isle of Man deems to be an

**employee.**

#### **5.26. Europe**

Means the **territorial limits**, any member country of the European Union, Iceland, Liechtenstein, Norway and Switzerland.

#### **5.27. Excess**

Means the first amount payable by **you** which shall apply to each and every claim unless stated otherwise in the **schedule**, as ascertained after the application of all other terms and conditions of this **policy**.

#### **5.28. Fixed outside equipment**

Means fixed and immovable play equipment, safety surfaces and artificial grass in the open at the **premises** excluding anything that is more specifically covered by this **policy**.

#### **5.29. Flood**

Means the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, including run-off of water or flash flooding during or after a **storm**; rising water, surface water or waves; tidal waves or tidal water (but not tsunami); overflow of streams, rivers lakes, ponds, or other bodies of water; spray from any of the foregoing; all whether driven by wind or not.

#### **5.30. Gross revenue**

Means the money paid or payable to **you** for work done and services rendered in the course of the **business**.

#### **5.31. Healthcare practitioner**

Means a qualified licensed member of the medical profession as approved by the governing medical association of the country in which the **official** resides, and who is not an **official**, a member of the **official's** family, or otherwise **your employee** or director, partner or officer.

#### **5.32. Impacted state**

Means a sovereign state where a **cyber operation** has had a major detrimental impact on:

- a) the functioning of that sovereign state due to disruption to the availability, integrity or delivery of an **essential service** in that sovereign state; and/or
- b) the security or defence of that sovereign state.

#### **5.33. Incident**

Means:

- a) accidental **damage** occurring during the **period of insurance** to property used by **you** at the **premises** for the purpose of the **business** within the **territorial limits**; or
- b) damage to other property, or any other contingency not involving **damage**, but in both cases only if expressly covered under an extension to the 'Business Interruption' **section** and occurring during the **period of insurance**.

However, definition 5.33. b) will not apply to the cover provided under the 'Rent Receivable' or 'Outstanding Debit Balances' **sub-sections**.

#### **5.34. Indemnity period**

Means the period beginning when the **incident** first happens and ending not later than the **maximum indemnity period** stated in the **schedule**, during which the results of the **business** will be affected in consequence of the **incident**.

#### **5.35. Insolvency event**

- a) an application being made for an administration order or the purported appointment of, or the filing at court or issue of any notice of intention to appoint, an administrator in relation to **you** or any **subsidiary company**;

- b) a petition being presented, a meeting being convened or an effective resolution being passed otherwise than with our prior written consent of as part of a solvent reconstruction or amalgamation for **your** winding up or that of any subsidiary company;
- c) possession being taken of, or a receiver, sequestrator or similar officer being appointed in respect of, the whole or any part of **your** assets or undertaking or any subsidiary company;
- d) **you** or any subsidiary company suspending or threatening to suspend payment of **your** debts as they fall due or being, or unlikely to become, unable to pay its debts, whether within the meaning of Section 123 Insolvency Act 1986 or otherwise;
- e) **your** directors or partners or those of any subsidiary company making a proposal that **you** enter into a voluntary arrangement (within the meaning of Section 1 Insolvency Act 1986) or taking any steps to obtain a moratorium under Section 1A of that Act or **your** taking or being subject to any proceedings under the law for the readjustment, rescheduling or deferment of all or any of **your** debts, or proposing or entering into any general assignment or composition with or for the benefit of **your** creditors;
- f) **you** or any subsidiary company ceasing or threatening to cease to carry on all or a substantial part of **your** business or operations, or selling, transferring or otherwise disposing of the whole or a substantial part of **your** undertaking or assets, either by a single transaction or by a number of transactions; or
- g) the occurrence in respect of **you** or any subsidiary company of any event in any jurisdiction to which **you** are subject having an effect similar to that of any of the events referred to in paragraphs 5.35. above.

#### 5.36. Intruder alarm installation

Means the component parts of the alarm including the means of communication used to transmit signals to the alarm receiving centre as detailed in the alarm specification.

#### 5.37. Legionella

Means any discharge release or escape of legionella bacteria from water tanks, water systems, air-conditioning plants, cooling towers and the like.

#### 5.38. Limit of indemnity

Means the amount shown in the **schedule** as the 'Limit of Indemnity' for the applicable **section** of cover or **sub-section** of cover to which it relates.

#### 5.39. Limit of liability

Means the amount shown in the **schedule** as the 'Limit of Liability' for the applicable **section** of cover or **sub-section** of cover or 'Item Description' to which it relates.

#### 5.40. Loss of limb

Means total loss of one or more limbs at or above the wrist or ankle or total and permanent loss of use of any entire limb.

#### 5.41. Loss of sight, hearing or speech

Means total and irrecoverable loss of:

- a) sight in one or both eyes;
- b) hearing;
- c) speech.



#### 5.42. Maximum accumulation limit

Means, in respect to the 'Personal Accident' **section** only, £1,000,000.

#### 5.43. Maximum amount payable

Means the amount shown in the **schedule** as the 'Maximum Amount Payable' for an extension or **sub-section** to a **section** of cover.

#### 5.44. Money

Means both **negotiable money** and non-**negotiable money**.

#### 5.45. Negotiable money

Means current currency, uncrossed bankers drafts, postal and money orders, uncrossed cheques, travellers cheques, national savings stamps, bus and rail travel cards and passes, telephone cards, current postage stamps, luncheon vouchers, gift tokens, holiday with pay stamps, trading stamps, premium bonds, savings stamps and National Lottery 'Instants' and other scratch cards for use by **you** or any of **your** partners, directors or **employees** in connection with **your business**, all belonging to **you** or for which **you** have accepted responsibility.

#### 5.46. Non-negotiable money

Means crossed cheques, postal orders, money orders, bankers drafts, national giro drafts, payment orders, dividend warrants, national savings certificates, unused postal franking machine units, stamped or impressed national insurance cards, premium bonds, VAT purchase invoices, credit and debit card sales vouchers and consumer redemption vouchers, all belonging to **you** or for which **you** have accepted responsibility.

#### 5.47. Normal occupation

Means the main occupation of the **official** performed by them at the date of the accident.

For the purposes of this definition 'accident' means a single sudden and unexpected event, which occurs at an identifiable time and place.

#### 5.48. Official

Means **you** and any director, partner or **employee** of the **business**.

#### 5.49. Operative section

Means any **section** of cover which **you** have selected and for which cover is provided by this **policy**. **Sections** that are operative sections will be shown in the **schedule** as "Insured". **Sections** that are not operative sections will be shown in the **schedule** as "Not Insured".

#### 5.50. Outstanding debit balances

Means the amounts debited or invoiced to **your** customers at the date of the **damage** but adjusted to take account of bad debts and any abnormal conditions of trade which had or could have had a material effect on the **business**.

#### 5.51. Offshore Installation

- a) installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation;
- b) installation in the sea or tidal waters which is intended for the storage or recovery of gas or generation of electricity;
- c) pipe or system of pipes in the sea or tidal waters;
- d) accommodation installation for persons who work on or from the locations specified at paragraphs 5.51. a) to c) above.

#### 5.52. Parent

Means a person with legally recognised parental or guardian responsibility.

#### 5.53. Participant

Means a person that is a customer or **service user** of **yours**.

#### 5.54. Period of insurance

Means the time period which commences and ends on the dates specified in the **schedule**.

#### 5.55. Permanent contract of service

Means a contract of service on a full time employment basis not including **emergency cover**, voluntary workers or work experience.

#### 5.56. Permanent total disablement

Means irrecoverable disablement caused by **loss of limb** or **loss of sight, hearing or speech** which permanently and totally incapacitates the **official** from participating in their **normal occupation** for a continuous period of twelve (12) months and in relation to which the **official** is medically determined by a **healthcare practitioner**, and to **our** satisfaction, to have no likelihood of improvement sufficient to enable them to participate in their **normal occupation** ever again.

#### 5.57. Personal effects

Means personal possessions, excluding **money**, normally worn, carried by, on or about the person, clothing, tools and pedal cycles not otherwise insured.

#### 5.58. Personal injury

For the purpose of the Employers' Liability' and 'Public and Products Liability' **sections** means:

- a) bodily injury;
- b) death and resulting losses which become payable under the Fatal Accidents Act 1976 and the Damages (Scotland) Act 2011;
- c) physical illness and disease; and
- d) medically diagnosed psychiatric condition,

which results directly and solely from an **occurrence**.

#### 5.59. Policy

Means this document, the **schedule** (including any substitution **schedules**) and any endorsements.

#### 5.60. Pollutants

Means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste (including materials to be recycled, reconditioned or reclaimed).

#### 5.61. Pollution

Means:

- a) the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) at any time but not including any discharge release or escape of airborne or waterborne pathogens from water tanks, water systems, air conditioning plants, cooling towers or similar except in respect of **legionella**; and
- b) any cost, expense, claim or suit arising out of any request, demand or order arising from actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) at any time that **you** or an **official** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise or in any way respond to or assess the effects of such pollutants.

#### 5.62. Premises

Means the location specified as the risk address on the **schedule** up to the boundaries legally occupied or owned by **you**.

### 5.63. Property insured

Means **buildings, contents, tenant's improvements, specified stock** or any other tangible property described in the **schedule** to this **policy** and relating only to that **section** of the **policy** under which it is described.

### 5.64. Schedule

Means the document which details **your** insurance, the **period of insurance**, the **premises**, the **property insured**, the **operative sections** of the **policy** with the **sums insured, limits of indemnity, limits of liability, maximum amounts payable, compensation** limits and **excesses** and any endorsements that apply.

### 5.65. Section, sub-section

Means a section of the **policy** or sub-section of a section (including extensions) that forms part of the **policy** but only if included in the **schedule**.

### 5.66. Service user

Means a person in **your** care during the time the person attends the **business**.

### 5.67. Specified stock

Means stock of tobacco, cigarettes, cigars, wines, spirits, beers and ciders and all other alcoholic wet stock owned by you or for which you are legally responsible for the purposes of the **business**.

### 5.68. Standard gross revenue

Means the **gross revenue** during that period in the twelve (12) months immediately before the date of the **incident** which corresponds with the **indemnity period**, which will be **trend adjusted**.

### 5.69. State

Means sovereign state.

### 5.70. Stock and materials in trade

Means stock and materials in trade including raw materials, work in progress, finished goods, goods in trust and contents of storage tanks at the **premises** owned by **you** or for which **you** are responsible excluding **specified stock**.

### 5.71. Storm

Means rainstorm, windstorm, hurricane, tornado, tempest, cyclone and typhoon but not including **flood** and **earthquake**.

### 5.72. Sum insured

Means the amount shown in the **schedule** as the 'Sum Insured' for the applicable **section** of cover or 'Item Description' to which it relates.

Sums insured are shown in the **schedule** under the **sections** of cover to which they apply. Where sums insured appear in the **schedule** next to an 'Item Description' within a **section** of cover the sum insured applies to the item described.

### 5.73. Temporary total disablement

Means temporary disablement, which is medically determined by a **healthcare practitioner**, and to **our** satisfaction, to prevent the **official** from participating in the whole of their **normal occupation**, but not being **permanent total disablement**.

### 5.74. Tenant's improvements

Means improvements, alterations and decorations undertaken to the **buildings** either by **you** or a previous occupier, as tenant and for which **you** are legally responsible as occupier and not as owner of the **buildings**.

### 5.75. Territorial limits

Means the **United Kingdom**, the Isle of Man and the Channel Islands.

#### 5.76. Trend adjusted

Means: adjustments made to figures to provide for variations in or circumstances affecting the **business** either before or after the **incident** or which would have affected the **business** had the **incident** not occurred, so that the adjusted figures represent the results which but for the **incident** would have been obtained.

#### 5.77. Unattended vehicle

Means any **vehicle** with no person in charge or keeping the **vehicle** under observation and able to observe or prevent any attempt by any person to interfere with the **vehicle**.

#### 5.78. United Kingdom

Means Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

#### 5.79. Vacant or unoccupied buildings

Means any **building** that is owned or used by **you** in the course of the **business** and has become vacant, disused or unfurnished and empty for a period in excess of thirty (30) days.

#### 5.80. Vehicle

Means any road vehicle including trailers and containers.

#### 5.81. War

For all **sections** other than the 'War, Cyber War and Cyber operation' exclusion within the 'Cyber' **section** means:

- a) the use of physical force by a **state** against another **state** or as part of a civil war, rebellion, revolution, insurrection; and/or
- b) military or usurped power or confiscation or expropriation nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

whether war be declared or not, but not including an **act of terrorism**.

For the 'War, Cyber War and Cyber operation' exclusion within the 'Cyber' **section** means the use of physical force by a sovereign state against another sovereign state, or as part of a civil war, rebellion, revolution, insurrection, or military or usurped power, whether war be declared or not.

#### 5.82. We, us, our

Means for all **sections** except the 'Legal Expenses' **section** QBE UK Limited.

Means for the 'Legal Expenses' **section**, ARAG plc.

#### 5.83. You, your, yours , policyholder

Means for all **sections** the person or entity stated in the **schedule** as the policyholder, including the person, persons or company or the management committee for the time being of the **business** named as an "Insured" in the **schedule**.

## 6. Property Damage

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 6.1. Property Damage Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 6.1.1. Contract works

Means the permanent and temporary works undertaken for **you** by contractors for the purposes of the alteration, extension, renovation or improvement of the **buildings** including all unfixed materials and goods for which **you** are legally responsible, whether supplied free of charge or not, delivered to or placed on or adjacent to the permanent and temporary works and intended for incorporation in them in the performance of the contract at the **premises** but not including any tools, contractors' plant and equipment, site huts and other temporary accommodation and their contents.

#### 6.1.2. Occurrence

Means a single loss or series of losses directly or indirectly caused by, arising out of or in connection with a single event or a single original cause.

#### 6.1.3. Reinstate/Reinstatement

Means the repair or replacement of the **property insured** that has sustained **damage**, to a condition substantially the same as but not better or more extensive than its condition when new, including, in the case of **damage** to **buildings** or to **contents**, any reasonable and necessary costs and fees covered under the 'Reinstatement costs and expenses' **sub-section**.

#### 6.1.4. Refrigeration unit

Means refrigerators, freezer units and chiller cabinets.

#### 6.1.5. Valuables

Means gold, silver, jewellery, watches, curiosities/curios, furs, precious metals, precious stones, rare books, sculptures and works of art, or other individual items with an aesthetic quality.

### 6.2. Property Damage Cover

**We** will indemnify **you** in accordance with the 'Basis of Settlement' conditions of this **section** for accidental **damage** to the **property insured** provided that:

- a) the **damage** occurs during the **period of insurance**;
- b) unless stated otherwise, the **property insured** is located at the **premises** within the **territorial limits**; and
- c) the amount for which **we** will indemnify **you** will not exceed the **sum insured** in respect of any item or any applicable **maximum amount payable** stated in the **schedule**.

### 6.3. Property Damage Extensions

The following extensions apply to this **section**.

#### 6.3.1. Additional Costs of Construction - Energy Efficiency

Within the applicable **sums insured** for **buildings** **we** will indemnify **you** for the reasonable and necessary additional costs of **reinstatement** of the **damaged buildings** that **you** incur to:

- a) conform with the recommendation report contained in the current Energy Performance Certificate issued by an accredited assessor; and
- b) reinstate the **damaged buildings** to a standard above the minimum required under any laws, rules or regulations set by national or local government which govern the construction or alteration of **buildings** with which **you** must comply in the country where **you**, or **your** assets, are based; and

- c) make alterations to undamaged portions of the **damaged buildings** to a standard above the minimum required under any laws, rules or regulations set by national or local government which govern the construction or alteration of **buildings** with which **you** must comply in the country where **you**, or **your** assets, are based, provided that:
- i **we** have accepted a claim under this extension for reasonable and necessary additional costs **you** incur to **reinstate** the **damaged** portions of the **damaged buildings**; and
  - ii the most **we** will indemnify **you** under this clause, and within the **applicable buildings sum insured** for this extension, for alterations to the undamaged portions of the **damaged buildings** will not exceed fifteen per cent (15%) of the total amount for which **we** would have indemnified **you** had the **buildings** that have suffered **damage** been destroyed;

arising from the use of alternative materials or sources of materials in accordance with the principles of the Building Research Establishment Environmental Assessment Method and rating system for buildings (BREEAM) core standards, provided that **we** will not be liable under this cover for any such costs or expenses:

- (a) in respect of **damage** occurring prior to the inception of this **section**;
- (b) where **you** fail to mitigate losses or unreasonably delay **reinstatement**;
- (c) in respect of **buildings** entirely undamaged.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

### 6.3.2. Additional Statutory Costs

Within the applicable **sums insured** for the items of **property insured** **we** will indemnify **you** for the reasonable and necessary additional costs of **reinstatement** which may be incurred by **you** to comply with any laws, rules or regulations set by national or local government which govern the construction or alteration of buildings or the design or specification of machinery or equipment following accidental **damage**, provided that:

- a) the amount for which **we** will indemnify **you** under this clause in respect of any such **property insured** will be reduced where the terms and conditions of the **policy** elsewhere or this clause provide for a reduction;
- b) the total amount for which **we** will indemnify **you** under this clause in respect of undamaged portions of **buildings** other than foundations, will not exceed fifteen percent (15%) of the total amount for which **we** would have indemnified **you** had the **buildings** that have suffered **damage** been destroyed; and

**we** will not be liable under this extension for any such costs:

- i incurred following **damage** to **stock** or **specified stock**;
- ii in respect of **damage** occurring prior to the inception of this **section**;
- iii incurred, or which **you** were obliged to incur, prior to the **damage**;
- iv where **you** fail to mitigate losses or unreasonably delay **reinstatement**
- v in respect of property entirely undamaged;

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule**.

### 6.3.3. Architects' and Surveyors' Fees

Within the applicable **sums insured** for the items of **property insured** (excluding **stock** and **specified stock**) **we** will indemnify **you** for the reasonable and necessary fees of architects, surveyors, consulting engineers and other fees that **you** are reasonably obliged to incur in order to **reinstate** the **property insured** following accidental **damage** except that **we** will not be liable for such fees incurred in preparing any claim made under this **policy**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule**.



#### 6.3.4. Capital Additions

Within the applicable **sums insured** for the items of **property insured** we will indemnify **you** under the terms of this **section** for accidental **damage** of a kind not excluded by any other provision of this **policy** within the **territorial limits**, to:

- a) any newly acquired **buildings, tenant's improvements** and **contents** (other than **stock** and **specified stock**) in so far as such property is not otherwise insured;
- b) any alterations, additions and improvements to existing **buildings** and **tenant's improvements** at the **premises** but excluding any appreciation in value of such property during the **period of insurance**.

during the **period of insurance** provided that:

- i at any one location the maximum **we** will pay under this extension will not exceed the amount shown in the **schedule**;
- ii **you** undertake to give particulars of such newly acquired property at the expiry date of the **period of insurance** or, if longer than twelve (12) months, at each twelve (12) month anniversary of the commencement of the **period of insurance** and to retrospectively insure the newly acquired **property** to the date of acquisition;
- iii **we** will be entitled to charge, and **you** will pay, an appropriate additional premium pro rata from the date of acquisition of the newly acquired **property**;
- iv **we** may vary the terms of the **policy** in respect of such newly acquired property;
- v **we** will not indemnify **you** for any appreciation in value that may accrue to any **buildings** following any alterations, additions and improvements; and
- vi in the event that **you** acquire property of a value that exceeds the **maximum amount payable** shown in the **schedule** for the 'Capital Additions' extension, then **you** will provide details to **us** in accordance with the 'Material changes during the policy period' clause set out in the 'General Terms' **section**.

The maximum **we** will pay under this extension in any one **period of insurance** at any one location will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.5. Continuing Interest and Hire Charges

In the event of accidental **damage** at the **premises** where **you** are liable under contract for interest charges or continuing hire charges not recoverable under the terms of a lease or similar agreement in respect of property for which **you** are responsible and which is not otherwise insured within the applicable **sums insured** **we** will indemnify **you** for such interest charges or continuing hire charges actually and reasonably incurred.

The maximum **we** will pay under this extension in respect of each **premises** in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.6. Contract Works

Where you are required by the terms or conditions of any contract to insure the **buildings** in the joint names of **you** and the contractor undertaking **contract works** at the **premises**, within the applicable **sums insured** **we** will extend the indemnity to cover accidental **damage** to such **contract works** and we will note the interest of the contractor as a joint insured under this **policy** but only to the extent of **your** legal obligation to effect such joint insurance under the relevant contract, provided that:

- a) such joint insurance will apply for the period of the contract only;
- b) we will only provide indemnity under this extension if the total value of the **contract works** does not exceed the **maximum amount payable** shown in the **shedule** unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require;
- c) **our** liability in respect of any one single contract will not exceed the **maximum amount payable** shown in the **schedule**;
- d) the indemnity provided by this extension will not apply to contract works that are otherwise insured.

**We** will not provide indemnity under this extension for **damage** caused by:

- i theft or any attempt thereat
- ii malicious persons
- iii water discharged from any automatic sprinkler installation
- iv escape of oil
- v falling trees or branches
- vi accidental damage.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.7. Deterioration of Refrigerated Stock

Within the applicable **sums insured we** will indemnify you for accidental **damage** by deterioration or putrefaction **stock** and **specified stock** whilst contained within refrigerating units or any other temperature-controlled environment at the **premises** caused by:

- a) change in temperature: the rise or fall temperatures in the refrigerated chamber of any such **refrigeration unit** as a result of:
  - i the breaking of the unit arising from mechanical or electrical defects;
  - ii non-operation of the thermostatic or automatic controlling devices forming part of the unit; or
  - iii accidental failure of the public electricity supply not occasioned by the deliberate act of any utility undertaking; or
- b) contamination caused by sudden and unforeseen leakage of refrigerant or refrigerant fumes from the unit;

provided that for both 6.3.7. a) and b):

- i the event giving rise to such deterioration, putrefaction or contamination occurs during the **period of insurance**;
- ii there is in force a planned maintenance programme; and
- iii the relevant refrigerating units or any temperature-controlled environment are less than ten (10) years old.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.8. Documents and Computer System Records

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to deeds and other documents, manuscripts, plans and writings of every description, books and computer system records belonging to **you** or for which **you** are responsible:

- a) whilst temporarily removed from the **premises** to elsewhere within the **territorial limits**
- b) stored at the home of any authorised **official** or at a self-contained unit in a storage facility anywhere within the **territorial limits**;

provided that this cover does not apply to property in so far as it is otherwise insured.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.9. Drains, Sewers and Gutters

Within the applicable **sums insured we** will indemnify **you** for reasonable and necessary costs and expenses incurred by **you** for cleaning or clearing the drains, the sewers and/or the gutters of the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site, provided that **we** will not be liable for any such costs or expenses: arising from **pollution** or contamination of property not insured by this **section**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises**

will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.10. Exhibitions

Within the applicable **sums insured** **we** will indemnify **you** for accidental **damage** caused to **property insured** excluding **buildings** and **tenants improvements** whilst:

- a) within the premises of any trade show or exhibition within the **United Kingdom**, Channel Islands, Isle of Man and **Europe** at which **you** are participating as an exhibitor;
- b) in transit directly to and from the exhibition or trade fair except that **we** will not indemnify **you** for **damage** caused by theft or attempted theft from any **unattended vehicle**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate. .

#### 6.3.11. Fixed Glass, Mirrors and Signs

Within the applicable **sums insured** **we** will indemnify **you** for accidental **damage** to:

- a) fixed glass;
- b) armoured, bent or other special glass or lettering or designs superimposed on glass;
- c) alarm foil caused by the breakage of glass described in 6.3.11. a) or b) above;
- d) fixed mirrors and fixed glass in showcases, counters and display cabinets;
- e) signs, neon and illuminated signs fixed to the **buildings** including fixed glass therein at the **premises** including reasonable and necessary additional costs incurred by you in:
  - i boarding up or temporary glazing pending replacement of broken glass;
  - ii removing and re-fixing window fittings and other obstacles to replacement provided **you** are legally responsible for the repair of such **damage**;

provided that **we** will not be liable for:

- i glass which was broken or cracked before the insurance commenced;
- ii superficial scratching, chipping or cracking;
- iii breakage of or **damage** caused during installation or removal or whilst alterations or repairs are being effected at the **premises**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.12. Fixed Outside Equipment

Within the applicable **sums insured** **we** will indemnify **you** for accidental **damage** to **fixed outside equipment** at the **premises** belonging to **you** or for which **you** are legally responsible.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.13. Further Investigation Costs

Where **you** have suffered **damage** to **buildings** insured by this **section** and in the opinion of a competent construction professional, in respect of the same event, there is a reasonable possibility **you** have also suffered accidental **damage** to:

- a) a portion of the same **building** which is not immediately apparent;
- b) **buildings** for which **you** are responsible in the immediate vicinity;

within the applicable **sums insured** **we** will indemnify **you** for the reasonable and necessary costs incurred by **you** in establishing whether or not such **damage** has occurred, provided that sub-clause 6.3.13. b) above is subject to such **buildings** in the immediate vicinity being found to have suffered **damage** for which **we** are liable under this **section**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises**

will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.14. **Groundsman's Machines and Equipment**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to groundsman's machines and equipment, ornaments and unfixed garden contents including monuments, memorials and statues (but not **fixed outside equipment**) in the open at the **premises**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.15. **Household Contents**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to household furniture, carpets, furnishings, decorations, kitchen utensils and appliances, audio, television and video equipment belonging to **you** or for which **you** are responsible at the **premises** excluding **damage** more specifically covered by this **policy** or covered by any other insurance.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.16. **Landscaping Costs**

Within the applicable **sums insured we** will indemnify **you** for the reasonable and necessary costs and expenses incurred by **you** to restore **damage** to lawns, gardens, playing surfaces and landscaped areas, car parks, private roads and pathways at the **premises** caused by emergency service vehicles attending to **damage** at the **premises** for which **you** are covered by this **section** provided that **you** are legally responsible for the **reinstatement** of such **damage**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.17. **Loss Minimisation Expenses**

Within the applicable **sums insured we** will indemnify **you** for the reasonable and necessary costs and expenses incurred by **you** to:

- a) avoid or mitigate impending **damage** which would have been insured under this **section**;
- b) alleviate or reduce **damage** insured under this **section** during the event of such **damage** and after such **damage** has occurred;

provided that:

- i the impending **damage** was not reasonably foreseeable and would have been the natural outcome if such costs and expenses were not incurred;
- ii the impending **damage** did not arise from any defect in the **property insured**;
- iii the impending **damage** is not more specifically insured;
- iv the costs incurred do not exceed the indemnity that would have been available under this **policy** for the **damage** avoided.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.18. **Loss of Metered Gas and Water**

Within the applicable **sums insured we** will pay charges for which **you** are legally responsible and unable to recover from any other party, in respect of loss of metered water or gas providing service to the premises as a result of **damage** insured under this **section**, provided that:

- a) the loss of water or gas is due to **damage** at the **premises** which is covered under this **section**;
- b) the lost water or gas is measured by the utility meter;
- c) the **building** to which this extension applies remains occupied and in use;
- d) the amount for which **we** will indemnify **you** in respect of any one **occurrence** is limited to such excess water or gas charges incurred in consequence of accidental **damage**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.19. **Officials' Personal Effects**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to the **personal effects** of any **official** occurring on the **premises** during **business hours**.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.20. **Participants' Personal Effects**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to the **personal effects** of any **participant** attending the **business** occurring whilst the **participant** is in **your** care.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.21. **Protection Equipment Expenses**

Within the applicable **sums insured we** will indemnify **you** for the reasonable and necessary costs and expenses incurred by you of refilling fire extinguishing equipment and smoke cloaks used solely as a consequence of accidental **damage**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** in respect of the **property insured** per **occurrence** and in the aggregate.

#### 6.3.22. **Sanitary Ware and Underground Service Pipes or Cables**

Within the applicable **sums insured we** will indemnify **you** for the cost of **reinstatement** for which **you** are legally responsible following accidental **damage** to:

- a) fixed sanitary ware and fittings;
- b) underground service pipes or cables extending from the public mains to the **premises** or the **buildings**;

where the **buildings** at the **premises** are not owned by **you** or insured by this **policy**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.23. **Seasonal Increase**

The **sums insured** for **stock** and **specified stock** shall be increased by the **maximum amount payable** shown in the **schedule** during each **period of insurance** either during:

- a) November, December and the first fifteen (15) days of January and the thirty (30) days up to and including Easter Day and seven (7) days thereafter; or
- b) any other period in the year where the seasonal trend of **your business** requires such an increase in the **sum insured**, provided that such trend can be supported by previous trading records and that the period of the increase does not exceed ninety (90) days in any **period of insurance**.

#### 6.3.24. **Sheds and Shipping Containers**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to wooden, plastic or metal sheds or shipping containers and their **contents** at the **premises**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.25. **Temporary Removal**

Within the applicable **sums insured we** will indemnify **you** for accidental **damage** to the **property insured** (other than documents, manuscripts, plans and writings of every description, books, **stock** and **specified stock** and computer system records) while temporarily removed away from the **premises**, for cleaning renovation repair or similar purposes, including the direct **transit** to and from the **premises** within the **territorial**



**limits**, provided that:

- a) the items temporarily removed are covered under this **section** while at the **premises**; and
- b) **we** will not indemnify **you** for **damage**:
  - i caused by theft or attempted theft:
    - (a) from a building unless the theft involves entry to or exit from the building by violent and forcible means; or
    - (b) from an unattended vehicle unless all doors windows and other means of entry are closed and locked, and all valuable items are locked in secure compartments and hidden from view;
  - ii to property of others held by **you** in trust;
  - iii to **valuables**; or
  - iv to property in so far as it is otherwise insured;

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.26. **Theft Damage to the Buildings**

Within the applicable **sums insured we** will indemnify **you** for **damage** caused by theft or attempted theft from **buildings** at the **premises** for which **you** are legally responsible to repair but which are not owned by **you** or insured by this **policy** unless the building in question is unoccupied.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.27. **Theft of Fixed Fabric of the Building**

Within the applicable **sums insured we** will indemnify **you** for theft of the fixed fabric of the **buildings**, including fixed external security cameras, floodlighting and other security lighting or equipment.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.28. **Theft of Keys**

Within the applicable **sums insured we** will indemnify **you** for the reasonable and necessary costs incurred by **you** of replacing external locks or keys to **buildings** or safe room locks or keys at the **premises** in consequence of accidental **damage** to or loss of the keys:

- a) involving forcible or violent entry to the **buildings** or the home of any authorised **employee**;
- b) involving assault or violence or threat of violence when such keys are in the personal custody of **you** or any authorised **employee**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.29. **Trace and Access**

In the event of accidental **damage** at the **premises** resulting from the escape of water or fuel oil, within the applicable **sums insured we** will indemnify **you** for the reasonable and necessary costs incurred by **you** in locating the source of any escape of water or fuel oil from any fixed water services or heating installation including any subsequent repairs to **damage** unavoidably caused during the work taken to locate the source of the escape, except **we** will not indemnify **you** for the cost of repairs to any fixed water services or heating installation unless these would be covered under the **policy** in the absence of this extension.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.3.30. **Unauthorised Use of Electricity, Gas and Water**

Within the applicable **sums insured we** will indemnify for **you** for the cost of metered electricity, gas and water for which **you** are legally responsible arising from unauthorised use by persons taking possession of, keeping



possession of or occupying the **premises** without **your** written consent provided that:

- a) **you** will take all practicable steps to terminate such unauthorised use as soon as it is discovered;
- b) **you** have advised **us** of such unauthorised use immediately on becoming aware of it.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **premises** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 6.4. Maximum Amount Payable

The most **we** will pay in respect of any one **occurrence** will not exceed the applicable **sum insured** stated against each applicable item of **property insured** or the total of all applicable **sums insured** stated against all applicable items of **property insured** as shown in the **schedule**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay in respect of any applicable extensions provided by this **section** shall be within and not in addition to the maximum amount we will pay in accordance with this condition.

#### 6.5. Basis of Settlement Clauses

##### 6.5.1. Basis of Settlement

In the event of accidental **damage** to property insured by this **section** the basis upon which the amount payable will be calculated will be:

- a) **stock and specified stock**: the cost price of replacing the goods at the time of such **damage**;
- b) deeds, documents, manuscripts and business books: their value as stationery only and the cost of clerical labour expended in writing up but not including the value to **you** of the information contained therein;
- c) computer systems records: the value of the materials only and the cost of clerical labour and computer time expended in reproducing the records, but not including the value to **you** of the information contained therein or for any expense in connection with the production of information to be recorded therein;
- d) patterns, models, moulds, plans and designs: the value of the materials only and the cost of labour expended in **reinstatement** of such property;
- e) rent: the amount payable for rent will be calculated as the loss of rent payable to **you** or payable by **you**, as described in the **schedule**, whilst necessary **reinstatement** is carried out following such **damage** to the **buildings** which makes them uninhabitable, subject to a maximum term stated in the **schedule**;
- f) all other **property insured**: the reinstatement of the property lost, destroyed or damaged.

For this purpose "reinstatement" means:

- i. the rebuilding or replacement of property lost or destroyed which, provided that **our** liability is not increased, may be carried out:
  - (a) in any manner suitable to **your** requirements;
  - (b) upon another site;
- ii. the repair or restoration of property damaged;

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new";

provided that:

- i if at the time of such **damage** the **sum insured** on the **property insured** is less than the cost of reinstatement then **you** will be considered as being **your** own insurer for the difference and will bear a proportionate share of the loss;
- ii **our** liability for the repair or restoration of property which is only partially damaged will not exceed the amount which would have been payable had the property been wholly destroyed;
- iii no payment beyond the amount which would have been payable in the absence of this 'Basis

of Settlement' will be made:

- (a) unless reinstatement commences and proceeds without unreasonable delay;
  - (b) until the cost of reinstatement has actually been incurred;
  - (c) if at the time of such **damage** the **property insured** is insured by any other insurance effected by **you** or on **your** behalf which is not upon the same basis of reinstatement;
- iv where for any reason no payment is to be made on the basis of repair or reinstatement as new (liability being otherwise admitted) then the amount for which **we** will indemnify **you** will be calculated as if this 'Basis of Settlement' clause had not been incorporated in this **section** and the 'Basis of Settlement' will then be deemed to read:

"following accidental **damage** and subject to the adequacy of the **sum insured** and the 'Maximum Amount Payable' condition in this **section we** will pay the value of the **property insured** at the time of the accidental **damage**, or the amount of such **damage** as may be, after appropriate allowance for wear, tear or depreciation or at **our** option replace, reinstate or repair the lost, destroyed or damaged property."

#### 6.5.2. Designation

For the purpose of determining where necessary the item against which any property is insured **we** will accept the reasonable designation under which such property has been entered in **your** books/accounts.

#### 6.5.3. Average

Each item of **property insured** under this **section** is similarly but separately subject to average as specified in the 'Average' condition in the 'General Terms' **section**.

### 6.6. Other Property Damage Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements' .

#### 6.6.1. 72 Hours Clause

All claims for losses caused by the following perils happening within seventy-two (72) consecutive hours will be deemed to be a single **occurrence** even where the losses do not share the same original cause:

- a) **earthquake, flood, or storm**; and
- b) riot, civil commotion, malicious **damage** and vandalism but only within the limits of one (1) borough, city, town or village.

Where losses caused by these perils happen over a period of greater duration than the above seventy-two (72) hour periods, **you** may decide to divide those losses into two (2) or more **occurrences** provided that:

- i no two (2) periods overlap; and
- ii the losses have separate original causes and so would not otherwise be aggregated as a single **occurrence** under this **policy**.

Any consecutive seventy-two (72) hour period which extends beyond the expiry or cancellation date will be considered to fall entirely within the **period of insurance**.

#### 6.6.2. Contract Price

In respect of goods sold but not delivered for which **you** are responsible under a contract of sale, if the contract of sale is cancelled wholly or in part by reason of the accidental **damage our** liability will be based on the contract price of the goods. For the purpose of the 'Average' condition in the 'General Terms' **section** the sum insured will be calculated on the same basis.

#### 6.6.3. Contracting Purchaser

A purchaser of any **building** insured under the 'Property Damage' **section** where the sale completes after accidental **damage** has been caused (but who was contracted to purchase the **building** before **damage**) will benefit from the insurance under this **section** to the extent that the **building** is not otherwise insured by the purchaser and without prejudice to any rights and liabilities of **you** or **us**.

#### 6.6.4. Debris Removal

In the event of a claim under this **section** which **we** have accepted **we** will pay **you** within the applicable **sum insured** the reasonable and necessary costs and expenses incurred by **you** in:

- a) removing debris of the **buildings** from the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site;
- b) dismantling or demolishing, shoring up or propping or fencing of the **damaged** property insured that is covered by this **section**; and
- c) removing **stock** or **specified stock** debris from the damaged **buildings**, provided that **stock** and **specified stock** is insured by this **section**;

provided that **we** will not be liable for any such costs or expenses arising from **pollution** or contamination of property not insured by this **section**.

#### 6.6.5. Excess

In the event of a claim under this **section**, **we** may impose an **excess** during the term of any **period of insurance** until any required risk improvements have been implemented.

#### 6.6.6. Extensions

Except where specifically insured the **contents** of:

- a) outbuildings, annexes, tanks, bunds, gangways and conveniences;
- b) extensions adjoining or communicating with main buildings described herein;

are deemed to be insured under the respective item applying to the main buildings.

#### 6.6.7. Fire Brigade Charges

In the event of a claim under this **section** which **we** have accepted **we** will pay **you** within the applicable **sum insured** for the reasonable costs charged by any Public Authority relating to the extinguishing or fighting of fire which **you** are legally obliged to pay.

#### 6.6.8. Inflation Protection

The **sum insured** stated in the **schedule** for **property insured** (other than **stock** or **specified stock** or other items stated as being insured on an alternative basis) will be adjusted each month in line with the percentage changes to the suitable indices. This adjustment will continue after any accidental **damage** if the **reinstatement** is done without delay. **We** will not charge any extra premium during the **period of insurance** but at the end of the period **we** will calculate the renewal premium based on the revised **sum insured**.

#### 6.6.9. Interested Parties

Any act or omission by the leaseholder, lessee, mortgagor or **you** or by any tenant occupying or using the **buildings** which increases the possibility of accidental **damage** will not prejudice the insured interest of the freeholder, lessor or mortgagee, provided that:

- a) such act or omission is entirely without the authority of the freeholder, lessor or mortgagee;
- b) as soon as the freeholder, lessor or mortgagee becomes aware of any such act or omission they will give immediate written notice to **us** and pay any additional premium required.

#### 6.6.10. Maintenance Contract – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent.

During the currency of this **policy** there will be in force a manufacturer's guarantee or a maintenance contract applicable to any **refrigeration unit** which does not have hermetically sealed motors and compressors.

#### 6.6.11. Non-invalidity

In the event of an inadvertent act or omission or alteration which increases the risk of **damage** or loss of a kind which is not subject to a **policy** exclusion, and which occurs without **your** authority or knowledge or beyond **your** control, such material alteration will not invalidate the cover provided by this **section**, provided that:

- a) **you** have taken all reasonable steps to bring the requirements of the **policy** to the attention of all

**employees**, agents or third parties who have responsibility for the operation and management of those aspects of your **business** that are the subject of express obligations imposed by this **policy**; and

- b) **you** give notice to **us** immediately on knowledge of such act, omission or alteration.

Following notification under this clause, **we** will be entitled to impose additional **policy** terms or conditions or charge additional premium at **our** discretion.

#### 6.6.12. Subrogation Waiver

- a) In the event of a claim arising under this **section we** agree to waive any rights remedies or relief to which **we** may become entitled by subrogation against:
- b) 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 **damage**;
- c) 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 **damage**;
- d) any tenant or lessee who contributes to the cost of the premiums but excluding **damage** arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's wilful act or recklessness.

#### 6.6.13. Workmen

**You** shall be entitled to employ workmen to carry out alterations, repair, decoration, plant installation, general maintenance and the like at the **premises** as required.

### 6.7. Exclusions and limitations applying to the Property Damage section

In addition to the limitations and exclusions in the 'General Exclusions' **section**, **we** will not indemnify **you** under this **section** in respect of:

- a) water (other than under the 'Loss of Metered Gas and Water' extension in this **section**), air, runways, railway lines, dams, reservoirs, storage lakes, canals, rigs, wells, tunnels, docks, piers, jetties, excavations, wharfs, mines, and offshore property;
- b) animals and growing crops;
- c) **valuables** except where specifically mentioned in the **schedule**;
- d) overhead electrical and telecommunication transmission and distribution lines, overhead transformers or other similar overhead communication, transmission or distribution equipment and their supporting structures other than those within the **premises** for which **you** are responsible;
- e) vehicles required to be licensed for road use (including accessories thereon), caravans, trailers, railway locomotives or rolling stock, watercraft, aircraft or spacecraft (including but not limited to satellites);
- f) property or structures in course of demolition, construction or erection and materials, equipment or supplies in connection therewith other than as provided for under the 'Contract Works' extension in this **section**;
- g) moveable property in the open (other than **contract works**), signs, fences, gates, vegetation, lawns and shrubs in respect of loss, destruction or **damage** caused by wind, rain, hail, sleet, snow, flood, dust or falling trees or branches other than as provided for under the 'Groundsman's Machines and Equipment' extension in this **section**;
- h) property from a garden, yard, open space or any open fronted or open sided building therein by theft or any attempt thereat or malicious **damage** other than as provided for under the 'Theft of Fixed Fabric of the Building' extension;
- i) explosives and contraband;
- j) **damage to property insured** comprising of or within **vacant or unoccupied buildings** unless agreed by **us**;

- k) **damage** to property stored in any outbuilding or basement caused by storm, flood, leakage of oil or water following bursting or overflowing of oil or water tanks, apparatus or pipes or from any automatic sprinkler installation, unless such property is raised at least one hundred millimetres (100mm) above the ground floor level of the outbuilding or the floor level of the basement;
- l) **damage** to any electrical machine or apparatus or component thereof occasioned by its own over-running, excessive pressure, short-circuiting or self-heating not resulting in fire;
- m) explosion:
  - i caused by or consisting of the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to **you** or under **your** control;
  - ii in respect of and originating in any vessel machinery or apparatus or its contents, belonging to **you** or under **your** control which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus is the subject of a policy or other contract providing the required inspection service;
- n) theft or attempted theft from any unattended **building** unless all security devices are put into full and effective operation and such theft or attempted theft involves forcible and violent entry to or exit from the **building**, other than:
  - i theft or attempted theft involving assault or violence or threat thereof to any **officials**;
  - ii as provided for under the 'Theft of Fixed Fabric of the Building' extension in this **section**;
- o) **damage** by theft or attempted theft from any **unattended vehicle** unless:
  - i all windows and other openings have been closed, all doors have been secured and any other protective devices put into full and effective operation;
  - ii any property insured by this **section** is secured in the locked boot, storage compartment or closed glove compartment; (the luggage space at the rear of an estate car or hatchback under the top cover and out of view is deemed to be a locked boot);
  - iii **overnight** or after the completion of any **working day of the driver** all windows and other openings have been closed and the **vehicle** is locked and garaged in a secure building or compound;
  - iv in respect of any **unattended vehicle** in an unattended building (not at the **premises**) all security devices are put into full and effective operation and such theft or attempted theft involves forcible and violent entry to or exit from the building;
- p) **stock** and **specified stock** whilst in transit:
  - i **damage** due to:
    - (a) leakage, spillage, contamination or deterioration;
    - (b) breakage of china, glass or other brittle articles unless caused by fire, theft or an accident involving the **vehicle**;
  - ii **damage** resulting from faulty packing or labelling;
  - iii **damage** to property conveyed in any soft or open topped or soft or open sided **vehicle** caused by:
    - (a) theft or attempted theft unless caused by or arising from theft or attempted theft of the conveying **vehicle**;
    - (b) storm or malicious **damage**;
- q) **damage** caused by theft or attempted theft occurring outside **business hours** to any till or cash register unless its drawer has been left in an open position;
- r) **damage** arising solely from a change in the water table level (i.e. the level below which the ground is saturated with water);
- s) **damage** by falling trees or branches caused by felling or lopping carried out by **you** or on **your**

- behalf;
- t) **damage** caused by or arising from or consisting of:
- i wear, tear or depreciation or diminution in value;
  - ii collapse or cracking of **buildings**;
  - iii inherent vice, latent defect, defective design, plan or specification or the use of faulty materials;
  - iv faulty or defective workmanship, operational error or omission by any **officials**;
  - v marring, scratching, denting or mechanical or electrical defect, failure, breakdown or derangement;
  - vi gradually operating causes, including but not limited to atmospheric or climatic conditions, wet or dry rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests;
  - vii any process involving heating, drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, installation, testing, commissioning, alteration or maintenance of any property;
  - viii use of any article contrary to manufacturers' instructions;
  - ix change in temperature, colour, flavour, or finish;
- u) **damage** or loss caused by mould, mildew or other microorganism of any type, including but not limited to any substance whose presence poses an actual or potential threat to human health unless the **damage** or loss is caused by mould, mildew or other microorganism of any type which results from an otherwise **defined peril** and is not otherwise excluded;
- v) **damage** or loss directly or indirectly caused by **pollution** or contamination, but this exclusion will not apply to **damage**, or loss caused by:
- i **pollution** or contamination which itself results from a **defined peril**; or
  - ii a **defined peril** which itself results from **pollution** or contamination.
- w) **damage** caused by dishonesty of **your employees**;
- x) **damage** caused by deliberate or reckless acts of any of **your** principals, directors, or partners, but this exclusion does not apply to **damage** caused by the use of reasonable force to protect persons or property against a peril not excluded by the **policy**;
- y) **damage** caused by other authorised users of the **premises**;
- z) any losses, costs or expense of any kind which occurs as a result of interruption of or interference with the **business** under this **section**, except loss of rent payable where this is shown as covered in **your schedule**;
- aa) **damage** at any other premises temporarily occupied by **you** occurring outside the period during which the premises are occupied by **officials** for the purposes of the **business** unless the **contents** are stored in a securely locked room or cupboard;
- bb) breakage of or **damage** to glass or lettering or designs superimposed thereon other than as provided for under the 'Fixed Glass, Mirrors and Signs' extension in this **section**;
- cc) subsidence, ground heave or landslip caused by:
- i settlement or bedding down of new structures;
  - ii compaction of the infill to floors;
  - iii the settlement or movement of newly made up ground;
  - iv river or coastal erosion or cliff fall;
  - v defective design or workmanship or the use of faulty or defective materials;
  - vi demolition or structural repairs or alterations to the **buildings**;
  - vii **damage** caused by or consisting of fire, subterranean fire, explosion, earthquake or the escape



- of water from any tank, apparatus or pipe;
- dd) movement of solid floor slabs caused by subsidence, ground heave or landslip unless foundations beneath the external walls of the **buildings** are damaged at the same time by the same cause;
  - ee) **damage** to oil tanks, paths, patios, paved areas or other artificially covered surfaces, swimming pools, tennis courts and walls caused by subsidence, ground heave or landslip, unless the main building is damaged at the same time by the same cause;
  - ff) **damage** caused by subsidence, ground heave or landslip for which compensation is provided by legislation;
  - gg) **damage** insured by the 'Equipment Breakdown' **section**;
  - hh) **damage** to **personal effects** of **officials** and **participants** other than as provided for under the 'Officials' Personal Effects' and. 'Participants' Personal Effects' extensions in this **section**;
  - ii) the **excess** stated in the **schedule**;
  - jj) **damage** caused by:
    - i any alteration, extension, renovation or improvement of the **buildings** being undertaken at the **premises** where the total value of the contracts under which such works are being undertaken exceeds £100,000; or
    - ii any other building or demolition works, other than routine maintenance, regardless of their value;unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

## 7. Employers' Liability

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 7.1. Employers' Liability Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 7.1.1. Occurrence

Means an accident, including continuous and repeated exposure to substantially the same general harmful conditions, which gives rise to liability insured by this **section**. All accidents attributable to one original source or cause will be considered as a single occurrence.

### 7.2. Employers' Liability Cover

**We** will indemnify **you** in accordance with the terms of this **section** in respect of

- a) **your** legal liability to pay damages and claimant costs to an **employee**; and
- b) **defence costs**;

in respect of **personal injury** sustained by an **employee** resulting directly and solely from an **occurrence** taking place during the **period of insurance** arising out of and in the course of employment by the **business**:

- i within the **territorial limits**; or
- ii outside of the **territorial limits**, only if the injured **employee** is
  - (a) ordinarily employed by **you** within the **territorial limits** and normally a resident within the **territorial limits**;
  - (b) is working abroad in connection with the **business** for a contracted period not exceeding twelve (12) months;
  - (c) due to return at the end of the period.

### 7.3. Employers' Liability Extensions

The following extensions apply to this **section**:

#### 7.3.1. Compensation for Court Attendance

**We** will indemnify **you** in respect of the costs of attendance at court to act as a witness at **our** request in connection with any claim for which **you** are entitled to be paid under this **section** up to the **maximum amount payable** per day stated in the **schedule** for each day on which attendance is required.

#### 7.3.2. Corporate Manslaughter

**We** will indemnify **you** in respect of:

- a) legal costs and expenses incurred with **our** prior written consent; and
- b) prosecution costs awarded against **you**;

in the defence of criminal proceedings including an appeal against a conviction, arising from such criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 as a result of any death to an **employee** caused by an **occurrence** taking place during the **period of insurance** and in the course of **your business** and which may be the subject of payment under this **section**, provided that:

- a) **our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;
- b) where **we** have already made a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against a conviction arising from such criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 arising out of the same **occurrence** which give rise to such proceedings any

amount paid or payable by **us** will be deducted from the amount payable under this **section**;

- c) **we** agree in writing to the appointment of solicitors or counsel to act on **your** behalf prior to their appointment.

**We** will not indemnify **you** under this extension for:

- i any fines or penalties or the cost of implementing any remedial order or publicity order;
- ii an appeal against any fines penalties remedial order or publicity order;
- iii any costs incurred which result from the failure to comply with any remedial order or publicity order;
- iv costs and expenses in connection with any appeal unless advice has been obtained from solicitors or counsel approved by **us** that there are strong prospects of success;
- v costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by **you** or any other director, partner or **employee** of **yours**;
- vi costs and expenses provided by any other source or any other insurance or where but for the existence of this extension would have been provided by such source or insurance;
- vii costs and expenses in connection with the defence of any criminal proceedings unless such proceedings are brought against **you** in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

#### 7.3.3. **Health and Safety at Work etc. Act 1974**

**We** will indemnify **you** and at **your** request any director, partner or **employee** in respect of legal costs and expenses incurred, with **our** written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed during the **period of insurance** in the course of **your business**, including legal costs and expenses incurred with **our** written consent in an appeal against a conviction arising from such proceedings, provided that:

- a) **our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;
- b) where **we** have already made a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against a conviction arising from such criminal proceedings brought under the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man arising out of the same **occurrence** which give rise to such proceedings any amount paid or payable by **us** will be deducted from the amount payable under this **section**;
- c) **we** agree in writing to the appointment of solicitors or counsel to act on **your** behalf prior to their appointment.

**We** will not indemnify **you** under this extension for:

- i any fines or penalties or the cost of implementing any remedial order or publicity order;
- ii an appeal against any fines, penalties, remedial order or publicity order;
- iii costs and expenses provided by any other source or any other insurance or, which but for the existence of this extension, would have been provided by such source or insurance;
- iv proceedings arising out of any deliberate act or omission by **you**.

#### 7.3.4. **Indemnity to Other Persons**

**We** will indemnify at **your** request:

- a) any of **your** directors, partners or **employees**;
- b) any officer, committee member or other person employed by **your** catering, social, sports, educational or welfare organisations or first-aid, medical, ambulance, fire or security services;

- c) any director, partner or official for whom with **you** consent an **employee** is undertaking private work;
- d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by **you** for the performance of work;
- e) the owner of plant hired by **you** but only to the extent of the conditions of hire;
- f) any legal representative of any of the above in the event of their death;

for amounts which they are legally liable in respect of which **you** would have been entitled to indemnity under this **section** if the claim had been made against **you**, provided that:

- i any person is not entitled to be paid under any other insurance;
- ii any person will be subject to and will observe and fulfil the applicable terms and conditions of the **policy** as far as they can apply;
- iii **we** will retain the sole conduct and control of any claim;
- iv the total amount **we** will pay for damages to **you** and any such persons will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;

#### 7.3.5. Unsatisfied Court Judgments

In the event that damages or costs awarded to an **employee** who has obtained a judgment for damages, in a court of law within the **territorial limits**, during the **period of insurance** which remains unsatisfied in whole or in part six (6) months after the date of such judgment, **we** will indemnify **you** for the unpaid damages and awarded costs only if:

- a) the damages awarded are for a **personal injury** to the **employee** that arises out of their employment by **you** in the course of **your business**;
- b) the damages are awarded against a person operating from premises in the **United Kingdom** or European Economic Area;
- c) there is no appeal outstanding; and
- d) the judgment relates to **personal injury** which would otherwise be indemnified by this **section**.

At **your** request **we** will pay the amount of damages or costs awarded to the **employee** or their personal representatives.

**We** will be entitled to take over and prosecute for **our** own benefit any claim against any other person and **you**, the **employee** or the personal representatives of the **employee** must give **us** all the information and assistance **we** may require.

**Our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### 7.4. Maximum Amount Payable

The maximum amount **we** will pay under this **section** in respect of damages (including interest), claimant costs and **defence costs** in connection with any one **occurrence** during the **period of insurance** will not exceed:

- a) £5,000,000 for **personal injury** which is directly or indirectly caused by, contributed to by, results from or arises out of or in connection with any act of **war** or **act of terrorism** or any action taken in controlling, preventing, suppressing, retaliating against responding to or in any way relating to any act of **war** or **act of terrorism**;
- b) in respect of any other **personal injury**, the **limit of indemnity** shown in the **schedule** for this **section**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay in respect of any applicable extensions provided by this **section** shall be within and not in addition to the maximum amount **we** will pay in accordance with this condition.

#### 7.5. Other Employers' Liability Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

### 7.5.1. Certificate of Employers' Liability Insurance

If this **policy** or this **section** is cancelled then any Certificate of Employers' Liability insurance issued by **us** is deemed to be cancelled at the same time.

### 7.5.2. Cross Liabilities

Where there is more than one person named as an 'Insured' in the **schedule** this **section** will separately indemnify each named insured as if each is insured by a separate policy, provided always that **our** maximum liability in the aggregate for damages to all parties insured will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

### 7.5.3. Discharge of Liability

At any time **we** may pay to **you** in connection with any claim or series of claims:

- a) the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section** less any amount **we** have already paid;
- b) any lesser amount for which any such claim or series of claims can be settled.

On payment **we** will then cease to have the conduct and control of any negotiations, actions or proceedings and will be under no further liability for the claim or series of claims other than for costs and expenses incurred prior to the date of final payment provided that such costs and expenses do not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

### 7.5.4. Our Right of Recovery

The indemnity granted by this **section** is deemed to comply with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers' Liability (Compulsory Insurance) Regulations 1998 or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands.

**We** will indemnify an **employee** where any term of the **policy** is prohibited by the legislation or regulations cited above, provided that **you** must repay to **us** that part of **our** indemnity for which **we** would not otherwise have been liable under the **policy**.

### 7.5.5. Tracing Office database

**We** will add **your** details and those of any subsidiary companies to the Employers' Liability Tracing Office database where **we** provide an indemnity under the Employers' Liability (Compulsory Insurance) Regulations 1998.

**You** must supply **us** with **your** details and those of any subsidiary companies as required by the Employers' Liability Tracing Office at inception of the **policy** and promptly thereafter following any acquisition, disposal or creation of any **subsidiary company**.

## 7.6. Exclusions and limitations applying to the Employers' Liability section

In addition to the limitations and exclusions in the 'General Exclusions' **section**, **we** will not indemnify **you** under this **section** in respect of:

- a) liability for **personal injury** to any **employee** arising out of the ownership, possession or use by or on **your** behalf of any mechanically propelled vehicle or trailer if liability is required by any road traffic legislation to be the subject of compulsory insurance or other security;
- b) liability arising from **personal injury** to any **employee** working in or on any **offshore installation** or any support vessel for any **offshore installation** or whilst in transit to or from any **offshore installation** or support vessel;
- c) fines, penalties or liquidated, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages;
- d) any liability which is insured by or would but for the existence of this **section** be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected;
- e) employment practice disputes involving **your employees** including but not limited to:
  - i wrongful unfair or constructive dismissal;

- ii denial of natural justice, defamation, misleading representation or advertising;
- iii refusal to employ a suitably qualified applicant or failure to promote; and
- iv coercion, demotion, evaluation, relocation, punishment, slander, humiliation, harassment, bullying or discrimination.

This exclusion will not apply in respect of compensatory damages for **personal injury** required by the Employers' Liability (Compulsory insurance) Regulations 1998.

- f) **defence costs** connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter or corporate homicide.



## 8. Public and Products Liability

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 8.1. Public and Products Liability Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 8.1.1. Accredited first aid training

Means an accredited first aid qualification, provided by a registered training organisation whereby on full completion of the course a person is awarded competency in the course content.

#### 8.1.2. Accredited training

Means an accredited qualification, provided by a registered training organisation whereby on full completion of the course a person is awarded competency in the course content.

#### 8.1.3. Activity leader

Means the **official** responsible for the management and delivery of the activity the **official** is leading.

#### 8.1.4. Competent person

Means a person with sufficient knowledge and experience to enable them to recognise hazards associated with **inflatable play equipment**.

#### 8.1.5. Defect

Means the ordinary meaning of a defect but will also include circumstances where an **end product** is not fit for purpose.

#### 8.1.6. End product

Means tangible property (not being **your product**) into which **your product** is physically incorporated.

#### 8.1.7. Extended reporting period

Means an additional period of thirty (30) days commencing on the date of expiry of the **policy** within which **you** are entitled to notify **us** of a claim or claims resulting directly and solely from an **occurrence** that commenced before the end of the **period of insurance**.

This definition will not increase the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section** or extend the **period of insurance** and any claim(s) notified to **us** during this period will be deemed to have been notified on the last day of the **period of insurance**.

#### 8.1.8. Financial loss

Means an economic loss which is not caused by **personal injury** or **damage**.

#### 8.1.9. Forest school

Means a scheduled full or part-time programme of **outdoor learning activities** in a woodland or other natural environment.

#### 8.1.10. Fungal pathogens

Means any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, including but not limited to, mould, mildew, mycotoxins, bacteria, spores or any biogenic aerosols.

#### 8.1.11. Hand tools

Means tools powered only by hand without any artificial power;

#### 8.1.12. Higher risk outdoor learning activities

Means comprising of:

- a) the use of fire for cooking, heating or recreational activities;

- b) the use of **hand tools** for the use of cutting, shaving or grinding;
- c) any activity that could bring harm to an individual by consumption of foreign object;
- d) tree climbing or any climbing activity including any element of height;
- e) the use of swings, tightropes and slacklines.

#### 8.1.13. **Inflatable play equipment**

Means a structure relying on air pressure to maintain its shape, designed and which is intended solely for use by children to play, bounce or slide in or on and for no other recreational purpose but excluding paddling pools.

#### 8.1.14. **Occurrence**

Means an accident, including continuous and repeated exposure to substantially the same general harmful conditions, which gives rise to liability insured by this **section**. All accidents attributable to one original source or cause will be considered as a single occurrence.

#### 8.1.15. **Outdoor learning**

Means a **forest school** or any other organised programme of learning and play activities taking place mostly in an outdoor environment.

#### 8.1.16. **Outdoor learning activities**

Means **outdoor learning** comprising digging, exploring, hiking, walks, **outdoor locating games**, map making, natural art activities, natural environment material counting, bug hunting, shelter making, den building, rope work (knots, lashings), swings and tightropes, willow weaving, paddling and pond dipping excluding **higher risk outdoor**.

#### 8.1.17. **Outdoor locating games**

Means games or activities involving navigation to locate a target location, person or property (including but not limited to, treasure hunts, hide and seek, capture the flag, orienteering and scavenger hunts).

#### 8.1.18. **Products**

Means any goods, including containers, packaging, labelling and instructions for use, sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by **you** in connection with the **business** and no longer in **your** possession or control.

#### 8.1.19. **Visiting instructor or demonstrator**

Means any third party individual, company or organisation, other than **you** or **your employees**, that organises, runs or supervises activities as a business or otherwise and provides such activities at the **premises** for **you** under contract with or without a fee being charged.

## 8.2. **Public and Products Liability Cover**

**We** will indemnify **you** in accordance with the terms of this **section** in respect of:

- a) all amounts which **you** become legally liable to pay as damages and claimant costs; and
- b) **defence costs**;

in respect of:

- i **personal injury** to any person;
- ii accidental **damage** to material property;
- iii accidental nuisance ,trespass, obstruction, loss of amenity interference with any easement, right of air, light, water or way;
- iv false arrest, malicious prosecution, unlawful detention or imprisonment, wrongful entry into or eviction of a person from a room, dwelling or **premises** that the person occupies, invasion of the right of privacy;

resulting directly and solely from an **occurrence** taking place:

- (a) during the **period of insurance**;

- (b) within the **territorial limits**;
- (c) elsewhere in the world in respect of any journey or temporary visit in connection with the **business** by **officials** normally resident within the **territorial limits**, provided such journey or visit is not for the purpose of performing manual work;
- (d) anywhere in the world caused by **products**;

involving the conduct of **your business** (Public Liability) or a **product** (Product Liability).

### 8.3. Public and Products Liability Extensions

The following extensions apply to this **section**.

#### 8.3.1. Compensation for Court Attendance

**We** will indemnify **you** in respect of the costs of attendance at court to act as a witness at **our** request in connection with any claim for which **you** are entitled to be paid under this **section** up to the **maximum amount payable** per day stated in the **schedule** for each day on which attendance is required.

#### 8.3.2. Consumer Protection and Food Safety Acts – Legal Defence Costs

**We** will indemnify **you** and at **your** request any director, partner or **employee** of **yours** for legal costs incurred with **our** written consent in connection with the defence of proceedings or an appeal against conviction arising from such proceedings brought for a breach of the Consumer Protection Act 1987 and the Food Safety Act 1990 committed or alleged to have been committed in the course of the **business** during the **period of insurance**, provided that:

- a) **our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;
- b) where **we** have already made a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against conviction arising from such criminal proceedings brought under the Consumer Protection Act 1987 and the Food Safety Act 1990 arising out of the same occurrence which give rise to such proceedings any amount paid or payable by **us** will be deducted from the amount payable under this **section**;
- c) **we** agree in writing to the appointment of solicitors or counsel to act on **your** behalf prior to their appointment.

**We** will not indemnify **you** under this extension for:

- i the payment of fines or penalties;
- ii proceedings or appeals in respect of deliberate acts or omissions;
- iii costs and expenses insured by any other policy.

#### 8.3.3. Contingent Motor Liability (Non-owned Vehicles)

**We** will indemnify **you** for all amounts **you** become legally liable to pay for damages and claimant costs for **personal injury** or **damage** during the **period of insurance** resulting directly and solely from a motor vehicle that **you** do not own, provide, loan, lease, hire or rent being used by **an employee** in the course of the **business**, provided that **we** will not be liable:

- a) for loss of or destruction of or **damage** to such vehicle or to goods or property carried in or on it;
- b) for **personal injury** to any person or loss of goods or property when the vehicle is being driven by **you** or by any person who to **your** knowledge does not hold a valid licence to drive such vehicle;
- c) in respect of liability more specifically insured wholly or partly by any other insurance;
- d) in respect of liability arising outside the **territorial limits**.

**Our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### 8.3.4. Corporate Manslaughter

**We** will indemnify **you** in respect of:

- a) legal costs and expenses incurred with **our** prior written consent; and
- b) prosecution costs awarded against **you**;

in the defence of criminal proceedings, including an appeal against a conviction, arising from such proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 as a result of any death to any person other than an **employee** caused by an **occurrence** taking place during the **period of insurance** in the course of **your business** and which may be the subject of payment under this **section**, provided that:

- i **our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;
- ii where **we** have already made a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against conviction arising from such criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 arising out of the same occurrence which give rise to such proceedings any amount paid or payable by **us** will be deducted from the amount payable under this **section**;
- iii **we** agree in writing to the appointment of solicitors or counsel to act on **your** behalf prior to their appointment.

**We** will not indemnify **you** under this extension for:

- (a) any fines or penalties or the cost of implementing any remedial order or publicity order;
- (b) an appeal against any fines penalties remedial order or publicity order;
- (c) any costs incurred which result from the failure to comply with any remedial order or publicity order;
- (d) costs and expenses in connection with any appeal unless advice has been obtained from solicitors or counsel approved by **us** that there are strong prospects of success;
- (e) costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by **officials of yours**;
- (f) costs and expenses provided by any other source or any other insurance or which but for the existence of this extension would have been provided by such source or insurance;
- (g) costs and expenses in connection with the defence of any criminal proceedings unless such proceedings are brought against **you** in a court of law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

#### 8.3.5. Defective Premises Act 1972

**We** will indemnify **you** in respect of any legal liability to pay damages and claimant costs for **personal injury** or **damage** under section 3 of the Defective Premises Act 1972 or section 5 of the Defective Premises (Northern Ireland) Order 1975.

**We** will not indemnify **you** under this extension for liability which is contributed to by any of the following:

- a) **premises** which **you** own, lease, occupy or possess;
- b) if at the date of disposal by **you** such buildings were not insured by this **policy** or any other insurances in respect of which this **policy** has been issued in substitution;
- c) defective workmanship;
- d) the costs of remedying a **defect** or alleged **defect** in **premises**; or
- e) liability which is covered wholly or partly by another insurance.

**Our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### 8.3.6. General Data Protection Regulations

**We** will indemnify **you** in respect of legal liability to pay damages and claimant costs for a breach in the course of **your business** of:

- a) sections 168 and 169 of the Data Protection Act 2018, (the "DPA"); or

b) article 82 of the Regulation (EU) 2016/679 (the "General Data Protection Regulation" or the "GDPR"); provided that the breach first occurs during the **period of insurance** and **you** notify the claim to **us** during the **period of insurance** or **extended reporting period**.

At **your** request **we** will indemnify any director, partner or **employee**.

**We** will also indemnify **you** for **defence costs** within the **maximum amount payable** shown in the **schedule** for this extension.

**We** will not indemnify **you** under this extension for legal liability which comprises or is contributed to by:

- i an unauthorised, malicious or criminal act, or series of related unauthorised, malicious or criminal acts, or the threat or hoax of such acts, involving the use or operation of, or access to, any **computer system** or **data**;
- ii a deliberate act or omission of any party entitled to indemnity under the **policy**, the effect of which would knowingly or foreseeably result in liability under the **DPA** or the **GDPR**;
- iii a circumstance notified to a previous insurer or which is known to **you** at the commencement of the **period of insurance**;
- iv liability which is covered wholly or partly by another insurance;
- v liability for claims or proceedings brought against **you** outside the **United Kingdom**;
- vi distress or loss of control over personal data unless also involving **personal injury**;
- vii the recording, processing or provision of data for reward or to determine the financial status of a person;
- viii the cost of replacing, reinstating, rectifying or erasing any personal data;
- ix the cost of investigating or reporting a data breach to an authority or to data subjects; or
- x the payment of fines and penalties.

**We** will not indemnify **you** under this extension unless **you** have registered, **you** are exempt from registration or **you** applied to register with the Information Commissioner's Office and **your** application has not been refused or withdrawn.

The maximum **we** will pay during any one **period of insurance** for all claims under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension per **occurrence** and in the aggregate.

#### 8.3.7. **Health and Safety at Work etc. Act 1974**

**We** will indemnify **you** and at **your** request any director, partner or **employee** in respect of **defence costs** incurred, with **our** written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed during the **period of insurance**, including legal costs and expenses incurred with **our** written consent in an appeal against a conviction arising from such proceedings, provided that:

- a) **our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**;
- b) where **we** have already made a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against a conviction arising from such criminal proceedings brought under the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man arising out of the same **occurrence** which give rise to such proceedings any amount paid or payable by **us** will be deducted from the amount payable under this **section**;
- c) **we** agree in writing to the appointment of solicitors or counsel to act on **your** behalf prior to their appointment.

**We** will not indemnify **you** under this extension for:

- i any fines or penalties or the cost of implementing any remedial order or publicity order;
- ii an appeal against any fines, penalties, remedial order or publicity order;
- iii costs and expenses provided by any other source or any other insurance or which but for the existence of this extension would have been provided by such source or insurance;
- iv proceedings arising out of any deliberate act or omission by **you**.

#### 8.3.8. Indemnity to Other Persons

**We** will indemnify at **your** request:

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

for amounts which they are legally liable in respect of which **you** would have been entitled to indemnity under this **section** if the claim had been made against **you**, provided that:

- i any person is not entitled to be paid under any other insurance;
- ii any person will be subject to and will observe and fulfil the applicable terms and conditions of this **policy** as far as they can apply;
- iii **we** will retain the sole conduct and control of any claim;
- iv the total amount **we** will pay in the aggregate in respect of any one **occurrence** for damages to **you** and any such persons will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### 8.3.9. Overseas Personal Liability

**We** will indemnify **you** in respect of legal liability to pay damages and claimant costs in connection with a temporary business trip by any of **your** directors, partners or **employees** (including their family or persons normally resident with them), provided that:

- a) legal liability is incurred in a personal capacity whilst outside their country of domicile;
- b) such a temporary **business** trip outside their country of domicile does not exceed twelve (12) months;
- c) such liability is not **caused** by the ownership or occupation of land or buildings; and
- d) **you**, the directors, partners or employees (and their family or persons normally resident with them) are not entitled to payment under any other insurance.

At **your** request, **we** will also indemnify the director, partner or **employee** who has incurred liability.

**Our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### 8.3.10. Premises Leased, Hired, Rented or In Custody or Control

**We** will indemnify **you** in respect of any amount **you** become legally liable for following **damage** to premises including fixtures and fittings leased, hired or rented to **you** or those in **your** custody or control.

**Our** maximum liability during the **period of insurance** for all claims under this extension will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.



#### 8.4. Maximum Amount Payable

- a) The maximum amount **we** will pay as damages under the 'Public Liability' cover provided by this **section** in any one **period of insurance** for any one **occurrence** will not exceed the 'Public Liability' **limit of indemnity** stated in the **schedule**.
- b) The maximum amount **we** will pay in respect of liability arising out of **products** in any one **period of insurance** per **occurrence** and in the aggregate will not exceed the 'Products Liability' **limit of indemnity** stated in the **schedule**.
- c) **We** will pay for **defence costs** provided that where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, **our** liability for **defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.
- d) Where indemnity is provided for liability in respect of claims brought in the United States of America or Canada or their dependencies or trust territories the applicable **limit of indemnity** shown in the **schedule** for this **section** shall be the maximum amount **we** will pay inclusive of all **costs and expenses**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay inclusive of **defence costs** in respect of any applicable extensions provided by this **section** shall be within and not in addition to the maximum amount **we** will pay in accordance with this condition.

#### 8.5. Other Public and Products Liability Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

##### 8.5.1. Checks and Investigations for Employees – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent:

- a) **you** must:
  - i carry out all investigations recommended by Ofsted or any other competent authority on all current and prospective **employees**; and
  - ii where **you** are required to do so by law, obtain all necessary criminal records and barred list checks in respect of all relevant current and prospective **employees**;and act reasonably in response to the information obtained;
- b) while **you** are awaiting the outcome of criminal records and barred list checks on an **employee** that **you** are required by law to obtain, **you** must ensure that **employee** will be supervised at all times (while engaged in the **business**) by another **employee** for whom criminal records and barred list checks have been obtained.

##### 8.5.2. Cross Liabilities

Where there is more than one person named as the 'Insured' in the **schedule** this **section** will apply separately to each named insured as if each is insured by a separate policy, provided always that **our** maximum liability in the aggregate for damages to all parties insured will not exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

##### 8.5.3. Discharge of Liability

**At** any time **we** may pay to **you** in connection with any claim or series of claims:

- a) a sum equal to the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section** less any amount **we** have already paid;
- b) any lesser amount for which such claim or series of claims can be settled.

On payment **we** will then cease to have the conduct and control of any negotiations, actions or proceedings and **we** will be under no further liability for the claim other than for **costs and expenses** incurred prior to the date of final payment.

#### 8.5.4. **Equipment Used in Activities – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following condition precedent:

- a) **you must** ensure all equipment used in activities is free from defects and is suitable for the age and ability of the **participant**.

#### 8.5.5. **Fireworks and Bonfires – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent for any event **you** organise. You must ensure that:

- a) only category two (2) fireworks that carry the CE mark are used;
- b) fireworks are stored in a closed box in a locked location away from children and naked flames until they are needed;
- c) the fireworks are sited in a clear unenclosed space no less than eight (8) metres from any buildings, trees, fences, overhead cables, car parking areas and the spectators cordoned off at this distance;
- d) any bonfire is sited in a clear unenclosed space no less than eighteen (18) metres from buildings, trees, fences, overhead cables, car parking areas and firework displays and the spectators cordoned off at this distance;
- e) all spectator areas, car parks and walkways are adequately lit;
- f) children are accompanied and supervised at all times by a **parent**;
- g) sparklers are not given to children under five (5) years of age;
- h) alcohol is not sold or provided or permitted to be brought to the event;
- i) the bonfire is checked to be clear of anything living or hazardous before lighting and is not lit with paraffin or petrol;
- j) only **officials** are permitted to light the fireworks and bonfire;
- k) there are two easily identified **officials** (wearing fluorescent jackets or other distinctive outfits) whose sole responsibility is safety and site management;
- l) an adult with **accredited first aid training** must be present on site;
- m) fireworks that have been lit are not returned to and are dealt with at the end of the event;
- n) any lit fireworks that fail to go off are soaked in a container of water in an area where they cannot be tampered with and disposed of in accordance with the manufacturer's or supplier's guidelines
- o) an **official**:
  - i) ensures that the bonfire is properly extinguished before the site is left and at the end of the event;
  - ii) visits the site the following day and any debris is removed and disposed of.

#### 8.5.6. **Food Hygiene – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent if **you** prepare and provide food. **You** must:

- a) check for food allergies and special dietary requirements;
- b) provide information, guidance and warnings in respect of all foods supplied;
- c) comply with all applicable food hygiene regulations.

#### 8.5.7. **Horse Riding**

Any horse riding activity must be at riding centres approved by the British Horse Society only with their own public liability insurance, which covers their activities, is in force and effective and with a **limit of indemnity** of at least £5,000,000.

#### 8.5.8. Inflatable Play Equipment – CONDITIONS PRECEDENT

We will only indemnify **you** if **you** comply with the following conditions precedent whenever **inflatable play equipment** is used:

- a) the **inflatable play equipment** must be built to British Standard BS EN 14960 and labelled as such;
- b) the manufacturers' and/or suppliers' instructions regarding use, safety and maximum recommended numbers of children must be complied with at all times;
- c) the height of the **inflatable play equipment** does not exceed:
  - i two (2) metres for inflatable slides (ground to platform);
  - ii three (3) metres for all other **inflatable play equipment**;
- d) no adult must be allowed to play on the **inflatable play equipment**;
- e) if being used outside:
  - i the **inflatable play equipment** is not used in winds above 24 mph;
  - ii checks of wind speed using an anemometer take place at regular intervals;
  - iii all anchor points are used;
  - iv all anchor points are anchored to metal ground stakes at least three hundred and eighty millimetres (380 mm) long and sixteen millimetres (16 mm) wide, with a rounded top and welded metal 'O' or 'D' ring fittings;
  - v ballast of at least one hundred and sixty three kilograms (163 kg) with suitable fixings to each anchor point is used where the ground is not suitable for stakes;
- f) the **inflatable play equipment** must be checked by a **competent person** before use to ensure that there is no defect or damage;
- g) at least two **officials** must supervise the **inflatable play equipment** at all times;
- h) safety mats must be in the correct place and kept clear at all times;
- i) supervising **officials** must be able to see all children on the **inflatable play equipment** and be close enough to support any child that may come off or be in need of help;
- j) the **inflatable play equipment** must be dismantled and deflated when not intended for use;
- k) a **competent person** must check the **inflatable play equipment** every half hour to ensure that the moorings are stable, the blower is pumping in air correctly and the air vents are secure;
- l) the electrical blower must be portable appliance testing ('PAT') tested at least once a year;
- m) the **inflatable play equipment** must be tested annually by a **competent person** and any faults rectified before the equipment is allowed back into use;
- n) an adult with **accredited first aid training** must be present on site;
- o) food and drink must not be permitted in or on the **inflatable play equipment**;
- p) children must not be permitted to:
  - i wear jewellery, watches or footwear or have any sharp or pointed objects whilst in or on the **inflatable play equipment**;
  - ii perform any type of acrobatics or climb the walls or supporting pillars of the **inflatable play equipment**;
  - iii go either around the back or the sides of the **inflatable play equipment** at any time;
  - iv have access to the **inflatable play equipment** whilst it is being set up and inflated or dismantled and deflated;
- q) children must:
  - i walk on and off the **inflatable play equipment** on all occasions;

- ii be grouped in relation to their size and age.

#### 8.5.9. Outdoor Learning – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent whenever outdoor activities take place. **You** must ensure that:

- a) **activity leaders** have appropriate **accredited training** for all **outdoor learning activities**;
- b) the **activity leader** or an **official** who is present on site, has **accredited first aid training** appropriate for **outdoor learning**;
- c) **you** obtain consent from a **parent** before their child is permitted to participate in **outdoor learning activities**;
- d) a written risk assessment:
  - i is completed before the commencement of any **outdoor learning activities**;
  - ii for **higher risk outdoor learning activities** is completed on the day at the site before the activity commences and must provide for (but not be limited to):
    - (a) adequate supervision ratios;
    - (b) staff qualification/competency;
    - (c) the mental and physical ability of **participants**;
    - (d) use of personal and protective equipment;
    - (e) adverse and extremes of weather;
    - (f) first aid provision and emergency procedures;
    - (g) condition and suitability of equipment and any naturally occurring feature used in any activity;
    - (h) condition and suitability of the immediate area surrounding the activity;and must be:
    - (i) appropriate for the level of activity being delivered;
    - (ii) documented and regularly reviewed;
    - (iii) communicated to all persons leading, assisting in or supervising the delivery of activities;
  - iii a copy of each risk assessment is retained by **you** and available to **us** upon request;
- e) children undertaking **higher risk outdoor learning activities** must:
  - i be aged at least three (3) years; or
  - ii become three (3) years of age during their first term at the setting;
- f) when tightrope walking or slacklining:
  - i the height of the line is no greater than thirty centimetres (30cm) above ground level at its minimum point when in use;
  - ii the activity is limited to walking along or balancing on the line;
- g) when whittling:
  - i a glove is worn on the non-tool hand;
  - ii only a potato peeler or suitable age appropriate knife is used;
- h) when making rope swings:
  - i the thickness of the rope used is at least ten millimetres (10mm);
  - ii the rope swing is no greater than one (1) metre from ground level at its minimum point when in use;

- iii the rope swing is tested by the **activity leader** prior to use;
- i) when using axes, bill hooks, hand saws and working in pairs, only one tool is to be used between each pair of children;
- j) when making and using fires that:
  - i fires are only set in a fire pit or fire bowl;
  - ii any children who are not cooking or lighting a fire must be at least one metre away from the fire;
  - iii fires are extinguished one hour prior to the location being vacated and that a final check takes place to ensure the fire is extinguished before leaving.

#### 8.5.10. **Roller Blading and Skateboarding – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent whenever roller blading or skateboarding takes place:

- a) only children aged four (4) years and above will be allowed to participate in the activity;
- b) **you** will obtain consent from a **parent** before their child is permitted to participate in the activity;
- c) all skates, skateboards, protective gear and other equipment used to participate in the activity must be provided by **you**;
- d) all skates, skateboards, protective gear and other equipment used to participate in the activity must be safety checked by **you** before and after use;
- e) children must wear the following protective gear at all times: helmet, wrist guards, knee and elbow pads;
- f) when in a public area children must wear a high visibility jacket, bib or wristband to ensure they are easily identified;
- g) roller blading will only take place within an enclosed space such as a hall or school playground;
- h) skateboarding will only take place within a designated skate park or school playground;
- i) the following minimum **official** to child supervision ratios must be maintained at all times:
  - i children aged four (4) to seven (7) years; one (1) **official** to four (4) children;
  - ii children aged eight (8) years and above; one (1) **official** to eight (8) children;
- j) children must not be permitted to perform tricks, stunts, jumps or flips.

#### 8.5.11. **Swimming**

A National Pool Lifeguard Qualification or equivalent qualified Life Saver or swimming teacher/coach must be in attendance at all times whenever swimming activities are undertaken.

#### 8.5.12. **Trampolines – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent whenever trampolines are used:

- a) the manufacturers'/suppliers' instructions regarding use, safety and recommended numbers of children must be complied with at all times;
- b) all trampolines have manufacturers' fitted safety netting;
- c) an **official** must monitor the trampoline at all times whilst in use.

#### 8.5.13. **Visiting Instructors or Demonstrators**

**You** will establish and maintain an administrative procedure for obtaining evidence that any **visiting instructors or demonstrators** have effected public liability insurance that:

- a) covers the activities to be undertaken by them for **you** at the **premises**;
- b) is subject to a limit of indemnity of not less than £5,000,000; and
- c) includes an 'indemnity to principals' clause.

Such evidence must be obtained prior to work commencing and revalidated every twelve (12) months throughout the duration of **your** contract with the independent subcontractors.

#### **8.6. Exclusions and limitations applying to the Public and Products Liability section**

In addition to the limitations and exclusions in the 'General Exclusions' **section**, we will not indemnify **you** under this **section** in respect of:

- a) **personal injury** to any **employee** arising out of and in the course of their employment by **you** in **your business**;
  - b) **personal injury** or **damage** arising from the ownership possession or use by **you** or on **your** behalf of:
    - i any aircraft, aerospace device, hovercraft or watercraft other than hand propelled watercraft and other watercraft not exceeding seven (7) metres in length;
    - ii any lift, elevator, hoist, crane, steam boiler or other apparatus operating under steam pressure, for which a statutory inspection certificate is required but which is not in force;
    - iii any mechanically propelled vehicle or plant or trailer attached in circumstances in respect of which insurance or security is necessary to comply with the requirements of road traffic legislation other than as insured under the 'Contingent Motor Liability (Non-owned Vehicles)' extension of this **section**;
  - c) the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection, accidental discovery of, testing of or exposure to **asbestos**;
  - d) **damage** to:
    - i property owned by or leased, hired or rented to **you** other than as insured under the 'Premises Leased, Hired, Rented or In Custody or Control' extension of this **section**;
    - ii property belonging to **you** or held in **your** care, custody or control other than:
      - (a) personal property of directors, partners or **employees**;
      - (b) the property of customers or visitors temporarily on or about the **premises**;
      - (c) as insured under the 'Premises Leased, Hired, Rented or In Custody or Control' extension of this **section**;
  - e) legal liability under a contract unless legal liability would have attached to **you** in the absence of such contract;
  - f) liability arising from or caused by **damage** to property, buildings or land caused by vibration or by the removal or weakening of support;
  - g) **damage** to **products** or the cost of making good or recalling such **products** or the cost of rectifying defective work including but not limited to expenditure, whether incurred by **you** or others, for the withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement of any **product** or part thereof (or any other product or part thereof of which **your product** forms, or is intended to form, a part or ingredient) and **financial loss** necessary for such withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement;
  - h) **damage** to any property or any costs incurred in rectifying property (including any part of the property) which suffers from a known or suspected **defect**;
  - i) **damage** to:
    - i property which **you** or any of **your employees** have been working on where the **damage** is the direct result of such work; and
    - ii materials, parts or equipment furnished in connection with performance of such **work**.
- We** will not indemnify **you** for liability for;
- i the cost of rectifying defective work; and



- ii any property required to be insured in joint names under a contract.
- j)
  - i liquidated damages fines or penalties;
  - ii punitive exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- k) legal liability arising from or caused by:
  - i the provision of advice or any plan, design, formula or specification given separately for a fee or for which a fee is normally charged;
  - ii the making up, sale or supply of any drug or medical preparation, syringes, dressings or medical supplies or equipment of any kind whatsoever;
  - iii the making up, sale or supply of animal feeds, seeds, fertilisers, insecticides, or pesticides;
  - iv any **products** manufactured, constructed or prepared in accordance with their plan, design, formula or specification failing to perform the function for which they are intended by **you**;
  - v the use of solaria, sunbeds, saunas and hydro-massage facilities;
- l) any **products** which with **your** knowledge are:
  - i exported directly or indirectly to the United States of America or Canada;
  - ii used in the aircraft, space, petro-chemical, gas, offshore, ship building and repair or nuclear industries;
  - iii to be used in the motor industry other than those not affecting the safety, stability, steering or braking of the vehicle;
- m) any second-hand or pre-owned **products** supplied by **you** that:
  - i do not meet the standards under current statutory safety legislation other than upholstered furniture or bedding supplied free of charge as a charitable donation;
  - ii are gas appliances of any description;
  - iii are appliances containing or using flammable liquids;
  - iv are electrical appliances other than portable electrical appliances that have been inspected, tested and certified safe by a person qualified to undertake PAT (this does not apply to those powered by a battery only);
- n) liability arising from or caused by or contributed to by any error or omission in:
  - i the provision of medical, dental or nursing care treatment;
  - ii the supply of medicines or drugs;
- o) liability caused by or arising from **products** where the action is brought against **you** in any country not being part of the **United Kingdom, Channel Islands, Isle of Man** or a member of the European Union where **you** have a branch or a parent or a subsidiary company or are represented by a person or company holding **your** Power of Attorney;
- p) any judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of the United States of America or Canada.

This exclusion will not apply to visits made in the course of **your business** to undertake non-manual work, but **we** will not indemnify **you** for liability:

- i under any agreement that would not have attached in the absence of such agreement;
- ii in connection with the ownership, maintenance, operation or use of any mechanically propelled vehicle or watercraft;
- iii contributed to by **pollution**; and
- iv to pay punitive, multiple or exemplary damages.

We will not indemnify any entity based in, operating in or domiciled in the United States of America or Canada.

- q)
  - i **personal injury or damage**, occurring within the United States of America and Canada, but this exclusion will not apply to non-manual visits as specified in exclusion 8.6. p); or
  - ii **pollution** taking effect wholly or partly in the United States of America or Canada.
- r) legal liability arising from or caused by the following activities where provided by **you**:
  - i promotional and fund raising events where the anticipated attendees exceed:
    - (a) one hundred (100) people in respect of events involving fireworks and/or bonfires;
    - (b) five hundred (500) people in respect of all other events;
  - ii the use or ownership of Velcro wall, “bar fly” or similar equipment;
  - iii use of **inflatable play equipment** or apparatus worn on or around the body;
  - iv cycling on public roads, freestyle cycling, cross country, trail riding and mountain biking;
  - v use of mechanical or powered tools or other tools with a sharp edge other than:
    - (a) **hand tools**;
    - (b) tools used for arts and crafts;
    - (c) knives and utensils used for cooking;which are age appropriate and intended for that purpose;
  - vi
    - (a) gymnastics other than in connection with delivery of the British Gymnastics Pre-School Proficiency Programme;
    - (b) dance or cheerleading involving lifting above shoulder height, acrobatics or spinning headstands;
    - (c) parkour and street/free running;
  - vii
    - (a) martial arts, combat or fighting sports;
      - (a) American football, Australian rules football, Gaelic football, lacrosse, roller derby, rugby or weightlifting;
      - (b) professional or semi-professional sports;
      - (c) sports involving weapons (including but not limited to paintballing, archery, fencing and shooting);
      - (d) fire walking, kite land boarding, and sledding, sledging or sleighing whether on snow, ice or any other surface;
      - (e) ice-hockey, ice skating, skiing or any other winter sports;
      - (f) sports in a terrain that require hands as well as feet to traverse such as hillwalking, scrambling and Mountaineering;
  - viii any activity that requires the use of guides, cables, wires or ropes (other than tug-of-war), elastic rope sports or aerial activity of any kind including bungee jumping and zip wires other than:
    - (a) **outdoor learning activities**;
    - (b) traverse climbing walls not exceeding two (2) metres in height;
  - ix activities that take place in or on bodies of water other than:
    - (a) swimming that takes place within a purpose built swimming pool;
    - (b) the use of inflatable paddling pools;
    - (c) **outdoor learning activities**;
  - x use of:

- (a) fireworks or other pyrotechnics;
- (b) airborne lantern, sky lantern, sky candle or wish lantern;
- (c) fires or bonfires;

other than:

- (a) **outdoor learning activities**;
- (b) strictly in accordance with the 'Fireworks and Bonfires – **CONDITIONS PRECEDENT**' condition in the 'Other Public and Products Liability Terms and Conditions' of this **section**;

xi any activity taking place more than one (1) metre above ground when outside a building or structure or one metre from floor level when inside a building or structure, other than:

- (a) use of **fixed outside equipment**;
- (b) **outdoor learning activities**;

xii use of motorised toys, or other equipment that are/is designed to be ridden including but not limited to segways, motorised or electric scooters and bikes, self-balancing two-wheeled boards, powered go karts and motorised fairground rides other than electric four (4) wheel ride on toys designed and intended for children and with a motor not exceeding six (6) volts;

xiii activities that take place beneath the surface of the ground such as caving and potholing;

xiv any racing or time trial other than those on foot which do not take place on a public road;

xv liability arising in connection with any visits to or work on any **offshore installation** or any support vessel for any **offshore installation** or whilst in transit to or from any **offshore installation** or support vessel;

s) **pollution**, nuisance, defects or **damage**, affecting any premises (including land or water within or below the boundaries of such land or premises) that are presently or were at any time previously owned, leased, hired or rented by you or were otherwise in **your** care, custody or control;

t) **pollution**, unless caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place and arising out of the **business** specified in the **schedule** or escape of **legionella**;

u) **defence costs** connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter or corporate homicide. This exclusion will not apply in respect of and to the extent of the indemnity provided by the 'Consumer Protection and Food Safety Acts – Legal Defence Costs', 'Corporate Manslaughter', 'Defective Premises Act 1972', 'General Data Protection Regulations' and 'Health and Safety at Work etc. Act 1974' extensions;

v) any **fungal pathogens** whether directly or indirectly, regardless of any other cause or event contributing concurrently or in any sequence to a loss or liability;

w) liability which in any way:

- i results directly or indirectly from; or
- ii is contributed to wholly or partly by; or
- iii the risk is increased by;

**war** or an **act of terrorism** during the **period of insurance**.

## 9. Treatment Liability for Registered Providers

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 9.1. Treatment Liability for Registered Providers Cover

**We** will indemnify **you** for:

- a) all amounts which **you** become legally liable to pay as damages and claimant costs; and
- b) **defence costs**;  
in respect of accidental **personal injury** to any person other than an **employee** caused by error or omission in:
  - i the provision of medical treatment;
  - ii care not prescribed by a qualified medical or dental practitioner;
  - iii the supply of medicines or drugs whether prescribed or otherwise;

occurring in connection with the **business** during the **period of insurance** and within the **territorial limits**.

### 9.2. Maximum Amount Payable

The maximum amount we will pay as damages under this **section** for any occurrence giving rise to any one claim or series of claims arising out of one original source or cause will not exceed the **limit of indemnity** shown in the **schedule** for this **section**.

**We** will pay for **defence costs** provided that where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, **our** liability for **defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.

Where indemnity is provided for liability in respect of claims brought in the United States of America or Canada or their dependencies or trust territories the **limit of indemnity** shown in the **schedule** for this **section** shall be the maximum amount **we** will be liable to pay inclusive of all **costs and expenses**.

### 9.3. Other Treatment Liability for Registered Providers Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### 9.3.1. Registration – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following condition precedent:

- a) **you** comply with the terms of registration of **your** Registering Authority.

#### 9.3.2. Treatment – CONDITIONS PRECEDENT

**We** will only indemnify **you** under the **policy** if **you** comply with the following condition precedent:

- a) **you** comply with all relevant requirements of any government statutory or licensing authority whenever medication is administered or supplementary health support procedures are provided to any person in **your** care.

#### 9.3.3. Discharge of Liability

At any time **we** may pay to **you** in connection with any claim or series of claims:

- a) the maximum amount payable less any amount **we** have already paid;
- b) any lesser amount for which such claim or series of claims can be settled.

On payment **we** will then cease to have the conduct and control of any negotiations, actions or proceedings and **we** will be under no further liability for the claim other than for **costs and expenses** incurred prior to the date of final payment.

#### 9.4. Exclusions and limitations applying to the Treatment Liability for Registered Providers section

In addition to the limitations and exclusions in the 'General Exclusions' section, we will not indemnify you under this section in respect of:

- a)
  - i. liquidated damages fines or penalties;
  - ii punitive exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- b) liability arising from or caused by or contributed to by:
  - i the provision of medical treatment when prescribed by a medical practitioner who is a principal, director or **employee of yours**;
  - ii surgery;
  - iii diagnosis other than by a qualified registered nurse;
  - iv the prescription of any drugs or medicines;
- c) any liability for which **you** are entitled to indemnity under any other insurance;
- d) any liability arising out of abuse.

## 10. Treatment Liability for Unregistered Providers

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 10.1. Treatment Liability for Unregistered Providers Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 10.1.1. Carer

Means personal assistant, carer or **parent**.

#### 10.1.2. Tube feeding

Means the delivery of a nutritionally complete feed, directly into the stomach, duodenum or jejunum via a tube entering the body through the nose, the mouth, or directly through the abdominal wall.

### 10.2. Treatment Liability for Unregistered Providers Cover

**We** will indemnify you for:

- a) all amounts which **you** become legally liable to pay as damages and claimant costs; and
- b) **defence costs**;  
in respect of accidental **personal injury** to any person other than an **employee** caused by error or omission in:
  - i the provision of medical treatment;
  - ii care that has not been prescribed by a qualified medical or dental practitioner;
  - iii the supply of medicines or drugs whether prescribed or otherwise;

occurring in connection with the business during the **period of insurance** and within the **territorial limits**.

### 10.3. Maximum Amount Payable

The maximum amount we will pay as damages under this **section** for any occurrence giving rise to any one claim or series of claims arising out of one original source or cause will not exceed the **limit of indemnity** shown in the **schedule** for this **section**.

**We** will pay for **defence costs** provided that where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, **our** liability for **defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.

Where indemnity is provided under this **section** for liability in respect of claims brought in the United States of America or Canada or their dependencies or trust territories the **limit of indemnity** shown in the **schedule** for this **section** shall be the maximum amount **we** will be liable to pay inclusive of all claimant costs and **defence costs**.

### 10.4. Other Treatment Liability for Unregistered Providers Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### 10.4.1. Treatment - Drugs and Medicines – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent in respect of the administration of drugs or medicines. The administration of drugs or medicines must take place only under the following conditions:

- a) in all cases:
  - i details of any known allergy to medication for each **service user** must be obtained from:
    - (a) a **parent** if the **service user** is a child;
    - (b) the **service user** or their **carer** if the **service user** is an adult;



and recorded by an **official** in the drugs/medicine register and consulted before any emergency administration of drugs or medicines;

- ii for prescribed drugs or medicines, the drug or medicine must have been prescribed by the **service user's** General Practitioner or consultant and given to **you** by:
    - (a) a **parent** if the **service user** is a child;
    - (b) the **service user** or their **carer** if the **service user** is an adult;
    - (c) the **service user's** General Practitioner or consultant;
  - iii for non-prescribed drugs or medicines, the drug or medicine must be of a type that is available over the counter in the **United Kingdom** and must only be administered with the permission of:
    - (a) a **parent** if the **service user** is a child;
    - (b) the **service user** or their **carer** if the **service user** is an adult;and **you** must keep a record confirming the permission that has been given;
  - iv a clear label, with the **service user's** name, must be attached to all drugs and medicines given to **you** by:
    - (a) a **parent** if the **service user** is a child;
    - (b) the **service user** or their **carer** if the **service user** is an adult;
    - (c) or the **service user's** General Practitioner or consultant;
  - v the drug or medicine must be kept in a secure place with access only by authorised persons;
  - vi a drugs/medicine register must be kept showing:
    - (a) the **service user's** name;
    - (b) type of drug/medicine administered;
    - (c) date and time administered;
    - (d) dosage;
    - (e) name and signature of person administering the drug/medicine;
    - (f) name and signature of a witness;
    - (g) when an administration of drug or medicine has been given in an emergency, the time of notification to a **parent** if the **service user** is a child, or their **carer** if the **service user** is an adult;
    - (h) note of any known allergy to medication suffered by any **service user**;
  - vii **you** must familiarise yourself and comply with all relevant requirements of **your** statutory registering authority if applicable concerning the administration of drugs and medicines;
  - viii **you** must have written authorisation from:
    - (a) a **parent** if the **service user** is a child;
    - (b) the **service user** or their **carer** if the **service user** is an adult;containing clear instructions for the administration of non-prescribed drugs or medicines, prescribed oral medication or asthma inhalers;
- b) in cases where occasional, regular or emergency medication is required such as epinephrine auto-injectors (EpiPens), hypodermic injections, insulin pumps, tube-administered or stent-administered medication (but not including nonprescribed drugs or medicines, prescribed oral medication or asthma inhalers, which are dealt with under 10.4.1. a) above), **you** must comply with 10.4.1. a) i to vi above and in addition **you** must;
- i have written consent from:
    - (a) a **parent** if the **service user** is a child;

- (b) the **service user** or their **carer** if the **service user** is an adult; for **officials** to administer the medication;
- ii have a letter from the **service user's** General Practitioner or consultant stating:
  - (a) what condition the drug or medicine is for with its name;
  - (b) how and when the drug or medicine is to be given;
  - (c) what training of personnel is required, if any;
  - (d) any other relevant information;
- iii **you** must ensure that any **official** administering the drug or medicine has the training specified by:
  - (a) a **parent** if the **service user** is a child;
  - (b) the **service user** or their **carer** if the **service user** is an adult;
  - (c) or the **service user's** General Practitioner or consultant;
 and, if required, **you** must provide proof of such training.

#### 10.4.2. **Treatment –Supplementary Healthcare Procedures – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent in respect of the administration or provision of oxygen, **tube feeding**, cleaning and changing of **tube feeding** or tracheostomy/tracheotomy tubes and emptying/changing stoma bags. **You** must

- a) have a letter from the **service user's** General Practitioner or consultant stating:
  - i the **service user's** condition and the health support procedures required;
  - ii the training of personnel which is required;
  - iii the medical experience which is required;
  - iv any other relevant information;
- b) have written consent from:
  - i a **parent** if the **service user** is a child;
  - ii the **service user** or their **carer** if the **service user** is an adult;
 for **officials** to administer/provide the health support procedures required;
- c) ensure that any **official** administering/providing the required health support procedures has the medical experience and training specified by the **service user's** General Practitioner or consultant and, if required, **you** must provide proof of such training;
- d) familiarise yourself and comply with all relevant requirements of **your** statutory registering authority if applicable concerning the administration/provision of the health support procedures.

#### 10.4.3. **Discharge of Liability**

**We** may at any time pay to **you** in connection with any claim or series of claims:

- a) the maximum amount payable less any amount **we** have already paid;
- b) any lesser amount for which such claim or series of claims can be settled.

On payment **we** will then cease to have the conduct and control of any negotiations, actions or proceedings and **we** will be under no further liability for the claim other than for **costs and expenses** incurred prior to the date of final payment.

#### 10.5. **Exclusions and limitations applying to the Treatment Liability for Unregistered Providers section**

In addition to the limitations and exclusions in the 'General Exclusions' **section**, **we** will not indemnify **you** under this **section** in respect of:

- a)
  - i liquidated damages fines or penalties;
  - ii punitive exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- b) liability arising from or caused by or contributed to the provision or administering of any treatment other than:
  - i first aid treatment;
  - ii the administration of drugs and medicines strictly in accordance with the 'Treatment – Drugs and Medicines' condition in the 'Other Treatment Liability for Unregistered Providers Terms and Conditions' in this **section**.
  - iii the administration or provision of oxygen, **tube feeding**, cleaning and changing of **tube feeding** or tracheotomy/tracheostomy tubes and emptying/changing stoma bags strictly in accordance with the 'Treatment –Supplementary Healthcare Procedures' condition in the 'Other Treatment Liability for Unregistered Providers Terms and Conditions' in this **section**;
- c) any liability for which **you** are entitled to indemnity under any other insurance;
- d) any liability arising out of abuse.

# 11. Professional Indemnity

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

## 11.1. Professional Indemnity Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

### 11.1.1. Business services

Means those services provided for a client as specified in the schedule in the conduct of **your** business.

### 11.1.2. Documents

Means project models or displays, deeds, wills, agreements, maps, plans, records, photographs or negatives, written or printed books, letters, certificates or written or printed documents of any nature whatsoever and shall include computer software and systems records (electronic data shall be deemed to be physical property for the purposes of this **section**) but excluding bearer bonds, coupons, bank or currency notes and other negotiable paper.

### 11.1.3. Letter of claim

Means a letter of claim as detailed in any applicable Pre-Action Protocol.

### 11.1.4. You, your, yours

Means:

- a) the **policyholder**;
- b) any natural person who was, is or during the **period of insurance** becomes a trustee, committee member, volunteer, director or officer of the **policyholder**;
- c) any **employee** or former **employee**;
- d) the estates, heirs or legal representatives of a), b) and c) above who has died or become incapacitated, insolvent or bankrupt.

## 11.2. Professional Indemnity Cover

**We** will indemnify **you** in accordance with the terms of this **section** for **your** legal liability to pay:

- a) compensatory damages; and
- b) claimants' legal costs;

incurred in connection with the conduct of the **business** within the **territorial limits** for any claim first made against **you** during the **period of insurance** and arising out of any actual or alleged;

- i negligent breach of professional duty, negligent act, negligent error, negligent omission;
- ii defamation or other tort related to disparagement of character, including libel or slander;
- iii any form of invasion, infringement or interference of rights of privacy or publicity;
- iv infringement of intellectual property rights; or
- v any other civil liability.

## 11.3. Professional Indemnity Extensions

The following extensions apply to this **section**.

### 11.3.1. Compensation for Court Attendance

**We** will indemnify **you** within the **limit of indemnity** shown in the **schedule** for this **section** for the costs of attendance at court of any witnesses that **we** require to attend court to act as a witness in connection with the defence of a claim for which **you** are entitled to indemnity under this **section**.

The maximum we will pay under this extension will not exceed the **maximum amount payable** per day shown

in the **schedule** for this extension for each day on which attendance is required.

#### 11.3.2. **Consultants**

Within the **limit of indemnity** shown in the **schedule** for this **section** **we** will indemnify **your** former partners, former directors or former **employees** who have continued as consultants to **you** and any persons who were formerly consultants to **you** in respect of any claim for any negligent act, negligent error or negligent omission first made against them and notified to **us** during the **period of insurance** which arises out of the conduct of the **business**.

However, **we** will not indemnify **you** under this extension for any claim which is covered by any other insurance.

#### 11.3.3. **Defence Costs**

Following any event which is or may be the subject of indemnity under this **section** **we** agree to indemnify **you** for **defence costs**, reasonably and necessarily incurred provided that if the **limit of indemnity** is exhausted by the payment or settlement of any claim or loss **our** liability to pay **defence costs** in respect of that **claim** or loss shall be limited to such proportion of those **defence costs** as the **limit of indemnity** available for payment or settlement of that claim or loss bears to the total payment (including where applicable claimants' costs) required to dispose of that claim or loss.

#### 11.3.4. **Joint Venture or Consortium**

**We** will indemnify **you** within the **limit of indemnity** shown in the **schedule** for this **section** for any claim first made against **you** and notified to **us** during the **period of insurance** which **you** may become legally liable to pay, whether jointly or severally, which arises solely from **business services** acts of **you** in the conduct of the **business** whilst **you** are a member of a joint venture or consortium, whether or not the joint venture or consortium is conducted through a separate legal entity, provided that:

- a) the joint venture or consortium and the turnover/fees of the joint venture or consortium (not just **your** proportion) has been declared to and agreed by **us**;
- b) **our** liability will be proportionate to the lesser of:
  - i the percentage of the share capital of the joint venture or consortium owned by **you**, or
  - ii the percentage of the voting control of the joint venture exercised by **you**;
- c) **we** will only indemnify **you** under this extension and no other member of the joint venture or consortium or any other third party shall have any rights under this **policy** and **we** will not be liable to pay a contribution to an insurer of any other member of the joint venture or consortium.

#### 11.3.5. **Legal Representation**

**We** will indemnify **you** within the **limit of indemnity** shown in the **schedule** for this **section** in respect of reasonable costs and expenses necessarily incurred with **our** written consent for representation at any official examination, enquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate **your** affairs which is first instigated against **you** and notified to **us** during the **period of insurance** and which may otherwise be the subject of indemnity under this **section**.

**Our** maximum liability under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension during any one **period of insurance**.

#### 11.3.6. **Loss of or Damage to Documents**

In the event of **damage** to **documents** suffered and notified to **us** during the **period of insurance**, **we** will indemnify **you** within the **limit of indemnity** shown in the **schedule** for this **section** for any claim or reasonable and necessary costs and expenses incurred in replacing, restoring or reconstituting any **documents** which are **your** property or are in **your** care, custody or control.

**Our** maximum liability under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension in any one **period of insurance**.

#### 11.4. **Maximum Amount Payable**

The maximum amount **we** will pay under this **section** for:

- a) compensatory damages; and

b) claimants' legal costs for which **you** are legally liable;

in respect of all claims made against **you** during any one **period of insurance** shall not exceed the **limit of indemnity** shown in the **schedule** for this **section**.

#### 11.5. Other Professional Indemnity Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

##### 11.5.1. Conduct of Claims – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent following notification of any claim or **circumstance**:

- a) **we** will be entitled to take over and conduct in **your** name the investigation, defence or settlement of any such matter.
- b) **you** must pay the **excess** on demand of **us** or our appointed agents or **your** duly appointed representatives to comply with any settlement agreed by **us**.

If **you** and **we** are unable to agree a course of action to take with regard to the contesting of any legal proceedings covered by this **section**, the dispute will be resolved by the 'Insurance Disputes' condition in this **section**.

##### 11.5.2. Discharge of Liability

At any time **we** may pay to **you** in connection with any claim or series of claims:

- a) the amount of the **limit of indemnity**; or
- b) any lesser amount for which such claim or series of claims can be settled less any sum or sums already paid as compensatory damages.

On payment **we** shall relinquish the conduct and control of and **we** will be under no further liability in connection with such claim or claims except for the payment of **costs and expenses** incurred prior to the date of such payment.

##### 11.5.3. Discovery of a Claim or Circumstance – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent during the **period of insurance**. If **you**:

- a) receive notice of any claim that is indemnifiable under this **section** other than any claim received through a **letter of claim**, **you** must give notice in writing to **us** as soon as practicable, but in any event not later than thirty (30) days from receipt of any claim or notice of an intention to make a claim, but in any event within seven (7) days after the expiry of the **period of insurance**;
- b) receive a **letter of claim**, **you** must give notice in writing to **us** as soon as practicable and in any event within seven (7) working days from receipt of such **letter of claim** and not later than the expiry of the **period of insurance**;
- c) become aware of any **circumstance**, **you** must give notice in writing to **us** of such **circumstance** as soon as practicable but in any event before expiry of the **period of insurance**.

**We** agree that any **circumstance** notified to **us** during the **period of insurance** which subsequently gives rise to a claim after expiry of this insurance will be deemed to be a claim first made during the **period of insurance**.

##### 11.5.4. Insurance Disputes

This insurance is governed by the laws of England and Wales. If any dispute arises between **you** and **us** as to the course of action to take in respect of the legal proceedings covered by this **section**, such dispute will be referred to a King's Counsel (or Solicitor with at least 20 years' experience in the field of insurance law) to be mutually agreed between the parties (or in default of agreement to be nominated by the President of the Law Society) whose decision will be final. In the event of conflict between any parties insured under this **policy** separate representation will be arranged for each party.

##### 11.5.5. Subrogation

If any payment is made by **us**, **you** grant to **us** all rights of recovery against any parties from whom a recovery



may be made and **you** will take all reasonable steps to preserve such rights and **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person.

**You** or any other party insured by the **policy** must, at **our** request and expense undertake such acts as may be required for the purpose of enforcing any rights and remedies whether or not **we** have indemnified **you**.

**We** agree to waive any rights of recovery against any of **your employees** or former **employees**, self employed persons or consultants unless liability has resulted in whole or part from any act or omission by them which is dishonest, fraudulent, criminal or malicious.

#### **11.6. Exclusions and limitations applying to the Professional Indemnity section**

In addition to the limitations and exclusions in the 'General Exclusions' **section**, **we** will not indemnify **you** under this **section** in respect of:

- a) any claim arising from **asbestos** or any materials containing asbestos in whatever form or quantity, or in any way involving **asbestos** or such materials;
- b)
  - i **bodily injury**, sickness, disease or death or loss, **damage** or loss of use of property directly or indirectly caused by **pollution** or contamination; and/or
  - ii the cost of removing nullifying or cleaning-up seeping, polluting or contaminating substances;
- c) any liability for, directly or indirectly arising out of, or in any way involving the ownership, possession or use by or on behalf of **you** of any aircraft, watercraft, hovercraft, motor vehicle or trailer or any buildings, structures, premises or land or that part of any building leased, occupied or rented by **you** or any of **your** property;
- d) any liability, duty or obligation incurred or assumed by **you** which is not incurred or assumed in the normal conduct of the **your business services**.
- e) any bodily or psychological injury, sickness, disease or death of any **employee** or any claim arising out of any dispute between **you** and any present or former **employee** or any person who has been offered employment with **you**;
- f) any liability for, directly or indirectly arising out of, or in any way involving the manufacture, construction, alteration, repair, servicing or treating of any goods or **products** sold, distributed or supplied including the sale and/or supply of hardware and/or software by **you**;
- g) any act, error or omission of any of **your** partner(s) or director(s) which is dishonest, fraudulent, criminal or malicious, or any claim where any person has committed a dishonest, fraudulent, criminal or malicious act after discovery by **you** of reasonable cause for suspicion that such act has been committed;
- h) any claim made against **you** by either:
  - i any entity in which **you** exercise a controlling interest; or
  - ii any entity exercising a controlling interest over **you** by virtue of having a financial or executive interest in **your** operation;unless such claim is made against **you** for an indemnity or contribution in respect of a claim made by an independent party against the said entities detailed in 11.6. h) i or 11.6. h) ii above and arises out of the exercise and conduct of the **business**;
- i) any claim in respect of liquidated damages or penalties due to liability assumed by **you** under any contract or agreement where such liability would not have existed in the absence of such contract or agreement;
- j) any work or activities undertaken by **you** outside of the **United Kingdom**, Channel Islands, Isle of Man and Member States of the European Union
- k) any claim brought (or the enforcement of any judgement or award entered against **you**) outside the courts of the **United Kingdom**, Channel Islands, Isle of Man and Member States of the European Union;
- l) fines, penalties, punitive, multiple or exemplary damages;
- m) any claim arising from the exercise and conduct of the **business** prior to the retroactive date stated

- in the **schedule** (if applicable);
- n) an **insolvency event**;
  - o) **damage to documents** which are stored on magnetic or electrical media unless such **documents** are duplicated on magnetic or electrical media with the intention that in the event of loss or damage the duplicate can be used as the basis for restoring the **documents** to their original status;
  - p) **damage to negotiable money**;
  - q) any claim arising from being a director, officer or trustee of **yours** (as opposed to those duties and functions carried out in furtherance of the **business**) or from the acceptance of any directorship or trusteeship in any other company not forming part of **you**;
  - r)
    - i any claim made, threatened or intimated against **you** prior to the **period of insurance**; or
    - ii circumstances notified or which ought reasonably to have been notified to any previous insurer (including the insurer in respect of any previous period of insurance) or circumstances known, or which ought reasonably to have been known, by **you** prior to the **period of insurance**.
  - s) acts, errors or omissions committed by **you** after the date of any take-over or merger unless otherwise agreed by **us**;
  - t) any trading losses or trading liabilities incurred by any business managed or carried on by **you** including loss of any client account or business;
  - u) any consequential loss arising from **your** failure to arrange and/or maintain insurance and/or finance;
  - v)
    - i any depreciation or loss of investment when such depreciation or loss arises from fluctuations in any financial stock or commodity or other markets, and any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments;
    - ii any investment advice given or services performed which have not been authorised where such authorisation is required under any statutory regulation by an appropriate statutory authority;
  - w) any liability for, or directly or indirectly arising out of, or in any way involving **you** acting in the capacity of trustee, fiduciary or administrator of any employer-sponsored pension or superannuation scheme or superannuation programme;
  - x) any claim arising out of:
    - i bodily or psychological injury, sickness, disease or death of any person(s);
    - ii **damage** to property other than as provided under the 'Loss of or Damage to Documents' extension of this **section**;
  - y) any claim arising out of **your** contractual liability unless such liability would have existed in the absence of such a contract or agreement;
  - z) any claim or **circumstance** or **defence costs** arising from actual or attempted sexual relations, sexual contact or intimacy, sexual harassment or sexual exploitation whether under the guise of treatment or not, or in the course of treatment or not;
  - aa) any claim either directly or indirectly or in connection with or in any way involving medical malpractice;
  - bb) any claim which arises out of any statement which **you** knew, or ought reasonably to have known, was libellous or slanderous at the time it was made or any claim arising from personal spite or ill will towards any claimant or arising from reckless behaviour;
  - cc) liability arising out of **your** involvement in any joint venture, consortium or other profit sharing scheme other than as provided under the 'Joint Venture or Consortium' extension of this **section**;
  - dd) the **excess** stated in the **schedule**;
  - ee)
    - i save as expressly provided in this clause, or by other restrictions in the **policy** specifically relating to the use of, or inability to use, a **computer system**, no cover otherwise provided shall be restricted solely due to the use of, or inability to use, a **computer system**;

- ii there shall be excluded from this **section** any loss, damage, liability, claim, costs, expense, fines, penalties, mitigation costs or any other amount directly caused by, directly resulting from or directly arising out of:
  - (a) a **cyber act**; or
  - (b) any partial or total unavailability of any **computer system**;  
provided the **computer system** is owned or controlled by **you** or any other party acting on **your** behalf in either case;
  - (c) the receipt or transmission of malware, malicious code or similar by **you** or any other party acting on **your** behalf;
- iii there shall be excluded from this **section** any loss, damage, liability, claim, costs, expense, fines, penalties, mitigation costs or any other amount directly or indirectly caused by, directly or indirectly resulting from or directly or indirectly arising out of any failure or interruption of service provided:
  - (a) to **you** or any other party acting on **your** behalf by an internet service provider, telecommunications provider or cloud provider but not including the hosting of hardware and software owned by **you**;
  - (b) by any utility provider, but only where such failure or interruption of service impacts a **computer system** owned or controlled by **you** or any other party acting on **your** behalf;
- iv there shall be excluded from this **section** any loss, damage, liability, claim, costs, expense, fines, penalties, mitigation costs or any other amount for actual or alleged breach of Data Protection Law by **you** or any other party acting on **your** behalf;
- v any cover in this **section** for costs of reconstituting or recovering lost, inaccessible or damaged **documents** owned or controlled by **you** or any other party acting on **your** behalf shall not apply to **data**.

## 12. Directors', Trustees' and Officers' Liability

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 12.1. Directors', Trustees' and Officers' Liability Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 12.1.1. Claim

Means any written demand for monetary damages or non-monetary relief, any civil proceedings or any formal administrative or regulatory proceedings.

#### 12.1.2. Employment practice claim

Means a **claim** for an **employment wrongful act**.

#### 12.1.3. Employment wrongful act

Means any act, error or omission committed or attempted by or allegedly committed or attempted by **you** or an **insured person**, or by any third party where **you** are held vicariously liable, relating to any actual or alleged:

- a) breach of any employment contract;
- b) wrongful dismissal or termination of employment whether actual or constructive;
- c) unfair dismissal;
- d) unequal pay;
- e) unlawful deduction from wages;
- f) discrimination including on grounds of sex, sexual orientation, pregnancy, age, religion, race or disability;
- g) sexual or other harassment or victimisation in the workplace;
- h) employment related misrepresentations;
- i) wrongful deprivation of any career opportunity, employment or promotion or demotion;
- j) failure to grant tenure;
- k) wrongful discipline or negligent evaluation;
- l) employment related invasion of privacy, defamation, libel, slander or humiliation;
- m) failure to adopt adequate employment or workplace policies or procedures;
- n) employment-related breach, violation or non-compliance with the Data Protection Act 2018;
- o) illegal retaliatory treatment including retaliation in violation of any law relating to Whistleblowing;

arising solely as a result of the employment or non-employment by **you** of any current, former or prospective **employee**.

#### 12.1.4. Insured person

Means:

- a) in respect of all **claims** other than **employment practice claims** any natural person who was, is, or during the period of insurance becomes a director, officer, governor, committee member or trustee of **yours**;
- b) in respect of **employment practice claims**, any natural person who was, is, or during the period of insurance becomes a director, officer, governor, committee member, trustee or **employee** of **yours**;
- c) for legal liability incurred due to a **wrongful act** of a director, officer, governor, committee member, trustee or **employee** of **yours**, in the event of the death or incompetency or bankruptcy of such person cover is extended to include heirs, legal representatives or assigns;

- d) any lawful spouse, civil partner or domestic partner of any director, officer, governor, committee member or trustee of **yours** but excluding any natural person who was, is or may during the period of insurance become a trustee or administrator of any pension or superannuation scheme, health and welfare plan or other employee benefit program established or maintained for the benefit of **employees**.

#### 12.1.5. **Loss**

Means:

- a) damages, judgments or settlements agreed with **our** prior written consent (such consent not be unreasonably withheld);
- b) claimants' legal costs;
- c) **defence costs**.

#### 12.1.6. **Run-off period**

Means seventy-two (72) consecutive months from the date from which **you** do not renew this **section** of the **policy**.

#### 12.1.7. **Subsidiary**

Means:

- a) any branch, division or other internal structure of **yours** except any pension fund, or scheme established for the company's own directors, officers or **employees**;
- b) any company in respect of which **you** (either directly or indirectly through one or more of **your** subsidiaries):
- i control the composition of the board of directors; or
  - ii control more than fifty percent (50%) of the voting power; or
  - iii hold more than half of the issued share capital;
- c) any company falling within 12.1.7.a) or 12.1.7.b) which is acquired or created on or subsequent to the inception date of this **section** and of which the total assets do not exceed 20% of **your** total consolidated assets at the last financial year end, provided that cover will only apply in respect of a **wrongful act** committed or alleged to have been committed by an **insured person** subsequent to the date of such acquisition or creation;
- d) any company other than those referred to in 12.1.7.b) i, ii or iii in respect of which **we** have agreed in writing to cover it as a subsidiary under this **section**.

#### 12.1.8. **Takeover**

Means any sale of **you** or **your** merger with or acquisition by another entity such that **you** are not the surviving entity, or the acquisition by any entity or person of fifty percent (50%) or more of **your** voting stock.

#### 12.1.9. **Wrongful act**

Means any actual or alleged error, omission, misstatement, misleading statement, wrongful act, , neglect, breach of trust, breach of duty, breach of warranty of authority, breach of statutory law, defamation, **employment wrongful act**, wrongful trading or any other wrongful act or omission committed or attempted by or allegedly committed or attempted by any **insured person** while acting in their capacity as an **insured person** for **you** in connection with the **business**.

#### 12.1.10. **You/your/yourself/policyholder**

Means the company or organisation named in the **schedule** and including all **subsidiaries**.

## 12.2. **Directors', Trustees' and Officers' Liability Cover**

### 12.2.1. **Cover Clause A – Trustees' Liability**

**We** will indemnify the **insured persons** against legal liability for **loss** arising from any **claim** for a **wrongful act** which is first made against them jointly or severally and notified to **us** during the **period of insurance** except when and to the extent that they have been indemnified by **you**.

### 12.2.2. **Cover Clause B – Entity Reimbursement**

We will indemnify **you** against legal liability for **loss** arising from any **claim** for a **wrongful act** which is first made against an **insured person** and notified to **us** during the **period of insurance** but only when and to the extent it will be lawful for **you** to indemnify them.

### 12.3. **Directors', Trustees' and Officers' Liability Extensions**

The following extensions apply to this **section**.

#### 12.3.1. **Emergency Costs and Expenses**

If our prior consent to authorise **you** to incur costs and expenses cannot be reasonably obtained before **defence costs** are incurred in respect to any **claim** for a **wrongful act** which has been notified to **us** during the **period of insurance** we will pay **you** for emergency costs and expenses necessarily and reasonably incurred.

Our maximum liability under this extension in respect of all **claims** first made against **you** in any one **period of insurance** will not exceed ten percent (10%) of the **limit of indemnity** stated in the **schedule**.

#### 12.3.2. **Extended Reporting Period**

If:

- a) **we** cancel or refuse to renew this **policy** or this **section** of the **policy** for any reason other than non-payment of premium or noncompliance with terms and conditions of this **policy**; or
- b) **you** refuse to renew this **section** of the **policy**;

**you** will have the right to extend the expiring **period of insurance** provided by this **section** in respect of any **claim** first made against an **insured person** during the twelve (12) months after the effective date of such cancellation or expiry of this **section**, provided that:

- a) this extension will only be operative:
  - i if **you** do not replace the cover provided by this **section** with any other similar insurance with another insurer;
  - ii if written notice is given to **us** within ten (10) days of the effective date of cancellation or expiry of this **section**;
  - iii subject to payment of fifty percent (50%) of the annual premium of this **section** for the expiring **period of insurance**;
  - iv if the premium referred to in 12.3.2.iii above is paid to **us** within thirty (30) days of the effective date of cancellation or expiry of this **section**;
- b) **we** will not pay any **claim** arising from a **wrongful act** committed or attempted after the effective date of cancellation or expiry of this **section**;
- c) an offer by **us** to renew this **section** subject to terms, conditions or a **limit of indemnity** different from those of the expiring **period of insurance** will not constitute a refusal to renew;
- d) there has been no **takeover**;
- e) **our** liability under this extension will form part of and not be in addition to the **limit of indemnity** shown in the **schedule** for this **section**.

#### 12.3.3. **Legal Representation**

We will indemnify **you** within the **limit of indemnity** shown in the **schedule** for this **section** in respect of reasonable costs and expenses necessarily incurred with **our** written consent for representation at any official examination, enquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate **your** affairs which is first instigated against **you** and notified to **us** during the **period of insurance** and which may otherwise be the subject of indemnity under this **section**.

**Our** maximum liability under this extension during the **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.



#### 12.3.4. Outside Organisations

We will indemnify the **insured person** within the **limit of indemnity** shown in the **schedule** for this **section** for any **wrongful act** committed in the capacity as a director, officer, governor, committee member or trustee of any voluntary not-for profit charitable organisation, other than **you** or any **subsidiary**, registered (for any purpose), domiciled or incorporated in the **territorial limits**, provided that:

- a) the **insured person** was acting in such capacity on **your** written request and authority;
- b) if a **claim** or **loss** would but for the existence of this extension be insured by any other valid and collectable insurance in respect of such other organisation, **we** will only be liable for any amount above that collectable under such other insurance.

#### 12.3.5. Pollution or Contamination Defence Costs

Within the **limit of indemnity** shown in the **schedule** for this **section** we will indemnify **defence costs** incurred by the **insured person** as a result of any **claim** arising from **pollution**, provided that **we** will not pay for any **claim** arising from a **wrongful act** occurring prior to the original inception date of this **section**.

**Our** maximum liability under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension per **occurrence** and in the aggregate.

#### 12.3.6. Retired Insured Persons

In the event that **you** do not renew this **section**, this **section** will continue in force during the **run-off period** for any **insured person** who retires prior to the date of non-renewal, provided that:

- a) we will only pay a claim under this extension for a **claim** arising from a **wrongful act** prior to the date of retirement of the **insured person**;
- b) the **run-off period** shall run concurrently with any extended reporting period under the 'Extended Reporting Period' extension of this **section**;
- c) no similar indemnity is provided by any other insurance.

#### 12.4. Maximum Amount Payable

The maximum **we** will pay under this **section** in respect of all **losses** arising from all **claims** first made against **you** in any one **period of insurance** will not exceed the **limit of indemnity** stated in the **schedule**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay inclusive of **defence costs** in respect of any applicable extensions provided by this **section** shall be within and not in addition to the maximum amount we will pay in accordance with this condition.

#### 12.5. Other Directors', Trustees' and Officers' Liability Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions'.

##### 12.5.1. Allocation of Loss

- a) If a **claim** is made against a party entitled to cover under this **section** in respect of **loss** and **defence costs** covered by this **section** together with other loss or costs and expenses that are not covered by this **section** or a **claim** is made against both a party entitled to cover under this **section** and a party who is not so entitled to cover, then the following will apply:
  - i **we** shall pay only such amount as is just and equitable having regard to established judicial allocation principles of the **loss** and **defence costs** covered compared to other loss and costs and expenses which is not covered by this **policy** and of the party entitled to cover compared to the party not so entitled;
  - ii the **insured persons** or where applicable, **you** and **us** shall use their best efforts to agree this amount; and
  - iii in default of an agreement, this amount shall be determined by an independent lawyer in accordance with the principles set out in clause 12.5.1. a) i above;
- b) Under Cover Clause A— Trustees' Liability, **we** will, to the fullest extent permissible by law, advance **defence costs** prior to the final settlement of the **claim**, unless such **defence costs** have been advanced by **you**.

- c) Under Cover Clause B— Entity Reimbursement, **we** will, to the fullest extent permissible by law, advance **defence costs** prior to the final settlement of the **claim**.

Such advance payments of **defence costs** as referred to in 12.5.1. b) and 12.5.1. c) of this condition will be repayable to **us** by the **insured persons** and **you** severally according to their respective interests, in the event and to the extent that it is determined that they will not be entitled under this **section** to payment of such **defence costs**.

#### 12.5.2. Authorisation

**You** will act on behalf of **yourself** and all **insured persons** with respect to the giving and receiving notice of any **claim**, the payment of premiums and the receipt and acceptance of any endorsements attaching to and forming part of this **section**.

#### 12.5.3. Avoidance

In the event **we** are entitled to avoid this **section** as if it had not existed from the start date **we** may at **our** option elect instead to give notice in writing to **you** that **we** regard this **section** as in full force and effect but that any **loss** which has arisen or which may arise and which is related to the circumstances which entitle **us** to avoid this **section** will be excluded from the cover provided.

This **section** will then continue in full force and effect but will be deemed to exclude the particular **loss** referred to in such notice as if it had been specifically endorsed from the start date of the **policy**.

#### 12.5.4. Continuous Wrongful Acts

- a) all causally connected or interrelated **wrongful acts**, or conduct of the **insured person** (acting in their capacity as an **insured person**), jointly constitute a single **wrongful act**, or conduct, under this **policy**, which shall be deemed to have occurred upon the date of the earliest **wrongful act**, or conduct;
- b) where a single **wrongful act**, or conduct, or series of causally connected or interrelated **wrongful acts** or conduct of the **insured person** (acting in their capacity as an **insured person**), gives rise to more than one **claim**, all such **claims** directly or indirectly arising out of, consequent upon or attributable to one source or original cause shall jointly constitute one **claim**, which shall be deemed to have been made at the time the first **claim** was made.

#### 12.5.5. Contest of Claims

- a) We will not require the **insured person** or **you** to contest any **claim** or legal proceedings unless the legal opinion of counsel (to be agreed upon by the **insured person**, **you** and **us**) advises that such proceedings should be contested having given full consideration to all relevant factors including but not limited to:
- i .the financial implications, damages and costs likely to be recovered by the claimant;
  - ii the likely **defence costs**;
  - iii the prospects of the **insured persons** successfully defending the **claim**; and
  - iv in respect of a criminal or regulatory **claim**, the reputation of the **insured person** or the **company**.
- b) **We** will not settle any **claim** without the consent of the **insured person** or **you**. If however the **insured person** or **you** refuse to consent to any settlement recommended by **us** and elect to contest or continue any legal proceedings in connection with such **claim**, then **our** liability for the **claim** will not exceed the amount by which the **claim** could have been so settled inclusive of **defence costs** incurred with the **insured person's** or **your** consent up to the date of such refusal, and then only up to the applicable maximum amount payable shown in the **schedule**.
- c) **We** will be entitled to nominate a solicitor and, if appropriate, a barrister to represent the **insured person**. Where the same or a similar **claim** is made against more than one **insured person** or against the **you** and any **insured person**, the same lawyers shall be appointed to defend all of them unless there is conflict of interest between them.

#### 12.5.6. Defence of Claims – CONDITIONS PRECEDENT

**We** will only indemnify **you** and the **insured person** if **you** and the **insured person** comply with the following

conditions precedent. **You** and/or the **insured person** must:

- a) give **us** such information and co-operation as **we** reasonably require and will not disclose to anyone the existence of this insurance without **our** prior written consent, unless required to do so by law or court order;
- b) not admit liability for or attempt to settle any **claim** or incur **defence costs** without **our** prior written consent and neither shall you or the insured person take action that might or will prejudice **us**. At any time **we** will be entitled to take over and conduct in the name of the **insured person** or **you** the defence or settlement of any **claim** or to prosecute in the name of the **insured person** or **you** for their own benefit any **claim** for payment, indemnity or damages or otherwise against any third party.

#### 12.5.7. Discharge of Liability

**We** may at any time pay to **you** in connection with any **claim** or series of **claims**:

- a) the amount of the **limit of indemnity**;
- b) any lesser amount for which such **claim** or series of **claims** can be settled less any sum or sums already paid.

On payment **we** shall relinquish the conduct and control of and **we** will be under no further liability in connection with such **claim** or **claims** except for the payment of claimants' legal costs and **defence costs** incurred prior to the date of such payment.

#### 12.5.8. Notice of Circumstance or Claim – CONDITIONS PRECEDENT

**We** will only indemnify **you** and the **insured person** if **you** and the **insured person** comply with the following conditions precedent. **You** and/or the **insured person** must give **us** written notice:

- a) as soon as reasonably possible of any **circumstances** which might reasonably be expected to give rise to a **claim** against an **insured person**, including the reasons for the anticipation of such **claim**, with full particulars as to dates and persons involved. Any subsequent **claim** arising out of the notified **circumstances** will be deemed to have been made at the time of notice to **us**;
- b) as soon as reasonably possible and in any event within thirty (30) days of the end of the **period of insurance** of any **claim**.

#### 12.5.9. Proportionality of Costs

Where **you** become liable to pay a sum in excess of the amount of indemnity available under this **section we** will pay only the proportion of any claimants' legal costs and **defence costs** that the available amount of indemnity bears to **your** total liability.

#### 12.5.10. Severability

- a) The proposal for this insurance will be construed as a separate application for insurance under this **section** by each **insured person**. With regards to the Proposal Form, Statement of Fact or electronic application together with the declarations and statements contained therein, no statements in such Proposal Form, Statement of Fact or electronic application or knowledge possessed by any **insured person** will be imputed to any other **insured person** for the purposes of determining the availability of indemnity by this **section** for loss arising from a **claim** made against an **insured person**.
- b) For the purpose of determining the applicability of any conditions and exclusions, the **wrongful act** of any **insured person** or **you** will not be imputed to any other **insured person**.

#### 12.5.11. Takeover

In the event of a **takeover** any cover by this **section** in respect of **loss** arising from a **claim** will apply only to any **loss** by reason of **wrongful acts** committed by an **insured person** prior to the date of such **takeover**.

### 12.6. Exclusions and limitations applying to the Directors', Trustees' and Officers' Liability section

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) any actual or alleged bodily or psychological injury, sickness, disease or death of any person or any actual or alleged **damage** to or destruction of any tangible property, including loss of use thereof, other than in respect of:

- i **defence costs**;
  - ii any **claim** for emotional distress or mental anguish in respect of an **employment practice claim**.
- b) **pollution** or contamination than as provided for under the 'Pollution or Contamination Defence Costs' extension;
- c) any **loss** in connection with any **claim** directly or indirectly arising from or in any way involving:
- i any trading losses, liabilities or debts;
  - ii defamation, libel or slander resulting from errors or omissions in printing;
  - iii an **insured person** acting in any capacity as external or statutory auditor, liquidator, receiver, administrator or administrative receiver;
- d) any **loss** in connection with any **claim** directly or indirectly arising from or in any way involving:
- i **you** or an **insured person** receiving any remuneration or gaining any profit or advantage which **you** or they had or have no legal entitlement to;
  - ii any actual dishonest, fraudulent or malicious act or omission of any **insured person**;
  - iii any act or omission which an **insured person** knew to be a **wrongful act** or which was committed by the **insured person** in reckless disregard of whether it was a **wrongful act** or not;
- e) any actual or alleged breach of any professional services or duty by any **insured person** or **you**;
- f) any **loss** in connection with any **claim** brought about by, or contributed to by, or consequent upon, any fact, **circumstance** or situation which has been the subject of any notice given under any insurance which was in force prior to the **period of insurance** or which was known about by **you** or any **insured person** prior to the **period of insurance** and might reasonably be expected to give rise to a **claim** but was not disclosed to **us** prior to inception of this **section**;
- g) any **loss** in connection with any **claim** brought by or on behalf of any **insured person** or **you**, other than:
- i a **claim** instigated by a shareholder or group of shareholders without the solicitation, participation or assistance of any **insured person** or **you**;
  - ii an **employment practice claim** brought or maintained by any **insured person**;
  - iii a **claim** brought or maintained by any **insured person** for contribution or indemnity, if the **claim** directly results from any other valid **claim** made under this **section** brought by a liquidator, administrative receiver or receiver either derivatively on behalf of **you** without the solicitation, participation or assistance of any **insured person** or **you**;
- h) any **loss** in connection with any **claim** made by or on behalf of any person or entity holding beneficially or otherwise more than twenty percent (20%) of **your** issued share capital whether such **claim** is made in **your** name or not;
- i) any **loss** in connection with any **claim** based upon or attributable to the actual or intended listing of any of **your** share capital on any stock exchange;
- j) any **claim** or **circumstance** or **defence costs** arising from actual or attempted sexual relations, sexual contact or intimacy, sexual harassment or sexual exploitation whether under the guise of treatment or not, or in the course of treatment or not;
- k) any **claim** either directly or indirectly or in connection with or in any way involving medical malpractice;
- l) any **claim** brought (or the enforcement of any judgement or award entered against **you**) outside the courts of the **United Kingdom**, Channel Islands, Isle of Man and Member States of the European Union;
- m) any **claim** or **loss** arising from **your** failure to arrange and/or maintain insurance and/or finance;
- n) any liability for, or directly or indirectly arising out of, or in any way involving **you** acting in the capacity

of trustee, fiduciary or administrator of any employer-sponsored pension or superannuation scheme or superannuation programme;

- o) any **claim** which arises out of any statement which **you** or an **insured person** knew, or ought reasonably to have known, was libellous or slanderous at the time it was made;
- p) any **claim** arising out of **your** contractual liability unless such liability would have existed in the absence of such a contract or agreement;
- q) any liability arising out of **your** involvement in any joint venture, consortium or other profit sharing scheme;
- r) any liability in respect of taxes, fines, penalties or liquidated, punitive or exemplary damages, aggravated or multiplied damages, or claims deemed uninsurable by law;
- s) the applicable **excess** stated in the schedule.

## 13. Legal Expenses

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 13.1. Legal Expenses Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 13.1.1. Agency worker

Means a person under a contract with **you** who is engaged to perform work for a client of **your business** as an agency worker.

#### 13.1.2. Appointed advisor

Means:

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

#### 13.1.3. Collective conditional fee agreement

Means a legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of either:

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

#### 13.1.4. Conditional fee agreement

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

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

#### 13.1.5. Crisis communication

Means:

- a) liaison by **us** between **you** and **your** solicitor whether the solicitor is an **appointed advisor** under this **section** or acts on **your** behalf under another **section** of this **policy**, or any other policy to draft a media statement or press release;
- b) preparation of communications for **your** customers/suppliers and/or telephone or website script or social media messaging;
- c) support and representation for an **insured person** at an event which media will be reporting;
- d) taking phone calls, responding to email and managing interaction with media outlets;
- e) supporting and preparing the **insured person** for media interviews.

#### 13.1.6. Employee

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

#### 13.1.7. Insured person

Means **you** and **your** directors, partners, managers, **employees** and any other individuals declared by **you** to **us**.

#### 13.1.8. Insurer

Means HDI Global Specialty SE (commercial register number: HRB 211924), (FRN: 659331).



### 13.1.9. Legal costs & expenses

Means:

- a) reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term “standard basis” can be found within the Courts’ Civil Procedure Rules Part 44.3;
- 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 Insured Events 12. Tax Disputes and 17. Executive Suite by the **appointed advisor** and agreed by **us** in advance;
- d) Health & Safety Executive Fees for Intervention;
- e) basic wages or salary otherwise payable by **your business** while the **insured person** attends court or tribunal at the request of the **appointed advisor** or whilst performing jury service where lost wages or salary cannot be claimed back from the court or tribunal;
- f) the reasonable cost of phone calls, postage, image scanning, photocopying and credit reports incurred following personal identity theft, where the **insured person** has taken advice from **our** Identity Theft Resolution Service;
- g) the professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention following a claim for **crisis communication**.

### 13.1.10. Occurrence date

Means:

- a) for a civil claim will be the date of:
  - ii the event, or
  - iii the first in a series of events that arise from the same original cause that leads to a claim;
- b) for criminal cases will be the date the **insured person** began, or is alleged to have begun, to commit an offence;
- c) for HMRC enquiries and compliance disputes, will be the date the **insured person** disagrees with the outcome of an HMRC Internal Review where the matter is appealable; or otherwise the date when the **insured person** receives notification of the enquiry, or when a non-compliance is raised by the HMRC;
- d) for an appeal against the terms imposed by a Statutory Notice will be the date **you** received the Statutory Notice;
- e) for investigations or disciplinary hearings by a professional or regulatory body (other than as in 13.1.10. f) below) will be the date the **insured person** is alleged to have committed a regulatory breach or act of misconduct;
- f) for the **insured person’s** attendance at Public Childcare Proceedings or Public Law Childcare Proceedings will be the date the **insured person** receives a request to attend the proceedings;
- g) for an appeal against the decision of a licensing or registration authority will be the date the **insured person** became aware of the relevant authority’s decision against which they wish to appeal;
- h) for **crisis communication** will be the date of publication of material that could cause damage to **your business** reputation.

### 13.1.11. Reasonable prospects of success

Means:

- a) other than set out in 13.1.11. b) and c) below, a greater than fifty percent (50%) chance of the **insured person** successfully pursuing or defending the claim and, if the **insured person** is seeking damages or compensation, a greater than fifty percent (50%) chance of enforcing any judgment that might be obtained;

- b) in criminal prosecution claims where the **insured person**:
  - i pleads guilty, a greater than fifty percent (50%) chance of reducing any sentence or fine; or
  - ii pleads not guilty, a greater than fifty percent (50%) chance of that plea being accepted by the court;
- c) in all claims involving an appeal, a greater than fifty percent (50%) chance of the **insured person** being successful;

where it has been determined that **reasonable prospects of success** as set out in 13.1.11. a), b) and c) above do not exist, the **insured person** will be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

#### 13.1.12. Territorial limits

Means the **United Kingdom**, Channel Islands and Isle of Man and will extend to **Europe**, Norway and Switzerland for Insured Events 2. Contract & Debt Recovery and 6. Legal Defence.

#### 13.1.13. We, us, our

Means ARAG plc who is authorised under a binding authority agreement on behalf of the **insurer**.

### 13.2. Legal Expenses Cover

The **insurer** will pay **legal costs & expenses** (and compensation awards under Insured Event 15. Employment Compensation Awards) up to the 'Limit of Indemnity' specified in **your schedule** (£1,000,000 aggregate limit per annum applies under Insured Event 15. Employment Compensation Awards) for all claims related by time or originating cause (including the cost of appeals) that arise in connection with the **business** and occur within the **territorial limits** with an **occurrence date** during the **period of insurance** and subject to the claim having a **reasonable prospects of success** and being reported to **us** as soon as the **insured person** first becomes aware of circumstances which could give rise to a claim for the following Insured Events.

Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body.

### 13.3. Insured Events

#### 1. Compliance & Regulation

- a) Receipt of a Statutory Notice that imposes terms against which **you** wish to appeal;
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body;
- c) A civil action alleging wrongful arrest arising from an allegation of theft;
- d) A claim against **you** for compensation under the Data Protection Act 2018 provided that **you**:
  - i have paid the data protection fee; and
  - ii are able to evidence that **you** have in place a process to:
    - (a) investigate complaints from data subjects regarding a breach of their privacy rights;
    - (b) offer suitable redress where a breach has occurred and that **your** complaints process has been fully engaged;
- e) Receipt of a request to attend Public Childcare Proceedings/Public Law Children Order proceedings (as a respondent or intervener) by a Local Authority or the NSPCC under the Children Act 1989 or Children (Northern Ireland) Order 1995: arising from childcare provided by an **insured person**.

Note— Public Childcare Proceedings/Public Law Children Order proceedings are convened when it is considered that a child(ren) is suffering or is likely to suffer significant harm if they remain in the care of the primary care givers. Anyone included in the potential pool of perpetrators of alleged non-accidental injury could be asked to attend any/all of the following:

- a) a Case Management Hearing;
- b) a Further Case Management Hearing;
- c) a Fact Finding hearing;

- d) a Final Hearing.

The 'Registration' condition precedent in the 'General Terms' **section** will be waived for the purpose of applying insurance under this Insured Event.

The **insurer** will not be liable for any claim relating to:

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

## **2. Contract & Debt Recovery**

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** to buy, sell, hire or lease goods or services (including the provision of **agency worker(s)**) or to rent **your premises** provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures.

The **insurer** will not be liable for any claim relating to:

- a) the letting, leasing or licensing of land or buildings where **you** act as the landlord;
- b) the sale or purchase of land or buildings;
- c) loans, mortgages, endowments, pensions or any other financial product;
- d) computer hardware, software, internet services or systems which have been tailored to **your** requirements;
- e) a breach or alleged breach of a professional duty by **you**;
- f) the settlement payable under an insurance policy;
- g) adjudication or arbitration;
- h) a dispute relating to an **employee** or **ex-employee**;
- i) an amount which is less than £200.

## **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 provide **crisis communication**.

The **insurer** will not be liable for any claim relating to:

- a) matters that should be dealt with through **your** normal complaints procedures;
- b) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast;
- c) costs incurred in excess of £25,000.

## **4. Employment Restrictive Covenants (defence)**

A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

## **5. Identity Theft**

A principal, executive officer, director or partner of **your business**, is the victim of personal identity theft and has sought and followed advice from **our** Identity Theft Resolution service.

## **6. Legal Defence**

- a) A criminal investigation and/or enquiry by:
  - i the police;
  - ii other body with the power to prosecute;

where it is suspected that an offence may have been committed that could lead to an **insured person** being prosecuted;

- b) The charge for an offence or alleged offence which leads to an insured person being prosecuted in a court of criminal jurisdiction.

The **insurer** will not be liable for any claim relating to a parking offence.

#### 7. Loss of Earnings

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

The **insurer** will not be liable for any sum which can be recovered from the court or tribunal.

#### 8. Partnership Disputes

A dispute that arises from the terms of a **business** partnership agreement entered into by a principal, executive officer, director or partner of **your business** that is to be referred to mediation.

The **insurer's** liability will not exceed the amount shown in the **schedule**.

#### 9. Personal Injury

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

The **insurer** will not be liable for any claim arising from or relating to a condition, illness or disease which develops gradually over time.

#### 10. Property

A dispute relating to material property which **you** own or is **your** responsibility following:

- a) an event which causes **damage** to **your** material property;
- b) a public or private nuisance or trespass.

The **insurer** will not be liable for any claim relating to:

- a) a contract between **you** and a third party;
- b) goods lent or hired out;
- c) compulsory purchase, demolition restrictions, controls or permissions placed on land or property by any government, local or public authority.

#### 11. Statutory Licence Appeals

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

#### 12. Tax Disputes

- a) A formally notified enquiry into **your** tax return;
- b) A dispute with HMRC about Value Added Tax;
- c) Reasonable accountancy fees reasonably incurred by the **appointed advisor** and agreed by **us** in advance;

Provided that:

- a) **you** keep proper records in accordance with legal requirements;
- b) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

The **insurer** will not be liable for any claim 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 **your** financial arrangements;
- d) any enquiry that concerns assets, monies or wealth outside of the **United Kingdom**;
- e) **your** failure to register for VAT.

### 13. Employees' Compliance & Regulation

A civil action alleging that one or more of **your** directors, partners, managers, **employees** or any other individuals for whom **you** have arranged insurance on the same basis as **your employees** has:

- a) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of **your employees**;
- b) committed an act of unlawful discrimination.

### 14. Employment

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

- a) contract of service with **you**;
- b) related legal rights; or
- c) an **agency worker** agreement.

A claim can be made under the policy provided that where applicable, all internal procedures as set out in the:

- a) ACAS Code of Practice for Disciplinary and Grievance Procedures; or
- b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland have been or ought to have been concluded.

The **insurer** will not be liable for any claim relating to:

- a) the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal;
- b) costs **you** incur to prepare for an internal disciplinary hearing grievance or appeal;
- c) a pension scheme where actions are brought by ten or more **employees** or ex-**employees**.

### 15. Employment Compensation Awards

Following a claim **we** have accepted under Insured Event 14. Employment, the **insurer** will pay any:

- a) basic and compensatory award;
- b) an amount agreed by **us** in settlement of a dispute.

Provided that compensation is:

- a) agreed through mediation, conciliation or under a settlement approved by **us** in advance; or
- b) awarded by a tribunal judgment after full argument unless given by default.

The **insurer** will not be liable to pay:

- a) money due to an **employee** under a contract or a statutory provision relating thereto;
- b) compensation awards or settlements relating to:
  - i trade union membership, industrial or labour arbitration or collective bargaining agreements;
  - ii civil claims or statutory rights relating to trustees of occupational pension schemes.

### 16. Employment Restrictive Covenants

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:

- a) is designed to protect **your** legitimate **business** interests, for a period not exceeding 12 months;
- b) is evidenced in writing and signed by **your employee** or ex-**employee**; and

- c) extends no further than is reasonably necessary to protect the **business** interests.

## 17. Executive Suite

In respect of a principal, executive officer, director or partner of **your business**:

- a) an HRMC enquiry into the their personal tax affairs;
- b) an alleged motoring offence, that arises from the use of a legally insured vehicle for personal domestic and pleasure purposes;
- c) **crisis communication** for personal matters that cause significant adverse publicity or reputational damage.

The **insurer** will not be liable for any claim 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 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.

## 18. Service Occupancy

A dispute relating to material property which **you** own or is **your** responsibility which **you** wish to recover or repossess from an **employee** or ex-**employee**.

## 19. Tax Compliance Disputes

- a) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors;
- b) Reasonable accountancy fees reasonably incurred by the **appointed advisor** and agreed by **us** in advance.

## 13.4. Other Legal Expenses Terms and Conditions

### 13.4.1. Acts of Parliament, Statutory Instruments and Civil Procedure Rules

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

### 13.4.2. Arbitration

If any dispute between the **insured person** and **us** arises from this **section**, the **insured person** can make a complaint to **us** (ARAG) and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured person's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured person** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute will be liable to pay the costs incurred.

If **we** and the **insured person** fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration will be subject to the Arbitration Acts and the arbitrator's decision will be binding on the parties.

### 13.4.3. 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 will be binding on the **insured person** and **us**. This does not affect



the **insured person's** right under the 'Arbitration' condition in the 'Other Legal Expenses Terms and Conditions' of this **section**.

#### 13.4.4. **Consent**

- a) The **insured person** must agree to **us** having sight of the **appointed advisor'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 their file for auditing and quality and cost control purposes;
- b) An **insured person** must have **your** agreement to claim under this **section**.

#### 13.4.5. **Freedom to Choose an Appointed Advisor**

- a) In certain circumstances, as set out in 13.4.5. b) of this clause below the **insured person** may choose an **appointed advisor**. In all other cases no such right exists and **we** will choose the **appointed advisor**;
- b) If:
  - i a suitably qualified advisor considers that it has become necessary to start proceedings or proceedings are issued against an insured;
  - ii there is a conflict of interest;the **insured person** may choose a qualified **appointed advisor** except where the **insured person's** claim is to be dealt with by the Employment Tribunal where **we** will always choose the **appointed advisor**;
- c) Where the **insured person** wishes to exercise the right to choose, the **insured person** must write to **us** 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 (**our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms);
- d) If the **insured person** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured person**, cover will end immediately;
- e) In respect of pursuing a claim under Insured Event 2. Contract & Debt Recovery **you** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

#### 13.4.6. **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, settle the claim or agree to pay **legal costs & expenses** 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 **legal costs & expenses**.

#### 13.4.7. **The Insured's Person's Responsibilities**

An **insured person** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in their favour;
- b) cooperate fully with **us**, give the **appointed advisor** any instructions required, and keep them updated with progress of the claim and not hinder them;
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**;
- d) allow the **insurer** at any time to take over and conduct in the **insured person's** name, any claim.



### 13.5. Exclusions and limitations applying to the Legal Expenses section

In addition to the exclusions in the 'General Exclusions' section, this section does not cover and the **insured person** is not covered for any claim arising from or relating to:

- a) **legal costs & expenses** or compensation awards incurred without **our** consent;
- b) any actual or alleged act, omission or dispute happening before, or existing at the start of cover under this **Section**, and which the **insured person** knew or ought reasonably to have known could lead to a claim;
- c) an allegation against the **insured person** involving:
  - i malicious falsehood or defamation (except in relation to Insured Event 3. Crisis Communication and Item c) of Insured Event 17. Executive Suite);
  - ii the manufacture, dealing in or use of alcohol, illegal drugs, illegal immigration;
  - iii offences under Part 7I) of the Proceeds of Crime Act 2002 (money laundering offences);
- d) defending a claim in respect of:
  - i damages for personal injury (other than injury to feelings in relation to Insured Event 14. Employment; or
  - ii loss or **damage** to property owned by the **insured person**;
- e) patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured Event 4. Employment Restrictive Covenants (defence) and Insured Event 16. Employment Restrictive Covenants);
- f) a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured Event 8. Partnership Disputes);
- g)
  - i. franchise agreements;
  - ii a dispute that arises from an agency agreement other than an agreement that **you** have entered into to engage or supply an **agency worker**;
- h) a judicial review;
- i) a dispute with **us**, the **insurer**, Morton Michel or the party who arranged this cover not dealt with under the 'Arbitration' condition in the 'Other Legal Expenses Terms and Conditions';
- j) the payment of fines, penalties or compensation awarded against the **insured person** (except as covered under Insured Event 15. Employment Compensation Awards) or costs awarded against the **insured person** by a court of criminal jurisdiction;
- k) a claim where the **insured person's** failure to notify **us** within a reasonable time of the **occurrence date** adversely affects the **reasonable prospects of success** of the claim or **we** consider the **insurer's** position has been prejudiced.

### 13.6. How We Use Your Information

This is a summary of how **we** may collect, use, share and store personal information. To view **our** full privacy statement please see **our** website: [www.arag.co.uk/cookie-policy/](http://www.arag.co.uk/cookie-policy/)

The insurer's full privacy notice may be found at the following link: [www.hdi-specialty.com/int/en/legals/privacy](http://www.hdi-specialty.com/int/en/legals/privacy)

#### 13.6.1. Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address and date of birth and if appropriate medical information. **We** will hold and process any such information in accordance with all 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.

### 13.6.2. 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.

### 13.6.3. Keeping personal information

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

### 13.6.4. Your rights

Any person insured by this **section** 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.

## 14. Portable Equipment

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 14.1. Portable Equipment Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 14.1.1. Occurrence

Means a single loss or series of losses directly or indirectly caused by, arising out of or in connection with a single event or a single original cause.

#### 14.1.2. Overnight

Means between the hours of 9pm and 6am.

#### 14.1.3. Working day of the driver

Means the period in any day during which a vehicle is being used for purposes in connection with the **business**.

### 14.2. Portable Equipment Cover

**We** will indemnify **you** for accidental **damage** to the property described against this **section** in the **schedule** occurring within the **territorial limits** or elsewhere as specified in the **schedule** during the **period of insurance**.

### 14.3. Portable Equipment Extensions

The following extensions apply to this **section**.

#### 14.3.1. Overnight Theft From Vehicles

Where this **section** is shown as "Insured" in the **schedule** **we** will indemnify **you** under this extension in respect of **damage** caused by theft or attempted theft to children's toys, play and educational equipment contained in an **unattended vehicle overnight** or after the completion of any **working day of the driver**, provided that the property stored within the **vehicle** is either:

- a) locked in a secure compartment;
  - b) locked in the boot of a saloon car;
  - c) within a closed glove compartment;
  - d) within the luggage space at the rear of an estate car or hatchback under the top cover and out of view;
  - e) within enclosed storage compartment of a van of a fully enclosed and rigid type;
- and:
- f) all windows and other means of entry are closed and locked, all doors have been secured and any other protective devices put into full and effective operation;
  - g) the **vehicle** is garaged in a secure building or compound or kept on the private drive of an **official's** domestic residence.

**We** will not indemnify **you** under this extension for **damage** to electrical equipment.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **sum insured** shown in the **schedule** per **occurrence** and in the aggregate.

### 14.4. Maximum Amount Payable

The maximum **we** will pay under this **section** in respect of any one **occurrence** will not exceed the **sum insured** stated against each item of property described against this **section** in the **schedule** unless otherwise stated.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay in respect of the 'Overnight Theft from Vehicles' extension provided by this **section** shall be within and not in addition to the maximum amount we will pay in accordance with this condition.

#### **14.5. Portable Equipment Basis of Settlement**

##### **14.5.1. Basis of Settlement**

**We** will pay the cost of replacing the **damaged** property equal to its condition when new or replacing the **damaged** property provided that:

- a) any repair or replacement is carried out without delay and in the most economical manner;
- b) when property is partially lost, destroyed or damaged the indemnity **we** will provide will not exceed the estimated replacement cost which would have been payable had the damaged of property been wholly lost or destroyed;
- c) until replacement has been carried out no payment will be made beyond the amount which would be payable if an allowance were made for wear, tear or depreciation.

#### **14.6. Exclusions and limitations applying to the Portable Equipment section**

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) **damage** caused by or consisting of:
  - i wear, tear or depreciation or diminution in value;
  - ii inherent vice, latent defect, defective design, plan or specification or the use of faulty materials;
  - iii faulty or defective workmanship, operational error or omission on the part of an **official**;
  - iv marring, scratching, denting, mechanical or electrical defect, failure, breakdown or derangement;
  - v any gradually operating cause, including (but not restricted to) atmospheric or climatic conditions, dry or wet rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests;
  - vi any process involving heating, drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, installation, testing, commissioning, alteration or maintenance of any property;
  - vii use of any article contrary to manufacturers' instructions;
  - viii storm or flood unless the property is contained in an enclosed **vehicle** or in a building;
  - ix change in temperature, colour, flavour, texture or finish;
- b) **damage** caused by mould, mildew or other microorganism of any type, including but not limited to any substance whose presence poses an actual or potential threat to human health unless the **damage**, loss, interruption or interference is caused by mould, mildew or other microorganism of any type which results from an otherwise **defined peril** and is not otherwise excluded;
- c) **damage** by theft or attempted theft from any **unattended vehicle**:
  - i **overnight** or after the completion of any **working day of the driver** other than as provided for under the 'Overnight Theft From Vehicles' extension;
  - ii at any other time unless:
    - (a) all windows and other openings have been closed and locked, all doors have been secured and any other protective devices put into full and effective operation; and
    - (b) any property insured by this **section** is secured either:
      - (i) within the closed glove compartment of the **vehicle**; or
      - (ii) locked in the boot of a saloon car; or
      - (iii) within the luggage space at the rear of an estate car or hatchback under the top cover and out of view; or

- (iv) enclosed within a storage compartment of a van of a fully enclosed and rigid type;
- d) losses not directly associated with the incident that caused **you** to claim;
- e) breakage of brittle articles unless forming part of photographic equipment;
- f) **damage** by theft or attempted theft from any unattended building which does not involve forcible and violent entry to or exit from the building;
- g) **any** applicable **excess** stated in the **schedule**.

# 15. Equipment Breakdown

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

## 15.1. Equipment Breakdown Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

### 15.1.1. Accident

Means direct physical loss caused by:

- a) electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force;
- b) artificially generated electrical current including electric arcing that damages electrical devices appliances or wires;
- c) **explosion** or **collapse** of **covered equipment** operating under steam or other fluid pressure;
- d) loss or **damage** to hot water boilers other water heating equipment oil or water storage tanks or other **covered equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment;
- e) loss or **damage** caused by operator error that results in the overloading of **covered equipment**;

all accidents that are the result of the same event will be considered as one accident.

### 15.1.2. Anchor location

Means a well-known third party business which is responsible, and which **your business** depends upon, for attracting customers to the **premises** specified in the **schedule**.

### 15.1.3. Biomass or biogas installation

Means any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

### 15.1.4. Breakdown

Means;

- a) the actual breaking, failure, distortion, or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work;
- b) fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative;
- c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary;
- d) **electronic derangement**.

### 15.1.5. Business

Means **your** business activities relating to the Business Description shown in the **schedule**;

### 15.1.6. Collapse

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

### 15.1.7. Computer equipment

Means:

- a) electronic, computer or other data processing and/or storage equipment;

- b) projectors, printers, scanners and other peripheral devices used in conjunction with any item listed at 15.1.7. a);
- c) software and programs licensed to **you** and installed on any item listed at 15.1.7. a);
- d) **portable computer equipment.**

#### 15.1.8. **Computer media**

Means all forms of electronic magnetic and optical tapes and discs for use in any **computer equipment.**

#### 15.1.9. **Covered equipment**

Means equipment at the **premises** owned by **you** or for which **you** are responsible:

- a) which is built to operate under vacuum or pressure, other than the weight of its contents; or
- b) that generates, transmits, stores or converts energy; or
- c) comprising **computer equipment;**

Excluding:

- a) any supporting structure, foundation, masonry, brickwork or cabinet;
- b) any insulating or refractory material;
- c) any vehicle, aircraft, floating vessels or any equipment mounted thereon (other than vehicle recovery crane or equipment which is included but not the actual vehicle);
- d) self propelled plant and equipment (other than fork lift trucks and pallet trucks used by **you** at **your premises**), dragline, excavation or construction equipment;
- e) equipment manufactured by **you** for sale;
- f) safety or protective devices due to their functioning;
- g) tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands or any part requiring periodic renewal;
- h) any electronic equipment (other than **computer equipment**) used for research, diagnostic, treatment, experimental or other medical or scientific purposes with a new replacement value in excess of £30,000;
- i) any **manufacturing production or process equipment** including linked **computer equipment;**
- j) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10 kilowatts (10kw) or photovoltaic equipment less than 50 kilowatts (50kw);
- k) any kitchen and food preparation equipment, laundry and cleaning equipment, audio-visual equipment and **computer equipment** whilst in a private dwelling or private dwelling quarters (unless such equipment is owned by **you** or for which **you** are responsible);
- l) any **biomass or biogas installation;**
- m) any **hydroelectric installation.**

#### 15.1.10. **Cyber event**

- a) a failure of electronic equipment to correctly recognise, process or store any data;
- b) a hostile, malicious, illegal or transgressive act committed through electronic systems or, including but not limited to:
  - i a virus (a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations);
  - ii hacking (unauthorised access to any computer or other electronic equipment);
  - iii a denial of service attack (any actions or instructions intended to damage, interfere with or affect the availability or performance of networks, network services, network connectivity or telecommunication systems).



#### 15.1.11. **Electronic derangement**

Means malfunction of the **computer equipment** or electronic circuitry controlling or operating the **covered equipment** that is not accompanied by visible **damage** and requires replacement of one or more insured components of the **covered equipment** in order to restore it to its normal operation electronic derangement does not include:

- a) the rebooting, reloading or updating of software or firmware;
- b) the incompatibility of **covered equipment** with any software or equipment installed, introduced or networked within the previous thirty (30) days;
- c) the **covered equipment** being of insufficient size, specification or capacity;
- d) malfunction resulting from a **cyber event** or loss or **damage** of any kind caused by a **cyber event**.

#### 15.1.12. **Explosion**

Means the sudden and violent rending of the **covered equipment** by force of internal steam or other fluid pressure (other than pressure caused by chemical action, ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of its contents.

#### 15.1.13. **Hazardous substance**

Means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.

#### 15.1.14. **Hydroelectric installation**

Means any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment. Hydroelectric Installations also include any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, building and converter housing (including fixtures and fittings), and security equipment.

#### 15.1.15. **Manufacturing production or process equipment**

Means any machine or apparatus (other than boilers, lifts, forklift trucks, dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **you** and any equipment which exclusively serves such machinery or apparatus.

#### 15.1.16. **Portable computer equipment**

Means:

- a) laptops, palmtops and notebooks;
- b) personal digital assistants (PDAs);
- c) projectors, printers, scanners and other peripheral devices which are designed to be carried and used in conjunction with other portable computer equipment;
- d) removable satellite navigation systems;
- e) digital cameras;
- f) smartphones.

#### 15.1.17. **Service provider**

Means a business that **you** hire under a written contract to perform services on **your** behalf in connection with the **business**.

#### 15.1.18. **Transit**

Means the loading, unloading and movement of **covered equipment** (owned by **you** or for which **you** are responsible) other than by air or sea unless the sea transit is by roll-on/ roll-off ferry.

### 15.2. **Equipment Breakdown Cover**

This **section** will only apply where the 'Property Damage' or the 'Property Damage' and 'Business Interruption' **sections** of the **policy** are shown as "Insured" on the **schedule** for the current **period of insurance**.

**We** will indemnify **you** for direct physical **damage** caused by an **accident** to **covered equipment** that is owned by **you** or for which **you** are responsible during the **period of insurance**.

### 15.3. Portable Equipment Extensions

The following apply to loss or **damage** caused by or resulting from an **accident** to **covered equipment** during the **period of insurance**.

#### 15.3.1. Additional Access Costs

Where the 'Business Interruption' **section** is shown as "Insured" in the **schedule** **we** will indemnify **you** for any necessary additional costs incurred in order to gain access to repair or replace the **covered equipment** following an **accident**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.2. Anchor Location

Where the 'Business Interruption' **section** is insured **we** indemnify **you** for financial loss caused by or resulting from an **accident** to property at an **anchor location**, provided that:

- a) the property at the anchor location is of a similar type and function to the covered equipment that is the subject of this **section**;
- b) the **anchor location** has been open for business for at least six months prior to the **accident** and is located within one mile of the **premises** specified in the **schedule**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.3. Away From Premises

**We** will indemnify **you** for direct physical loss or **damage** and any specified consequential loss from an **accident** to **covered equipment**:

- a) during transit anywhere in the United Kingdom, the Channel Islands, the Isle of Man
- b) whilst temporarily removed from the **premises** specified in the **schedule** to anywhere within the **United Kingdom**, the Channel Islands, the Isle of Man:
  - i as long as the covered equipment remains under **your** control, or
  - ii if it is removed for the purpose of repair, replacement, restoration, service or modification;
- c) for portable computer equipment at any location or in transit anywhere in the world.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the 'Equipment Breakdown' **limit of liability** shown in the **schedule** for this extension.

#### 15.3.4. Business Interruption

Where the 'Business Interruption' **section** is shown as "Insured" in the **schedule** **we** will indemnify **you** for financial loss caused by or resulting from an **accident** to **covered equipment** including such loss or **damage** which occurs at **your service provider(s)** premises.

**We** will not indemnify **you** under this extension for any loss resulting from the 'Damage to Own Surrounding Property' extension in this **section**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** for this extension or the 'Business Interruption' **sum insured**, whichever is the lower.

#### 15.3.5. Computer Equipment

**We** will indemnify **you** for **damage** caused by or resulting from an **accident** to **computer equipment** at the **premises**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for the 'Computer Equipment' extension to this **section**.

The maximum **we** will pay under this extension for any one **accident** to **portable computer equipment** anywhere in the world will not exceed the **maximum amount payable** shown in the **schedule** for 'Computer Equipment – portable equipment' extension to this **section**.

#### 15.3.6. **Damage to Own Surrounding Property**

**We** will indemnify **you** for **damage** to property at the **premises** belonging to **you** or in **your** custody and control and for which **you** are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure.

The maximum **we** will pay under this **extension** for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.7. **Debris Removal**

**We** will indemnify **you** for costs incurred in the removal of debris and protection of **covered equipment** following an **accident**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.8. **Energy Efficiency Improvements**

**We** will indemnify **you** for the additional cost to replace the damaged **covered equipment** following an **accident** with similar equipment that is better for the environment, safer and more efficient than the **covered equipment** being replaced.

**We** will not indemnify you for any amount unless prior consent has been given by **us**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.9. **Expediting Expenses**

**We** will indemnify **you** for the reasonable extra cost to make temporary repairs to and expedite permanent repairs or permanent replacement for damaged **covered equipment**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.10. **Hazardous Substances**

**We** will indemnify **you** for the additional costs to repair or replace **covered equipment** because of contamination by a **hazardous substance** including any additional expenses incurred to clean up or dispose of such property.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.11. **Hire of Substitute Item**

If **covered equipment** is damaged as a result of an **accident**, **we** will indemnify **you** for the cost of hire charges actually incurred by **you** during the **period of insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.12. **Public Authorities/Law or Ordinance**

If an **accident** to **covered equipment** damages a **building** that is covered under this **policy** and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the **accident** that regulates the construction or repair of buildings, or establishes zoning or land use requirements, **we** will indemnify **you** for the following additional costs to comply with such ordinance or law:

- a) **your** actual expenditure for the cost to demolish and clear the site of undamaged parts;
- b) **your** actual expenditure for increased costs to repair, rebuild or construct the **building**. If the **building** is repaired or rebuilt, it must be intended for similar use or occupancy as the current **building**, unless otherwise required by zoning or land use ordinance or law.

**We** will indemnify you for:

- a) any fine;
- b) any liability to a third party;
- c) any increase in loss due to a **hazardous substance** other than as specifically insured under the 'Hazardous Substances' extension in this **section**;
- d) increased construction costs until the **building** is actually repaired or replaced.

The maximum **we** will pay under this extension for any one **accident** will not exceed the 'Equipment Breakdown' **limit of liability** shown in the **schedule** for this extension.

#### 15.3.13. **Public Relations Costs**

In the event of financial loss and with **our** prior written agreement **we** will indemnify **you** for the cost for the services of a professional public relations firm to assist **you** in creating and disseminating communications to:

- a) the media;
- b) the public;
- c) **your** customers and clients.

#### 15.3.14. **Reinstatement of Data and Computer Increased Costs of Working**

Unless otherwise excluded, **we** will indemnify **you** for the following costs incurred as a result of an **accident** to **covered equipment**, including such loss or **damage** which occurs at **your service provider(s)** premises.

- a) Reinstating data lost or damaged;  
The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension for any one **accident**, provided that:
  - i liability is limited solely to the cost of reinstating data onto computer media;
  - ii **we** will not be liable for loss of or **damage** to software.
- b) Reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to **your** computer operations.  
The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension for any one **accident** in respect of such additional costs.

#### 15.3.15. **Repair Costs Investigation**

**We** will indemnify **you** for costs relating to repair, investigations and tests by consulting engineers for loss or **damage** to **covered equipment** following an **accident**.

**We** will not indemnify **you** for:

- a) any fees incurred in preparing a claim;
- b) any amount unless prior consent has been given by **us**.

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.3.16. **Storage Tanks & Loss of Contents**

**We** will indemnify **you** for **damage** caused by an **accident** to oil storage or water tanks including connected pipework belonging to **you** or for which **you** are responsible at the **premises**.

**We** will also indemnify **you** for loss of the contents of oil storage tanks caused by:

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

The maximum **we** will pay under this extension for any one **accident** will not exceed the **maximum amount payable** shown in the **schedule** for this extension.

#### 15.4. Maximum Amount Payable

The maximum **we** will pay under this **section** in any one **period of insurance** will not exceed the 'Equipment Breakdown' **limit of liability** shown in the **schedule** per **occurrence** and in the aggregate.

Any **maximum amount payable** shown in the **schedule** against an extension to this **section** falls within and is not in addition to the **limit of liability** and does not increase the 'Equipment Breakdown' **limit of liability**.

#### 15.5. Basis of Settlement

As described in the 'Property Damage' and 'Business Interruption' **sections** of this **policy**.

#### 15.6. Special Conditions

These special conditions are in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

##### 15.6.1. Back Up Records

**You** must:

- a) back up original data at least every seven (7) days;
- b) take precautions to make sure that all data is stored safely.

If a **service provider** processes or stores data for **you**, **you** must make sure that the terms of the contract with the **service provider** allows for data to be backed up in line with this condition.

If **you** fail to comply with this condition **we** will not pay for any claim unless **you** can evidence that formal procedures are in place and that the failure to comply was an accidental oversight or as a result of circumstances beyond the **your** control.

##### 15.6.2. Precautions

**You** must exercise due diligence in:

- a) complying with any statute or order;
- b) ensuring that **your** items are properly maintained and used in accordance with manufacturer's recommendations and in taking reasonable precautions to prevent loss or **damage**.

#### 15.7. Exclusions and limitations applying to the Equipment breakdown section

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) loss or **damage** caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment;
- b) loss or **damage** to data or **computer media** of any kind caused by:
  - i) programming error or programming limitation;
  - ii) loss of data (other than as specifically provided for under the 'Reinstatement of Data and Computer Increased Costs of Working' extension);
  - iii) loss of access;
  - iv) loss of use;
  - v) loss of functionality;
- c) loss or **damage** caused by:
  - i) depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions;
  - ii) any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting or cleaning or by the performance of maintenance;but if loss or **damage** from an **accident** results **we** will be liable for that resulting loss or **damage**;

- d) loss or **damage** recoverable under any maintenance agreement or any warranty or guarantee;
- e) any claim, cost or loss caused by or resulting from **your** commercial decision to stop trading, or the decision of a **service provider** to stop or reduce trade with **you** or restrict services;
- f) loss or **damage** directly or indirectly caused by **pollution** or contamination, but this exclusion will not apply to **damage**, or loss caused by:
  - i **pollution** or contamination which itself results from a **defined peril**; or
  - ii a **defined peril** which itself results from **pollution** or contamination;
- g) the applicable **excess** stated in the **schedule**.

## 16. Business Interruption

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 16.1. Business Interruption Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 16.1.1. Annual gross rent receivable

Means the **gross rent receivable** during the twelve months immediately before the date of the **damage** which will be **trend adjusted**;

#### 16.1.2. Annual gross revenue

Means the **gross revenue** during the twelve months immediately before the date of the **damage** which will be **trend adjusted**;

#### 16.1.3. Attending consultant

Means the appropriately qualified medical specialist supervising care of the dependent child;

#### 16.1.4. Damage

Means loss destruction or damage by any cause insured by the 'Property Damage' **section** of this **policy**;

#### 16.1.5. Gross rent receivable

Means the money which **you** are or would be entitled to receive for rent and other charges and for services rendered in relation to the occupation or tenancy of **buildings** at the **premises**;

#### 16.1.6. Maximum indemnity period

Means the period of years or months stated in the **schedule** as the maximum indemnity period;

#### 16.1.7. Standard gross rent receivable

Means the the **gross rent receivable** during the period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**, which will be **trend adjusted**;

#### 16.1.8. Terminal illness

Means a definitive diagnosis by the **attending consultant** of an illness that satisfies both of the following:

- a) the illness either has no known cure or has progressed to the point where it cannot be cured; and
- b) in the opinion of the **attending consultant** the illness is expected to lead to death within 12 months.

### 16.2. Business Interruption Cover

**We** will indemnify **you** in accordance with the terms of this **section** for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** caused by an **incident**.

Except that **we** will not indemnify **you** where at the time of any **damage** to property at the **premises** occurs there is not in force either:

- a) cover for such **damage** under the 'Property Damage' **section** of the **policy**; or
- b) an insurance policy covering **your** interest in the property at the **premises** against such **damage**,

and payment has been made or liability accepted for such **damage**.

In the event that the cover **you** have arranged either under this **policy** or another insurance policy is not adequate to fund the prompt replacement, repair or reinstatement of the **damaged** property, **we** will not indemnify **you** for any increase in **your** loss that this causes.

### 16.3. Business Interruption Extensions

Where **gross revenue**, or **gross rent receivable**, or 'Increase in Cost of Working' is insured by this **section** the following extensions apply:



### 16.3.1. Alternative Accommodation

In the event of **damage** to **premises** insured by this **policy** resulting in:

- a) a residential portion of the **buildings** being uninhabitable; or
- b) access being prevented to a residential portion of the **buildings**;

within the applicable **sums insured we** will indemnify **you** under this **section** for the reasonable additional cost of similar comparable alternative residential accommodation incurred by **you** or any of **your** tenants, including temporary furniture, storage costs and accommodation for domestic pets until the residential portion of the **buildings** is accessible and habitable.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** for this extension, as a percentage of the **sum insured** on the **buildings** which are subject to **damage**, per **occurrence** and in the aggregate.

### 16.3.2. Book Debts

Within the applicable **sums insured we** will indemnify **you** for loss of income resulting from **your** inability to trace or establish **outstanding debit balances** caused by **damage** during the **period of insurance** to the records of accounts receivable used by **you** at the **premises** for the purpose of the **business**, provided that:

- a) the amount **we** will pay **you** will be proportionately reduced if at the time of any **damage** the **sum insured** is less than the actual **outstanding debit balances**; and
- b) all paper records/accounts are kept in a fire resisting cabinet or safe when not in use;
- c) at the end of each month **you** will record the total amount outstanding in customers' accounts and will maintain a separate record, in addition to the books of account, in a place other than the **premises**.

In addition, **we** will pay reasonable and necessary expenses incurred in tracing and establishing customers' debit balances after the **damage**.

After payment of any claim hereunder, all amounts recovered by **you** on accounts receivable for which **you** have been indemnified for **outstanding debit balances** will belong and be paid immediately to **us** by **you** up to the total amount of loss paid by **us**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of loss of net **outstanding debit balances** and associated additional expenditure and accountants' charges will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

### 16.3.3. Compulsory Closure

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** directly and solely caused by compulsory closure of the **premises** by a public body authorised to prevent access to the **premises** arising from the occurrence at the **premises** of:

- a) foreign or deleterious matter in food or drink sold, supplied or provided;
- b) murder, manslaughter, suicide or rape;
- c) defective sanitation or the presence of vermin or pests.

For the purposes of the cover provided by this extension the definition of **indemnity period** shall be "means the period of time during which interruption to the **business** occurs as a result of the matters set out at 16.3.3.

a) – c) (each 'an occurrence') of this extension commencing with the date of the closure of the **premises** and not exceeding:

- i thirty (30) days in respect of each occurrence; and
- ii thirty (30) days in total in respect of all occurrences in any one **period of insurance**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

### 16.3.4. Contract Sites

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** directly and solely caused by **damage** to property (of a type and by a cause that would be

covered under this **policy** were it to happen at **your premises**) anywhere within the **territorial limits** at which **you** are contracted to undertake work or where **you** undertake **your** activities.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.5. **Dependent Children**

Within the applicable **sums insured we** will indemnify you for cost of wages paid to temporary **employees** hired solely to replace **employees** under a **permanent contract of service** or apprenticeship with **you** who **you** have allowed to take time off work for the purpose of providing care to a dependent child with a **terminal illness** which is first diagnosed during the **period of insurance**.

**We** will only pay the reasonable and necessary additional expenditure incurred by you with **our** consent solely in order to minimise any interruption or interference with the **business**, during the **indemnity period**, which otherwise would have taken place.

However:

- a) the most **we** will pay for any one replacement **employee** will be:
  - i 75% of the weekly wages paid to the replacement **employee**; or
  - ii The weekly wage normally paid to the **employee** being temporarily replaced;whichever is the less;
- b) the **maximum indemnity period** will not exceed 6 months;
- c) **We** will not be liable for:
  - i any claim made after the death of the dependent child;
  - ii any claim for which **we** are not provided with proof of the diagnosis of a **terminal illness**;
  - iii the first 2 weeks of any claim.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of the cost of wages paid to all temporary **employees** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.6. **Documents and Computer System Records**

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** directly and solely caused by **damage** (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) to deeds and other documents, manuscripts, plans and writings of every description, books and computer system records belonging to **you** or for which **you** are responsible:

- a) whilst temporarily removed from the **premises** to elsewhere within the **territorial limits**;
- b) stored at the home of any authorised **official** or at a self-contained unit in a storage facility anywhere within the **territorial limits**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.7. **Essential Employees**

Within the applicable **sums insured we** will indemnify **you** for additional expenditure necessarily and reasonably incurred by **you** during the **period of insurance** directly and solely caused by:

- a) the death of any of **your** principals, directors or partners;
- b) **temporary total disablement** or **permanent total disablement** of any of **your** principals, directors or partners resulting from injury caused by accidental and violent means, which prevents them from performing their usual employment or occupation. .

**We** will only pay the additional expenditure that **you** necessarily and reasonably incur solely in order to minimise any interruption or interference with the **business**, during the **indemnity period**, which but for such additional expenditure would have taken place.

Provided that:

- a) the **maximum indemnity period** will not exceed twelve (12) months;
- b) **our** liability in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.8. **Exhibition Sites**

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** directly and solely caused by **damage** (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at any trade show or exhibition location not stated in the **schedule** at which **you** are participating as an exhibitor anywhere within the **United Kingdom** and **Europe**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.9. **National Lottery**

For the purpose of this extension **employee** shall mean:

“any person while working for **you** in connection with the **business** who is under a contract of service or apprenticeship with **you**”

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** at the **premises** directly and solely caused by an **employee** or **employees** terminating their employment with **you** as a direct result of a confirmed win on the National Lottery in the **United Kingdom**.

Provided that the **maximum indemnity period** under this extension will not exceed three (3) months from the date of the confirmed win.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.10. **Prevention of Access**

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) entirely within and not extending beyond one (1) kilometre of the perimeter of the **premises** which physically prevents or hinders access to or the use of the **premises** but excluding **damage** to property of any public utility from which **you** obtain supplies or services.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **gross revenue, gross rent receivable** or ‘Increase in Cost of Working’ (as applicable) **sum insured** stated in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.11. **Property in Transit**

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** directly and solely caused by **damage** (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) to **property insured** whilst in transit by road, rail or inland waterway within the **territorial limits**.

The maximum **we** will pay under this extension in any one **period of insurance** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.3.12. **Public Utilities**

Within the applicable **sums insured we** will indemnify **you** for loss resulting from interruption of or interference with the **business** as covered by this **section** directly and solely caused by **damage** to:

- a) property at any:
  - i generating station or sub-station of the electricity supply undertaking;
  - ii land based premises of the gas supply undertaking or of any natural gas producer linked directly with the gas supply undertaking;

- iii land based premises of the telecommunications undertaking or internet service undertaking;
  - iv waterworks or pumping station of the public water supplier;
- within the **territorial limits**, from which **you** obtain electricity, gas or water supplies or telecommunication services;

- b) land based property within the **territorial limits** of any public utility from which you obtain supplies or services which results in failure at the **premises** of:
  - i the supply of electricity at the terminal ends of the utility service feeders;
  - ii the supply of gas at the supply utility meters;
  - iii the supply of water at the supply utility main stopcock; or
  - iv the supply of telecommunication services at the incoming line terminal or receivers.

However, **we** will not indemnify **you** under 16.3.12.b) of this extension for interruption or interference with the **business**:

- a) where the failure of supply does not involve a cessation of supply for at least:
  - i four (4) hours in respect of the public supply of electricity, gas or water;
  - ii twenty-four (24) hours in respect of the public supply telecommunications.
- b) caused by internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion;
- c) resulting from the deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services;
- d) resulting from strikes or any labour or trade dispute;
- e) resulting from actions taken in pursuit of political, religious, ideological or similar purposes, including in relation to climate or environmental concerns, by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, regardless of whether this loss also falls within the 'War and terrorism' exclusion;
- f) resulting from drought;
- g) resulting from any other atmospheric or weather conditions, but not excluding accidental failure due to **damage** to supply utility equipment caused by such conditions;
- h) caused by **damage** to electricity, gas, water or telecommunications transmission lines or pipes for which **you** are responsible; or
- i) caused by **damage** to, or failure of, any satellite.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of cover under:

- a) extension 16.3.12. a) will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence**;
- b) under extension 16.3.12. b) will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

### 16.3.13. Suspension of Employees

Within the applicable **sums insured we** will indemnify **you** for the cost of wages paid to temporary **employees** hired solely to replace **employees** under a **permanent contract of service** or apprenticeship with **you** who have been suspended in accordance with Ofsted regulations (or the regulations of any other registering authority) as a direct consequence of an accusation of child abuse.

Provided that:

- a) the suspension is due solely to the application of and adherence to Ofsted regulations (or the regulations of any other registering authority);
- b) the suspension followed a reported incident or allegation of child abuse;

- c) the most **we** will pay for any one replacement **employee** will be 75% of the weekly wages paid to the replacement **employee**;
- d) the maximum period of payment will be 5 weeks in respect of any one suspended **employee**.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of the cost of wages paid to all temporary **employees** will not exceed the **maximum amount payable** shown in the **schedule** per **occurrence** and in the aggregate.

#### 16.4. Maximum Amount Payable

The maximum **we** will pay under this **section** shall not exceed:

- a) 133.3% of the **sum insured** for each item as shown in the **schedule** in respect of **gross revenue** or **gross rent receivable**;
  - b) the **sum insured** for Increase in Cost of Working, Additional Increase in Cost of Working or any other item as stated in the **schedule**;
  - c) the **maximum amount payable** for each extension of this **section** as stated in the **schedule**;
- in respect of any one **occurrence** and in the aggregate unless otherwise stated in this **section** or in the **schedule**.

Any **maximum amount payable** shown against an extension falls within and does not increase the **gross revenue**, **gross rent receivable** or 'Increase in Cost of Working' **sum insured** shown in the **schedule**.

#### 16.5. Basis of Settlement Clauses

##### 16.5.1. Gross Revenue

Loss of **gross revenue** in respect of:

- a) the shortfall in gross revenue: the amount by which the **gross revenue** during the **indemnity period** does, in consequence of the **incident**, fall short of the **standard gross revenue**; and/or
- b) increased cost of working: the additional expenditure, reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **gross revenue** which would otherwise have occurred during the **indemnity period** in consequence of the **damage** but not exceeding the amount of the shortfall in **gross revenue** that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, in relation to both 16.5.1. a) and 16.5.1. b):

- i any amount saved during the **indemnity period** in respect of charges and expenses of the **business** payable out of or chargeable to **gross revenue** as may cease or are reduced in consequence of the **damage** will be deducted;
- ii if the **sum insured** in respect of **gross revenue** is less than 85% of the **annual gross revenue** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve (12) months), the indemnity **we** will pay to **you**:
  - (a) in respect of **gross revenue**;
  - (b) under any extension of this **section**;
 will be proportionately reduced.

##### 16.5.2. Additional Increase in Cost of Working

The additional expenditure reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **gross revenue** or **gross rent receivable** (as applicable) in order to maintain the **business** during the **indemnity period** in excess of the amount recoverable under the 'Gross Revenue' or 'Gross Rent Receivable' basis (as applicable).

##### 16.5.3. Gross Rent Receivable

Loss of **gross rent receivable** in respect of:

- a) the shortfall in **gross rent receivable**: the amount by which, in consequence of the **damage**, the **gross rent receivable** during the **indemnity period** falls short of the **standard gross rent receivable**; and/or
- b) increased cost of working: the additional expenditure reasonably and necessarily incurred in reducing the shortfall in **gross rent receivable** which would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of the shortfall in gross rent receivable that **you** reasonably anticipated would be avoided at the time the expenditure was incurred;

However, in relation to both 16.5.3. a) and 16.5.3. b):

- i any amount saved during the **indemnity period** in respect of the charges and expenses payable out of or chargeable to **gross rent receivable** as may cease or be reduced in consequence of the **damage** will be deducted;
- ii where at the time of **damage** there is a valid lease or license, **we** will only indemnify **you** to the extent that the **damage** gives rise to a contractual right for the tenant to cease payment of rent; and
- iii if the **sum insured** in respect of **rent receivable** is less than eighty-five percent (85%) of the **annual gross rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve (12) months), the indemnity **we** will pay to **you**:
  - (a) in respect of **gross rent receivable**;
  - (b) under any extension of this **section**;
 will be proportionately reduced.

#### 16.5.4. **Increase in Cost of Working**

**The** increased expenditure reasonably and necessarily incurred by **you** for the sole purpose of avoiding or diminishing the interruption of or interference with the **business** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident**, but excluding expenditure incurred by **you** in repairing or replacing any item of property that could have been insured under the 'Property Damage' **section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the 'Property Damage' **section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

#### 16.5.5. **Alternative Trading**

Where during the **indemnity period** goods are sold or services rendered remotely, or via the internet from the **premises**, or elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf, the amount received by **you** or them in respect of such sales or services will be brought into account in calculating the **gross revenue** during the **indemnity period**.

#### 16.5.6. **Payments on Account**

Where **we** have confirmed that the **policy** provides cover under this **section** then if **you** so request, **we** will make reasonable payments to **you** monthly on account during the **indemnity period**, provided always that if the total adjusted loss differs from the total of the payments made, then **you** or **we** agree to pay or return the difference accordingly.

#### 16.5.7. **Trends and Variations**

Adjustments will be made to figures representing the **annual gross revenue**, **standard gross revenue**, **annual gross rent receivable** and **standard gross rent receivable** to provide for variations in or circumstances affecting the **business** either before or after the **incident** or which would have affected the **business** had the **incident** not occurred, so that the adjusted figures represent the results which but for the **incident** would have been obtained.

#### 16.5.8. **Professional Accountants**

**We** will indemnify **you** under this **section** for the reasonable and necessary charges payable by **you** to professional accountants for producing:

- a) such particulars or details contained in **your** books/records that are not readily available to **you** or that **you** do not routinely produce; and



- b) any other evidence as may be required by **us** that is not readily available to **you** or that **you** do not routinely produce;

for the purpose of investigating or evidencing any claim made under this **section**, provided that at the time of loss such professional accountants are regularly acting as such for **you**.

The maximum payable under this clause and any other amount otherwise payable under this **section** during any one **period of insurance** will in no case exceed the maximum amount **we** will pay in accordance with the 'Maximum Amount Payable' condition in this **section**.

#### **16.6. Exclusions and limitations applying to the Business Interruption section**

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of loss arising from any interruption of or interference with the **business**:

- a) in consequence of **damage** excluded by the 'Property Damage' **section** of this **policy**;
- b) not caused by **damage** other than as described in the 'Compulsory Closure, 'Dependent Children, 'Essential Employees', 'National Lottery' and 'Suspension of Employees' extensions;
- c) i caused by or consisting of the bursting of any boiler, economiser (other than a boiler or economiser on the **premises** or boiler used for domestic purposes only) vessel, machine or apparatus in which internal pressure is due to steam only and belonging to **you** or under **your** control but this shall not exclude subsequent **damage** which itself results from a cause not otherwise excluded;
- ii caused by explosion in respect of and originating in any vessel machinery or apparatus or its contents, belonging to **you** or under **your** control which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus is the subject of a policy or other contract providing the required inspection service;
- d) if **your** interest ceases other than by death or the **business** is:
- i wound up or carried on by a liquidator or receiver; or
- ii permanently discontinued;
- unless **we** agree otherwise in writing.



## 17. Loss of Registration Certificate

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 17.1. Loss of Registration Certificate Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 17.1.1. Indemnity period

Means the period beginning with the date the **registration certificate** is cancelled and ending no later than the earlier of:

- a) the date **your** interest in the **premises** or the **business** ceases due to the disposal of the **premises** or the **business**; or
- b) twelve (12) months from the date the **registration certificate** is cancelled;

during which **your business** is affected in consequence of the cancelled **registration certificate**.

#### 17.1.2. Registration certificate

Means the certificate granted to **you** by the appropriate registering authority authorising **you** to carry on the **business** at the **premises**.

### 17.2. Loss of Registration Certificate Cover

In the event of the **registration certificate** being cancelled during the **period of insurance** by the appropriate registering authority under the provisions of the regulations governing such **registration certificates** we will indemnify **you** in respect of:

- a)
  - i any consequent reduction in **gross revenue**; and
  - ii additional expenditure reasonably and necessarily incurred by **you** to maintain the **gross revenue** during the **indemnity period** but not exceeding the loss in **gross revenue** avoided;  
less any amount saved during the **indemnity period** in respect of any reduction or cessation of charges and expenses of the **business** in consequence of the cancelled **registration certificate**;  
or
- b) the amount of depreciation in the value of **your** interest in the **premises** or the **business** if:
  - i **you** are unable to obtain the grant of a new **registration certificate** for a period of twelve (12) months following cancellation of the **registration certificate**; and
  - ii **you** dispose of the **premises**.

### 17.3. Loss of Registration Certificate Extensions

The following extensions apply to this **section**.

#### 17.3.1. Temporary Suspension of Registration Certificate

In the event of the **registration certificate** being suspended during the **period of insurance** by the appropriate registering authority under the provisions of the regulations governing such **registration certificates** we will indemnify **you** in respect of:

- a) any consequent reduction in **gross revenue**;
- b) additional expenses reasonably and necessarily incurred by **you** to maintain the **gross revenue** during the **indemnity period** but not exceeding the loss in **gross revenue** avoided;

less any amount saved during the **indemnity period** in respect of reduced expenses in consequence of the suspended **registration certificate** .

For the purpose of this extension the following definition of "indemnity period" applies:

“**Indemnity period** means the period beginning with the date the **registration certificate** is suspended and ending no later than the earlier of:

- a) the date the appropriate registering authority ends the suspension of **your registration certificate**;  
or
- b) three (3) months from the date of the suspension of **your registration certificate**;

during which **your business** is affected in consequence of the suspended **registration certificate**”.

The maximum **we** will pay under this extension in any one **period of insurance** in respect of each **registration certificate** will not exceed the **maximum amount payable** shown in the **schedule**.

#### 17.4. Maximum Amount Payable

The maximum **we** will pay in any one **period of insurance** in respect of each **registration certificate** will not exceed the **sum insured** shown in the **schedule**.

Any amount payable under the ‘Temporary Suspension of Registration Certificate’ extension will be deducted from any subsequent amount payable under this **section** for reduction in **gross revenue** in consequence of the cancellation of the **registration certificate**.

#### 17.5. Basis of Settlement Clauses

##### 17.5.1. Gross Revenue

In respect of a shortfall in **gross revenue**, **we** will pay the amount by which the actual gross revenue during the **indemnity period** falls short of the **standard gross revenue** due solely to the cancelled **registration certificate**.

Where during the **indemnity period** work or services are provided elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf, any sums paid or payable in respect of such work or services will be taken into account in calculating the **gross revenue** during the **indemnity period**.

##### 17.5.2. Increase in Cost of Working

In respect of increase in cost of working, **we** will pay any additional expenditure reasonably and necessarily incurred by **you** for the sole purpose of reducing the shortfall in **gross revenue** which would otherwise have occurred during the **indemnity period** in consequence of the cancelled **registration certificate** but not exceeding the amount of the shortfall in **gross revenue** that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, **we** will not pay more than the reduction in **gross revenue** avoided by the expenditure less any amount saved during the **indemnity period** in respect of charges and expenses of the **business** payable out of or chargeable to **gross revenue** which cease or are reduced in consequence the cancelled **registration certificate**.

#### 17.6. Other Loss of Registration Certificate Terms and Conditions

The following conditions apply to this **section** in addition to the ‘General Terms’ and ‘Claims Conditions and Requirements’.

##### 17.6.1. Complaints, Convictions and Objections – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent. **You** must notify **us** immediately in writing and provide such additional information and give such assistance as **we** may reasonably require on knowledge of any:

- a) complaint about the **premises** or the conduct or control of the **business** or any other circumstances advised to **your** registering authority which may endanger **your registration certificate**;
- b) proceedings against or conviction of **you** or the **registration certificate** holder of the **premises** for any breach of the law, rule, regulation or other matters whereby the character or reputation of the person concerned is affected or called into question with respect to their honesty, moral standing or sobriety.

#### 17.6.2. Supply of Information and Assistance – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent in the event of the **registration certificate** being cancelled or suspended. **You** must at **your** own expense unless otherwise stated:

- a) give written notice to **us** within twenty-four (24) hours of becoming aware of the **registration certificate** being cancelled or suspended stating the grounds upon which the **registration certificate** has been cancelled or suspended;
- b) if practicable and if required by **us** apply for the grant of a new **registration certificate** for the same or alternative premises as may enable **you** to continue the **business** in a similar or alternative form;
- c) provide all assistance as **we** may require for the purpose of an appeal against such cancellation or suspension;
- d) take all practicable steps to minimise any claim;
- e) within thirty (30) days of being requested to do so by **us**, provide a statement of the loss and provide documents and accounts as may be reasonably required by **us** to verify such statement;
- f) if requested to do so by **us**, make a statutory declaration as to the accuracy and completeness of the statement of the loss and allow **us** free and unfettered access to the **premises** and all books and accounts as may be necessary to ascertain any depreciation in the value of the **premises** or the **business**;
- g) at **our** request and at **our** expense, do agree to do and permit to be done all such acts as may be reasonably required by **us** for the purpose of enforcing any rights or remedies or of obtaining relief or indemnity from any other parties.

#### 17.7. Exclusions and limitation applying to the Loss of Registration Certificate section

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** following cancellation or suspension of the **registration certificate**:

- a) resulting from any cause wholly or partly within or under **your** control;
- b) if **you** are entitled to obtain compensation under the provisions of any Act of Parliament in respect of the cancellation or suspension of the **registration certificate**;
- c) arising from any town or country planning, improvement, redevelopment or compulsory purchase order or the surrender, reduction or re-distribution of **registration certificates** in connection with any such order;
- d) arising from any change in the law;
- e) if the **business** is wound up or carried on by a liquidator or receiver or permanently discontinued;
- f) if **your** interest in the **premises** or the **business** ceases other than by **your** death.

## 18. Personal Accident

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 18.1. Personal Accident Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 18.1.1. Accident

Means a single sudden and unexpected event, which occurs at an identifiable time and place.

#### 18.1.2. Bodily injury

Means a specific and identifiable physical injury which is caused by:

- a) accidental violent external and visible means;
- b) unavoidable exposure to the elements;
- c) accidental drowning, gassing or poisoning.

#### 18.1.3. Compensation limit

**Means** the amount shown in the **schedule** for the 'Personal Accident' **section** as 'Compensation' for 'Official's – Insured Events' or for 'Participant's – Insured Events'.

#### 18.1.4. Healthcare practitioner

Means a qualified licensed member of the medical or dental profession as approved by the governing medical or dental association of the country in which the **official** resides, and who is not an **official**, a member of the **official's** family, or otherwise **your employee** or director, partner or officer.

#### 18.1.5. Medical expenses

Means all reasonable medical costs necessarily incurred by an **official** aged between 16 and 75 years for (i) medical, surgical or other remedial treatment prescribed by a **healthcare practitioner**; and (ii) hospital, nursing home or ambulance charges in connection with death, **loss of limb, loss of sight, hearing or speech, permanent total disablement or temporary total disablement**.

### Personal Accident Cover

**We** will pay as compensation to **you** or **your** legal personal representative an amount up to the relevant **compensation limit** amount shown in the **schedule** for this **section** if:

- a) an **official** aged between 16 and 75 years sustains **bodily injury** during the **period of insurance** that solely, independently and directly of any other cause results within twelve (12) months of the **accident** in the **official's** death, **loss of limb, loss of sight, hearing or speech, permanent total disablement or temporary total disablement**;
- b) any **participant** sustains **bodily injury** while attending the **business** during the **period of insurance** that solely, independently and directly of any other cause results within twelve (12) months of the **accident** in the **participant's** death, **loss of limb, loss of sight, hearing or speech or permanent total disablement**.

### 18.2. Personal accident extensions

The following extensions apply to this **section**.

#### 18.2.1. Medical Expenses Cover

**We** will pay **medical expenses** necessarily incurred and arising from treatment following **bodily injury** covered by this **section** to an **official** or a **participant**.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension as the percentage of the total amount paid as compensation for death, **loss of limb, loss of sight, hearing or speech, permanent total disablement and temporary total disablement**.

### 18.3. Other Personal Accident Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### a) Claim Assistance

- i **you** must arrange as soon as is possible for the **official** to be placed under the care of a **healthcare practitioner** if they are not under such care already;
- ii **you** must fully co-operate with us and provide **us** with all necessary assistance and information reasonably required by **us** in a timely manner, in order to assist **us** with investigating and evaluating the claim, including:
  - (a) in the event of the death of the **official** in relation to whom the claim is made, by obtaining at **your** expense a copy of the death certificate and other records which **we** deem necessary;
  - (b) by authorising **us**, upon **our** request, to obtain any medical records, certificates, reports, information and other evidence required by us to substantiate any claim (but only where legally permitted to do so), or by obtaining such information for **us** in both cases at **your** expense;
  - (c) by procuring the full cooperation and assistance of the injured **official**, as required by **us**;
  - (d) by procuring, at **our** request, that the injured **official** submit to a medical examination(s) (at **our** expense, if any) and to provide medical evidence to **us** as often as **we** may require, and no benefit will be payable if the injured **official** fails to comply with such requests;
- iii **we** will be allowed, in the event of death due to injury of an **official** in respect of which a claim is made, to arrange for the conduct of an autopsy if legally permitted to do so.

#### b) Claims Evidence

Any claimant will as often as required submit to a medical examination on **our** behalf at **our** expense and in the case of death **we** will be entitled to have a post-mortem examination at **our** expense.

#### c) Compensation Payments

- i Compensation will not be payable in respect of any one **official** or any one **participant**, for more than one of: death, **loss of limb, loss of sight, hearing or speech, permanent total disablement**,
  - ii Compensation for **temporary total disablement** will be payable not more frequently than at four (4) weekly intervals and the maximum time period during which any compensation for **temporary total disablement** will be payable is one hundred and four (104) weeks from the date of the **bodily injury** that is the subject of the claim .
  - iii The amount payable as compensation for **temporary total disablement** will be deducted from any compensation becoming payable in respect of death, **loss of limb, loss of sight, hearing or speech**, and **permanent total disablement** that follows from the same cause.
- d) **We** will not be liable for any amount in excess of the **maximum accumulation limit** in respect of any one **accident**. If the aggregate amount of all compensation and **medical expenses** payable exceeds the **maximum accumulation limit**, the **compensation limit** and **medical expenses** payable for each **official** and **participant** shall be proportionately reduced until the total of all compensation and **medical expenses** does not exceed the **maximum accumulation limit**.

### 18.4. Exclusions and limitations applying to the Personal Accident section

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** or pay any amount in respect of: any claim directly or indirectly resulting from, consequent upon, caused or contributed to by:

#### a) Specific exclusions:

- i death, **loss of limb, loss of sight, hearing or speech, permanent total disablement** or **temporary total disablement** caused by:

- (a) any **official** or **participant** committing suicide or attempted suicide;
  - (b) intentional self-inflicted **bodily injury** by any **official** or **participant**;
  - (c) **bodily injury** to any **official** or **participant** caused by the **official's** or **participant's** own reckless act (other than to save human life);
  - (d) sickness, illness or disease (not directly and solely resulting from the **bodily injury**);
  - (e) any naturally occurring cause or condition;
  - (f) any degenerative condition;
  - (g) any gradually operating process or cause;
  - (h) any mental, psychological or psychiatric condition including post-traumatic stress disorder;
  - (i) any **official** or **participant** engaging in air travel as a pilot or crew member;
  - (j) any **official** or **participant** engaging in or taking part in naval, military or air force service or operations;
  - (k) any **official** or **participant** engaging in or taking part in a hazardous activity including but not limited to abseiling, activities necessitating the use of underwater breathing equipment, armed or unarmed combat sports, bungee jumping, climbing necessitating the use of ropes or guides, flying of any kind (other than as a passenger in a fully licensed passenger carrying aircraft), hunting, ice hockey, motor cycling other than by power assisted pedal cycle, parachuting, polo, pot holing or similar underground activities, professional sport, riding or driving in any kind of race, speed or duration test or practice therefor or winter sports;
  - (l) participation in any criminal act or civil commotion by any **official** or **participant**;
  - (m) by any such **official** or **participant** being under the influence of or being affected by intoxicating liquor or drugs except drugs taken in accordance with proper medical prescription and directions but not for the treatment of drug addiction;
  - (n) pregnancy or childbirth;
- ii any medical, surgical or other remedial attention, treatment or appliances unless given or prescribed by a **healthcare practitioner**;
  - iii any **medical expenses** which are recoverable from any other source, including another insurance policy;
- e) If the consequences of an **accident** are aggravated by any condition or physical disability of the **official** or **participant** which existed before the **accident** occurred, the amount of any compensation payable under this insurance in respect of the consequences of the **accident** shall be the amount which it is reasonably considered would have been payable if such consequences had not been so aggravated.

# 19. Money

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

## 19.1. Money Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

### 19.1.1. Assault/assaulted

Means **bodily injury** occurring to an **official** directly due to theft or attempted theft of **money**.

### 19.1.2. Bodily injury

Means physical injury occurring directly due to theft or attempted theft of **money** which:

- a) is sustained by the **official** during the **period of insurance**; and
- b) solely and independently of any other cause, causes death or **disablement** of the **official**.

### 19.1.3. Occurrence

Means a single loss or series of losses directly or indirectly caused by, arising out of or in connection with a single event or a single original cause.

## 19.2. Money Cover

**We** will indemnify **you** for physical loss of **money** as described below occurring within the **territorial limits** during the **period of insurance**.

- a) Loss of **non-negotiable money**;
- b) loss of **negotiable money**:
  - i in transit in the personal custody of any **official**; or in a bank night safe;
  - ii on the **premises** during **business hours**;
  - iii on the **premises** out of **business hours** contained in locked safe(s);
  - iv on the **premises** out of **business hours** contained in coin-operated vending, gaming or amusement machines or payphones;
  - v on the **premises** out of **business hours** not contained in locked safe(s);
  - vi in the home of any **official**;
  - vii in a charity box under **your** control.

The maximum **we** will pay will not exceed the **limit of liability** shown in the **schedule** for each item described in respect of any one **occurrence**.

## 19.3. Money section extensions

The following extensions apply to this **section**.

### 19.3.1. Additional Settings

**We** will indemnify **you** for accidental **damage** to **negotiable money** during the **period of insurance** at any setting where **your business** activities take place within the **territorial limits** whilst attended by **officials**.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** stated in the **schedule** for this extension in respect of any one **occurrence** during the **period of insurance**.

### 19.3.2. Credit Cards

**We** will indemnify **you** for any amount for which **you** become liable under the terms of issue of any bank charge credit debit or cash card issued and used only in connection with the **business** following fraudulent use by any unauthorised person within the **territorial limits** during the **period of insurance**.



Provided that **you** report the loss to the issuing company immediately and to the police within 24 hours of discovering the loss and have complied with the terms and conditions of issue of the card.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension in any one **period of insurance**.

#### 19.3.3. **Officials' Personal Money**

**We** will indemnify **you** for accidental **damage** to personal **money** of an **official** occurring at the **premises** during **business hours** during the **period of insurance**.

**We** will not be liable under this extension for:

- a) any loss due to the fraud or dishonesty of an **official**;
- b) any amount recoverable under any other policy of insurance.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension in any one **period of insurance** in respect of any **official**.

#### 19.3.4. **Personal Effects**

If any clothing or personal effects of the **official** are **damaged** directly due to any theft or attempted theft of **money** during the **period of insurance**, **we** will indemnify the **official** directly for the cost incurred to repair or replace the said clothing or personal effects with like kind and quality.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension in any one **period of insurance** in any one **period of insurance** in respect of any **official**.

#### 19.3.5. **Safes**

If any safe, strongroom, bag, case or waistcoat used for the carriage of money or franking machine is **damaged** during the theft or attempted theft of **money** during the **period of insurance**, **we** will pay **you** for the cost incurred to repair or replace the said items with like kind and quality.

The maximum **we** will pay under this extension will not exceed the **maximum amount payable** shown in the **schedule** for this extension in any one **period of insurance**.

### 19.4. **Other Money Terms and Conditions**

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### 19.4.1. **Carrying and Accompaniment Condition – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent. Whenever **money** in transit exceeds £2,500 at any one time **you** must arrange for the **money** to be accompanied as follows:

- a) over £2,500 and up to £5,000 - at least two (2) responsible adults;
- b) over £5,000 and up to £10,000 - at least three (3) responsible adults;
- c) over £10,000 - by a professional security company.

In respect to 19.4.1 a) and b) above all journeys must utilise varied routes and times.

#### 19.4.2. **Money on the Premises – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following condition precedent whenever **money** on the **premises** exceeds £500:

- a) it must be kept in a locked safe or locked desk or locked filing cabinet.

#### 19.4.3. **Records – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following condition precedent:

- a) **you** must ensure that a true and complete account is kept of all **money** in transit and on the **premises** and such record will be deposited in a secure place other than in any safe containing the **money**.

#### 19.4.4. Safes – CONDITIONS PRECEDENT

We will only indemnify **you** if **you** comply with the following conditions precedent:

- a) during **business hours** any safe must be kept locked other than when **money** or other property is being placed in or removed from the safe and the keys to the safe must be kept in **your** personal custody or in the personal custody of another authorised **official**;
- b) outside **business hours** **you** must ensure that any safe containing **money** is securely locked and all keys or combination numbers to that safe are kept in a secure place away from the **building** or portion of the **building** containing the safe.

#### 19.5. Exclusions and limitations applicable to the Money section

In addition to the limitations and exclusions in the 'General Exclusions' **section**, **we** will not indemnify **you** under this **section** in respect of:

- a) clerical or accounting errors or shortages due to error or omission;
- b) any loss due to the fraud or dishonesty of any **official** unless the loss is discovered within seven working days of the date of its occurrence;
- c) loss caused by dishonoured cheques or by the use of counterfeit **money**;
- d) loss from any **unattended vehicle**;
- e) loss from any coin-operated vending, gaming or amusement machine or payphone other than as provided for under cover 19.2. b) iv;
- f) losses not directly associated with the incident that caused **you** to claim;
- g) the **excess** stated in the **schedule**.

#### 19.6. Special Extension - Personal Assault

##### 19.6.1. Cover

We will pay **you** or **your** legal representative in the event of **bodily injury** to any **official** aged between sixteen (16) and seventy five (75) years consequent upon robbery or hold up or any attempted robbery or hold up in the course of the **business** during the **period of insurance** and such **bodily injury** directly and independently of any other cause results within twelve (12) months in:

- a) death;
- b) **loss of limb**;
- c) **loss of sight, hearing or speech**;
- d) **permanent total disablement**;

our liability will not exceed £25,000;

- e) **temporary total disablement**;

our liability will not exceed £250 per week.

##### 19.6.2. Special Conditions

The following special conditions apply to this special extension in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

##### a) **Compensation Payment**

- i Compensation will not be payable for more than one of the following: death, **loss of limb**, **loss of sight, hearing or speech**, or **permanent total disablement**, in respect of any one **official**;
- ii Compensation will be payable for **temporary total disablement** at four (4) weekly intervals but not payable for more than one hundred and four (104) weeks from the date the disablement started;

- iii The total amount payable as compensation for **temporary total disablement** will be deducted from any subsequent compensation payment for death, **loss of limb, loss of sight, hearing or speech**, or **permanent total disablement** that follows from the same **occurrence**;

b) **Medical Evidence**

An **official** will as often as required submit to a medical examination on **our** behalf at **our** expense and in the case of death **we** will be entitled to have a post-mortem examination at **our** expense.

19.6.3. **Special Exclusion**

The following special exclusions applies to this special extension in addition to the 'General Exclusions'.

**We** will not be liable under this **section** in respect of:

- a) death, **loss of limb, loss of sight, hearing or speech, permanent total disablement** or **temporary total disablement** caused by an **official** being under the influence of or being affected by intoxicating liquor or drugs (other than for drugs taken in accordance with proper medical prescription and directions and not for the treatment of drug addiction);
- b) illness or disease not resulting from **bodily injury** or suffering from **bodily injury** due to any gradually operating cause;
- c) death or disablement arising from or attributable to intentional self-injury, provoked assault or wilful exposure to needless peril (except in an attempt to save human life).

## 20. Employee Dishonesty

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 20.1. Employee Dishonesty Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 20.1.1. Acting in collusion

Means all circumstances where two (2) or more **employees** are concerned or implicated together or materially assist each other in committing **theft**.

#### 20.1.2. Any one claim

Means all acts of **theft** throughout the continuation of this insurance (or any insurance issued in substitution thereof or for which this insurance is substituted) committed by one individual **employee** or by 2 or more **employees acting in collusion**.

#### 20.1.3. Loss

Means direct financial loss sustained by **you**. Loss shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing or other **employee** benefits paid or payable by **you** or other **employee** benefit earned in the normal course of employment.

#### 20.1.4. Responsible employee

Means an **employee** who:

- a) has been employed by **you** continuously for a period of sixty (60) days; and
- b) has written references for at least two (2) years prior to their employment with **you**; and
- c) has no previous convictions relating to fraudulent activity.

#### 20.1.5. Supervised

Means overseen, directed or managed by **you** or a **responsible employee**.

#### 20.1.6. Theft

Means any act of fraud, deliberately dishonest taking or obtaining of the property, money, tangible securities or goods belonging to **you**, or for which **you** are legally responsible, by any **employee**, committed with the intention of depriving **you** of such property, money, tangible securities or goods, and of obtaining an improper financial gain for themselves or for any other person or organisation intended by the **employee** to receive such gain.

#### 20.1.7. Unsupervised

Means not **supervised**.

### 20.2. Employee Dishonesty Cover

**We** will indemnify **you** in accordance with the terms of this **section** for **theft** of **money** or property belonging to **you** or for which **you** are legally responsible, committed during the **period of insurance** within the **territorial limits**, provided that such **theft** is discovered not later than twelve (12) months after the termination of:

- a) this **policy**;
- b) the insurance in respect of an **employee** specified by name or position;
- c) the employment of any **employee**;

whichever occurs first.

### 20.3. Employee Dishonesty Extensions

The following extensions apply to this **section**.

#### 20.3.1. **Auditors Fees**

Within the **limit of liability** shown in the **schedule** for this **section we** will indemnify **you** for auditors fees incurred with **our** written consent solely to substantiate the amount of a **loss**, provided that **we** have accepted liability for the **loss** under this **section**.

#### 20.3.2. **Reinstatement of Electronic Data Cover**

Within the **limit of liability** shown in the **schedule** for this **section we** will indemnify **you** for the reasonable cost incurred by **you** in re-writing or amending **electronic data** where such re-writing or amending is necessary to revise security controls following the use of **computer equipment** for **theft** the subject of a **loss** for which liability is admitted under this **section**, provided that:

- a) payment has been made or liability admitted under this **section** for such **theft**;
- b) **we** will not be liable for costs otherwise incurred under the 'Reasonable Precautions' condition in the 'General Terms' **section**.

#### 20.4. **Maximum Amount Payable**

The maximum **we** will pay under this **section** in respect of **any one claim** and any one **period of insurance** is the **limit of liability** shown in the **schedule** for this **section**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay in respect of any applicable extensions provided by this **section** shall be within and not in addition to the maximum amount we will pay in accordance with this condition.

#### 20.5. **Basis of Settlement**

The amount payable shall be the value of the **money** or property at the time of the loss or, at **our** option, the **reinstatement** of the property.

#### 20.6. **Other Employee Dishonesty Terms and Conditions**

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

##### 20.6.1. **Cessation of Cover**

Immediately following the **discovery** by **you** of any act of **theft** by an **employee** all indemnity under this **section** for further acts of **theft** by that **employee** shall cease.

##### 20.6.2. **Claims (actions by you) – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent.

**You** must

- a) give **us** written notice as soon as reasonably practicable but in any event no later than the earlier of sixty (60) days after loss or theft is discovered or sixty (60) days following the expiry of the **policy**;
- b) the notice must include sufficient details available to **you** to enable **us** to consider the claim and authorise investigation;
- c) if appropriate; in addition, within eight (8) months of the loss or theft being discovered, **you** shall provide **us** with a proof of loss, unless agreed otherwise by **us** in writing. The proof of loss to be provided must be sworn by your Chief Financial Officer, or equivalent, with full particulars of the loss and related costs.

No claim under this **section** shall be payable unless the terms of this condition have been complied with.

##### 20.6.3. **Controls – CONDITIONS PRECEDENT**

**We** will only indemnify **you** under this **section** if **you** comply with the following conditions precedent.

The following minimum levels of control must be used by **you**, unless otherwise agreed by **us**:

- a) **Audit:**
  - i **your** accounts including all subsidiary companies shall be examined by external auditors every twelve (12) months;

- ii all recommendations or alternative/additional actions acceptable to the auditors shall be implemented without delay.
- b) **Banking:**
- i **you** must operate a system of dual control and independent validation for all payments from bank accounts, including the drawing and signing of cheques and the use of electronic funds transfers;
  - ii **you** must operate a system of dual control over the opening of new bank accounts or amending approved signatory details;
  - iii bank statements must be reconciled at least monthly independently of **employees** permitted to receive or make payments, draw or sign cheques, or transfer funds electronically.
- c) **Computer Systems:**
- i all access to **your computer systems** accounts software must be secure, using an individual login and password for each authorised **employee** which is changed monthly and controlled by **you**, the network administrator or a **responsible employee**;
  - ii a written procedure for computer security must be in place and have been explained to all **employees** using **your computer systems**;
  - iii only:
    - (a) **responsible employees**; or
    - (b) **employees** who have been **supervised** continuously for the preceding sixty (60) days; are given access to **your computer systems** accounts software;
  - iv all computer media discs, tapes, removable storage etc with information of wages, accounts or stock control must be securely stored in locked cabinets when not in use by authorised **employees**;
  - v all amendments to **computer system** programs and authorisation levels must be approved independently of the persons making the amendment;
  - vi all passwords must be withdrawn when **employees** leave.
- d) **Contracts Control:**
- i **you** must ensure that no single **employee** can control the process of appointing suppliers and / or awarding contracts from commencement to completion, without referral to others;
  - ii different **employees** acting independently shall be responsible for the ordering of stock and materials, the recording of receipt of such and authorising payment for them.
- e) **Emergency Cover Provisions, Work Experience and Volunteers:**
- i **emergency cover employees** must be supplied from a reputable specialist recruitment agency and hold references for at least two (2) years prior to the date of employment by **you**;
  - ii **emergency cover employees** must not be given access to **your computer systems** accounts unless permanently **supervised**;
  - iii any **emergency cover employees**, when **unsupervised** must not handle **money** or process electronic funds transfers exceeding the value of £1,500;
  - iv **emergency cover employees' money** handling activity is to be checked by **you** or a **responsible employee** within one day of the **money** being handled;
  - v any work experience or voluntary worker must only handle **money** when authorised by **you** or a **responsible employee** and must not handle **money** exceeding the value of £500 cash or £750 for credit or debit card or personal cheque transactions.
- f) **Employees:**
- i any **employee** who has **unsupervised** responsibility for handling of **money** or processing electronic funds transfers on **your** behalf must:

- (a) be a **responsible employee**; or
- (b) have been **supervised** continuously for the preceding sixty (60) days.

g) **Money:**

- i Cash and petty cash: cash in hand and petty cash must be checked independently of **employees** responsible at least monthly and without warning every six (6) months;
- ii Cash receipts: **employees** receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day unless otherwise agreed with **us**;
- iii Cheque signing:
  - (a) all cheques or other bank instruments drawn must be manually signed by **you** or a **responsible employee** after the amount has been inserted
  - (b) all cheques or other bank instruments drawn for more than £10,000 shall require two (2) manually applied signatures to be added after the amount has been inserted. **You** shall advise their bankers accordingly;
  - (c) no cheque or instrument must be signed until one signatory has validated the requisition, examined the supporting documentation and ensured the payee is a genuine client or creditor;
- iv Computer security
  - (a) security checks will be built into all computer functions with reconciliations made as necessary;
  - (b) responsibilities for authorisation by transactions, processing of transactions and handling of output shall be exercised by different **employees**.
- v Payroll:
  - (a) the cast of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct;
  - (b) at least quarterly and independently of persons responsible for the payroll, the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.
- vi Statements of account:
  - (a) statements of account of all amounts due will be issued at least monthly and direct to customers independently of **employees** receiving or collecting monies;
  - (b) if an account becomes three (3) months overdue, management shall promptly investigate the reasons for late payment.

h) **References:**

- i no **employee** shall be given responsibility for **money**, goods, accounts, computer operations or computer programming unless **you** have first obtained satisfactory references to confirm their honesty or have otherwise satisfied the requirements of this clause;
- ii such references shall be obtained directly from former employers for the three (3) years immediately preceding engagement and before the **employee** is entrusted without supervision;
- iii references need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one (1) year in another capacity before being entrusted with the duties referred to above;
- iv in respect of **employees** joining directly from school or government sponsored youth training schemes, one character reference shall be obtained;
- v a written record of any verbal reference shall be made at the time it is obtained;
- vi the original copy of each written reference and the record of any verbal reference shall be



retained by **you** and made available for inspection by **us** on request.

i) **Termination of Service:**

Immediately upon the termination of service of any **employee**, **you** must take all reasonable precautions to prevent **theft** arising, including but not limited to:

- i the changing of all alarm and other security codes or passwords the **employee** had or may have had knowledge of;
- ii the deletion or invalidation of any access codes or passwords the **employee** has to access computer or other systems.

j) **Training:**

All **employees** must be instructed as to their duties and responsibilities in respect of the minimum levels of control and compliance enforced.

#### 20.6.4. **Money Held**

Any **money** of the **employee** in **your** hands upon discovery of the **theft** and any **money** which but for the **employee's theft** would have been due to the **employee** from **you** shall be deducted before a claim is made under this **section**, if lawful to do so;

#### 20.6.5. **Recovery**

**You** will give all such information and assistance as **we** may require to enable **us** to seek recovery from any **employee** whose **theft** gives rise to a claim under this **section**.

Any **monies** which are recovered less any costs incurred in recovery shall accrue:

- a) in the event that **your** loss has exceeded the **limit of indemnity** firstly to the benefit of **you** to reduce or extinguish the amount of **your** loss (but not the **excess**); then
- b) to **our** benefit to the extent of the loss indemnified or indemnifiable; and finally
- c) to **your** benefit where the **excess** had been deducted from sums indemnified.

#### 20.6.6. **Reinstatement**

Notwithstanding the 'Reinstatement of Sum Insured' condition in the 'General Terms' **section** of this **policy** any sum or sums payable by **us** under this **section** in any one **period of insurance** will reduce the **limit of liability** so that the total of any or all of such sums will not exceed such **limit of liability**.

In the event of such **limit of liability** being reduced by reason of this condition such **limit of liability** may be reinstated upon payment by **you** of any additional premium required by **us** provided that the amount by which such **limit of liability** is reinstated will be available solely in respect of **theft** committed after such reinstatement.

### 20.7. **Exclusions and limitations applying to the Employee Dishonesty section**

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) any loss the proof of which is dependent solely upon a:
  - i profit and loss computation or comparison; or
  - ii comparison of inventory records with an actual physical count.However, where **you** can prove independently of such comparisons that a loss has occurred for which an identified **employee** was responsible, inventory records and actual physical count of inventory can be submitted as supporting the documentation of such a loss;
- b) loss arising from malicious **damage** including computer viruses, worms, trojan horses and the like;
- c) consequential or indirect loss of any kind, including but not limited to any loss of dividends, income or profit not realised by **you** or any other individual or organisation because of a **theft** covered under this **policy**, but not including interest;
- d) any amount for which an indemnity is granted by the 'Money' **section** of this **policy**;

- e) losses not directly associated with the incident that caused **you** to claim;
- f) loss where **you** continue to entrust an **employee** with **money** or property after discovering any circumstance that casts any material doubts on the integrity of said **employee**;
- g) loss arising from any act or acts of **theft** committed by an **employee** who **you** have continued to employ after discovering a prior act of **theft** committed by the same **employee**;
- h) losses committed by any **employee** who **you** are unable to identify by name;
- i) the **excess** stated in the **schedule**;
- j) any act or acts of **theft** of **money** or property belonging to **you**:
  - i which **you** have not reported to the police as soon as reasonably possible; and
  - ii for which **you** have not obtained a crime reference number.

## 21. Terrorism

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 21.1. Terrorism Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 21.1.1. Act of terrorism

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

#### 21.1.2. Computer system/computer systems

Means a computer or other equipment or component or system or item which processes stores transmits or receives **data**.

#### 21.1.3. Data

Means data of any sort, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites or any information whatever.

#### 21.1.4. Denial of service attack

Means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer 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, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

#### 21.1.5. Eligible insured sections

Means any **sections** shown as 'Operative' in the 'Terrorism Section' of the **schedule** providing direct insurance cover for the risk of fire and/or explosion (either alone or with other perils) for any of the following heads of cover:

- a) buildings and completed structures;
- b) other property (including contents, engineering, contractors and computers);
- c) business interruption;
- d) book debts;

provided always that each eligible insured section will be deemed to be a separate eligible insured section whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies.

#### 21.1.6. Hacking

Means unauthorised access to any **computer system**, whether **your** property or not.

#### 21.1.7. Nuclear installation

Means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for:

- a) the production or use of atomic energy;
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or

- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

#### 21.1.8. Nuclear reactor

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

#### 21.1.9. Phishing

Means any access or attempted access to **data** made by means of misrepresentation or deception.

#### 21.1.10. Property

Means all property whatsoever, but excluding:

- a) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless:
- i insured under the same contract of direct insurance as the remainder of the building which is not a private residence;
  - ii not insured in the name of an individual; or
  - iii insured in the name of an individual, and the commercial element of the building occupies more than twenty percent (20%) of the building.

For the purpose of this clause, a trustee, beneficiary, executor of a will or sole trader is not deemed to be an individual unless they occupy the premises or any part thereof as their own private residence.

- b) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**.
- c) For the purposes of the 'Virus or similar mechanism, hacking, phishing or denial of service' exclusion in the 'Limitations and exclusions applicable to this section', **property** will exclude:
- i any **money**, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
  - ii any **data**.

#### 21.1.11. Specified losses

Means:

- a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **your property** insured by **you**; or
- b) the amount of business interruption loss suffered directly by **you** by way of loss of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either damage to or destruction of **your property** insured by **you** or as a direct result of denial, prevention or hindrance of access to or use of **your property** insured by **you** by reason of an **act of terrorism** causing damage to other **property** within one (1) mile of **your property** to which access is affected.

#### 21.1.12. Specified perils

Means fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **computer systems**.

### 21.1.13. Territory

Means England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, nor Northern Ireland nor the Isle of Man nor the Channel Islands.

### 21.1.14. Virus or similar mechanism

Means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems, data** or operations, whether involving self-replication or not. Virus or similar mechanism includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

## 21.2. Terrorism loss Cover

Subject to the application of any applicable **excess**, **we** will indemnify **you** in accordance with the terms of this **section** for losses arising under the **eligible insured sections** as a result of damage to or destruction of **property** in the **territory**, the proximate cause of which is an **act of terrorism**, provided that the **act of terrorism**:

- a) occurs in the **territory** during the **period of insurance**; and
- b) is certified by HM Treasury or a competent tribunal from time to time as an **act of terrorism**;

provided that in any action, suit or other proceedings where **we** allege that any damage or costs and expenses are not covered by the **policy**, the burden of proving the contrary will be upon **you**, save for clauses 21.3.1 b) ii and 21.3.1 c) where the burden of proof will be upon **us**.

## 21.3. Exclusions and limitations applying to the Terrorism section

The general policy exclusions do not apply to this **section**. Instead, the following are specifically excluded from the insurance under this **section**.

### 21.3.1. Virus or similar mechanism, hacking, phishing or denial of service

- a) Any losses whatsoever directly or indirectly caused by, contributed to by, or arising from or occasioned by or resulting from:
  - i damage to or the destruction of any **computer system**; or
  - ii any alteration, modification, distortion, erasure, or corruption of **data**;in each case whether **your** property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**.
- b) Covered losses otherwise falling within this exclusion will not be treated as excluded by this clause solely to the extent that such loss:
  - i results directly from any of the **specified perils**;
  - ii comprises any of the **specified losses**; and
  - iii is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.
- c) Notwithstanding the exclusion of **data** from the definition of **property** in this **section**:
  - i to the extent that damage to or destruction of **property** comprises any of the **specified losses**; and
  - ii that damage or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data**;

the fact that a **specified peril** results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data** will not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** (and otherwise falling within **specified losses** or **specified perils**) from being recoverable under this **section**.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **data** be recoverable under this **section**.

#### 21.3.2. **War**

Any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

#### 21.4. **Other Terrorism Terms and Conditions**

- a) The amount for which **we** will indemnify **you** under this **section** in any one (1) **period of insurance** will not exceed the **sum insured** stated in the **schedule** for the applicable **section** shown as insured in the **schedule** in respect of all losses arising out of any one (1) **occurrence**.
- b) Where the **period of insurance** shown in the **schedule** is for a period greater than twelve (12) months, the cover provided by this **section** will only apply for a period of twelve (12) months and will be subject to renewal at each annual anniversary.

##### 21.4.1. **Restricted terms**

The insurance provided by this **section** is subject otherwise to all the terms and conditions of this **policy** except that any:

- a) long term undertaking;
- b) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**; and
- c) coverage in respect of **premises** to locations outside England and Wales and Scotland;

will not apply to losses covered under this **section**.

## 22. Cyber

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 22.1. Cyber Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 22.1.1. Breach of network security

Means:

- a) breach of the security of **computer systems** through:
  - i failure to protect against or prevent the transmission of a computer virus;
  - ii the unauthorised access of **computer systems**;
- b) a denial-of-service attack on **computer systems**;
- c) the prevention of access to **computer systems** caused by a malicious electronic act;
- d) unauthorised use, alteration or deletion of data on **computer systems**.

#### 22.1.2. Breach of data protection law

Means a failure by **you** or a **service provider** to comply with **data protection law**.

#### 22.1.3. Breach of privacy

Means a breach of confidentiality in relation to **personally identifiable information** or a third party's corporate confidential information by **you** in breach of duty owed by **you**.

#### 22.1.4. Business income

Means the amount of **your** net profit if any before taxes which would have been earned by **you** adjusted to take account of:

- a) the trend of the business, reasonable business variations, seasonal influences, prevailing economic conditions and other variations or circumstances that have an influence upon the business;
- b) the increased cost of working incurred by **you** for the sole purpose of avoiding or diminishing the loss of net profit; and
- c) any costs savings which **you** can reasonably achieve.

The calculation of **your** loss of **business income** shall be based on an analysis of the revenues and costs generated during each of the twelve months prior to the loss occurring (as recorded in **your** accounts) and will also take into account a projection of future profitability as close as practical had no loss occurred.

Requests made by **you** for indemnity by **us** shall be accompanied by a computation of the loss of **business income**. This shall set out in detail how the loss of **business income** has been calculated and what assumptions have been made.

Any payment for loss of **business income** will, where applicable, be reduced by the extent to which **you** could have used or did use:

- i damaged or undamaged **computer systems**;
- ii available stock, merchandise or data; or
- iii substitute facilities, equipment or personnel.

#### 22.1.5. Business services

Means those services provided for a client as specified in the schedule in the conduct of **your** business.



#### 22.1.6. **Circumstance**

Means an incident, occurrence, dispute, fact, matter, act or omission likely to give rise to a **claim**. A circumstance notified to **us** during the **period of insurance** or, if applicable, the extended reporting period shall be deemed to be a **claim**.

#### 22.1.7. **Claim**

Means:

- a) the receipt by **you** of any written notice of demand for compensation made by a third party against **you**;
- b) any writ, statement of claim, claim form, summons, application or other originating legal or arbitral process, cross-claim, counterclaim or third or similar party notice served upon **you**;
- c) any notice of intention in writing to commence legal proceedings against **you**.

Where the word 'claim' is used as an undefined term (i.e. not in bold) it refers to a claim by **you** under the **policy**, unless the context otherwise requires.

#### 22.1.8. **Cyber extortion expenses**

Means reasonable and necessary expenses incurred by **you** for the purposes of terminating a **cyber extortion threat**.

#### 22.1.9. **Cyber extortion threat**

Means a threat from a **hacker** to bring about a **breach of network security** or **breach of privacy** against **your computer system**.

#### 22.1.10. **Cyber risk**

Means:

- a) breach of **network security**;
- b) breach of **privacy**.

#### 22.1.11. **Data breach notification costs**

Means reasonable and necessary expenses incurred by **you** or which **you** become legally obliged to pay for the provision of notifications to comply with **data protection law** or voluntary notification if recommended by a law firm chosen by the **panel firm** following a **breach of privacy** limited to:

- a) the legal fees incurred to identify notification communication obligations and draft notification communications;
- b) the costs to draft, send and administer notification communications;
- c) the costs of call centre services to respond to enquiries following a notification communication.

#### 22.1.12. **Essential service**

Means a service that is essential for the maintenance of vital functions of a sovereign state including but not limited to financial institutions and associated financial market infrastructure, health services or utility services.

#### 22.1.13. **Hacker**

Means a third party who gains unauthorised access to, or makes unauthorised use of, **computer systems** by circumventing electronically or otherwise **your** security system in place to protect against such unauthorised access for **ransom**.

#### 22.1.14. **Impacted state**

Means a sovereign state where a **cyber operation** has had a major detrimental impact on:

- a) the functioning of that sovereign state due to disruption to the availability, integrity or delivery of an **essential service** in that sovereign state; and/or
- b) the security or defence of that sovereign state.

#### 22.1.15. **Media claim**

Means a **claim** against **you** for defamation, breach of copyright, invasion of privacy or misappropriation of ideas which arises from **your media content**.

#### 22.1.16. **Media content**

Means content on **your** website, intranet or social media pages. Media content does not include any product packaging or labelling, design or ideas in relation to tangible products or property.

#### 22.1.17. **Panel adviser**

Means a claim service provider as identified in the **schedule**.

#### 22.1.18. **Payment card entity**

Means American Express, Discover, JCB, Mastercard, Visa or any entity that is the subject of a duty to enforce the obligations of the insured in respect of PCI DSS.

#### 22.1.19. **PCI DSS**

Means Payment Card Industry Data Security Standard.

#### 22.1.20. **PCI forensic consultant**

Means a forensic consultant who is approved by PCI Security Standards Council.

#### 22.1.21. **Period of reinstatement**

Means the period after the **waiting period** commencing on the total or partial interruption, degradation in service, or failure of **computer systems**, and ending on either:

- a) the date on which the **business income** loss ends (or could have been, had **you** acted reasonably expeditiously to restore the business), up to a maximum of thirty (30) days after from the time when **we** are satisfied that **computer systems** are repaired, restored and/or replaced (or could have been) to the same equivalent standard, condition, functionality, level of service and/or with the same content, or as near as reasonably possible as immediately before the total or partial interruption, material degradation in service, or failure of **computer systems** began; or
- b) one hundred and twenty (120) days,

whichever is sooner.

#### 22.1.22. **Personally identifiable information**

Means any information from which an individual may be uniquely and reliably, either directly or indirectly, identified or contacted and to the extent more broadly defined, has the meaning given to 'Personal Data' under **data protection law**.

#### 22.1.23. **Professional services**

Means services performed by **you** or on **your** behalf.

#### 22.1.24. **Ransom**

Means **your** money, products, goods, services or property.

#### 22.1.25. **Regulatory compensatory award**

Means a sum of money which **you** are legally obliged to pay as an award or fund for the those affected following a **data protection regulator's** investigation of a **breach of data protection law**. This does not include any criminal penalty or fine.

#### 22.1.26. **Service provider**

Means a business **you** do not own, operate or control, but that **you** hire for a fee under contract to perform information technology or payment processing services for or on **your** behalf.

#### 22.1.27. **Waiting period**

Means the period of twelve (12) hours.

## 22.2. Cyber Loss Cover

We will only indemnify **you** for the cover offered by the 'Cyber Liability', 'Data Breach Expense', 'Computer System Damage, Data, Extra Cost and Business Income' and 'Cyber Crime' **sub-sections** if they are shown on the **schedule** as "Insured".

Subject to the provisions of the **policy**, including any applicable **excess** or **waiting period** and any applicable **sum insured per occurrence** and in the aggregate in any one **period of insurance**, we will:

### 22.2.1. Cyber Liability

a) Cyber Risk Liability:

indemnify **you** for any sum which **you** may become legally liable to pay in respect of any **claim** and **defence costs** first made against **you** during the **period of insurance** which arises out of any actual or alleged **cyber risk** of which **you** first become aware during the **period of insurance**.

b) Online Media Liability:

indemnify **you** for any sum which **you** may become legally liable to pay in respect of any **media claim** and **defence costs** first made against **you** during the **period of insurance** of which **you** first become aware during the **period of insurance**.

### 22.2.2. Data-Breach Expense

a) Data Breach Legal Costs:

pay on **your** behalf for an actual or suspected **cyber risk** of which **you** first become aware during the **period of insurance**:

- i legal expenses incurred by a **panel firm** to assess whether **you** are in breach of **data protection law**; and
- ii **data breach notification costs**.

b) Public Relations Costs:

pay reasonable costs **you** incur for a **panel firm** to avert or mitigate any significant damage to any of **your** brands and business operations resulting from a **cyber risk** of which **you** first become aware during the **period of insurance**.

c) Credit Monitoring or Identity Theft Costs:

pay the costs of offering credit monitoring or identity theft services **you** incur for a maximum period of twelve (12) months to those affected by a **breach of privacy** of which **you** first become aware during the **period of insurance**.

d) PCI DSS Costs:

to the extent insurable by law and provided **you** are PCI compliant, pay costs **you** incur for a **claim** and **defence costs** first made against **you** by a **Payment Card Entity**, or a party to whom **you** are liable for the **claim** arising from a **breach of privacy** during the **period of insurance** for:

- i a **PCI forensic consultant** to investigate any suspected or actual non-compliance with the **PCI DSS** if required by a **Payment Card Entity**;
- ii the costs of **PCI DSS** recertification;
- iii any liability to a **Payment Card Entity** for its costs of re-issuing credit, debit or pre-funded cards due to **your** breach of **PCI DSS**;
- iv any costs or penalties imposed by the **Payment Card Entity** on **you**.

### 22.2.3. Computer System Damage, Data, Extra Cost and Business Income

a) Data Restoration:

indemnify **you** for costs and expenses incurred in repairing, replacing or restoring **your electronic data** and **your computer systems** discovered by **you** to be lost, damaged or destroyed when:

- i the loss, damage or destruction was a result of a **breach of network security**; and

- ii the discovery of such loss, damage or destruction occurred during the **period of insurance**.

Such indemnity shall be limited to the costs and expenses of whatsoever nature incurred by **you** with **our** prior written consent in relation to the replacement and/or restoration of such **electronic data**, but not including the value of any **electronic data**. Any claim for such costs and expenses shall be supported by invoices.

b) Forensic Costs

pay forensic costs incurred by a **panel firm** as a result of a **cyber risk** or a **cyber extortion threat** of which **you** first become aware during the **period of insurance** to:

- i establish the cause and extent of the **cyber risk** or **cyber extortion threat**;
- ii assess **your** network security and recommend security improvement; and
- iii temporarily store **your electronic data** at a third-party host location when **your computer systems** remain vulnerable to damage, destruction, alteration, corruption, copying, stealing or misuse.

c) Cyber Business Interruption:

indemnify **you** for loss of **business income** incurred by **you** during the **period of reinstatement** directly as a result of a failure by **you** or the **service provider** to protect against a **breach of network security**.

**We** will not provide an indemnity for any losses incurred during the **waiting period** commencing when the total or partial interruption, material degradation in service, or failure of **computer systems** began.

**Our** liability under the indemnity provided by this clause 22.2.3. c) will not exceed the lesser of:

- i the amount of **business income you** would have earned during the **period of reinstatement** but for the total or partial interruption, material degradation in service, or failure of **computer systems** caused by the **breach of network security**; or
- ii the **sum insured** shown in the **schedule** for this **section**.

#### 22.2.4. Cyber Crime

a) Cyber Crime:

indemnify **you** for any theft of **your** money or property of which **you** first become aware during the **period of insurance** directly caused by a **breach of network security**.

b) Voice/telephony:

indemnify **you** during the **period of insurance** against **your** financial loss as a direct result of **you** or any **service provider** failing to protect against a **breach of network security** which results in **your** telephone systems incurring unintended or unauthorised call charges or bandwidth charges during the **period of insurance**.

c) Cyber Extortion:

indemnify **you** to the extent insurable by law for **cyber extortion expenses** arising from a **cyber extortion threat** during the **period of insurance** when:

- i **you** can demonstrate to **our** satisfaction that **you** have taken all reasonable efforts to determine that the **cyber extortion threat** is genuine and not a hoax;
- ii if a **ransom** is demanded by a **hacker**, at least one of **your directors** has agreed to the payment of the **ransom**; and
- iii **you** can demonstrate to **our** satisfaction that the payment of such **ransom** is reasonable and necessary.

#### 22.3. Cyber Extensions

The following extensions apply to this **section**.

### 22.3.1. Fines and Penalties

Regulatory Defence and Costs: **We** will to the extent insurable by law pay on **your** behalf those amounts which **you** are legally obliged to pay as a result of a **breach of data protection law** directly arising from a **breach of privacy** of which **you** first become aware during the **period of insurance** for any legal and investigation costs, as a result of a civil regulatory action, **regulatory compensatory award**, civil penalty or fines imposed by a **data protection regulator** against **you**.

### 22.4. Maximum Amount Payable

The maximum **we** will pay in the aggregate for all claims **we** accept under this **section** in any one **period of insurance** regardless of the number of claims or claimants will not exceed the **sum insured** stated in the **schedule** plus the **maximum amount payable** shown in the **schedule** for extensions to this **section**.

### 22.5. Basis of Settlement Clauses

#### 22.5.1. Maximum Amount Payable for Extensions

The maximum amount **we** will pay for the extensions to this **section** will not exceed the **maximum amount payable** for extensions to this **section** as shown in the **schedule** in the aggregate for all claims in any one **period of insurance**.

#### 22.5.2. Defence Costs

Any **defence costs we** pay will be within and not in addition to the **sum insured**.

#### 22.5.3. Paying Out the Sum Insured

For any and all claims arising for the **period of insurance we** may pay the full **sum insured** that applies.

When **we** have paid the full **sum insured**, **we** will not pay any further amounts for any claims or for associated **defence costs**.

### 22.6. Other Cyber Section Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

**You** must keep to the following conditions whenever **you** need to make a claim under this **section**. If **you** do not meet these conditions, and this reduces **our** legal or financial rights under this **section**, **we** may refuse to pay part or all of **your** claim.

#### 22.6.1. Acquisitions and Creations

- a) Where **you** create or acquire during the **period of insurance** a company and the declared turnover relating to all such created or acquired companies does not exceed ten percent (10%) of the declared turnover of the companies covered under this **policy** at inception (less the turnover for any company which ceases to be an **insured**, by reason of sale or otherwise, during the **period of insurance**), then this **policy** shall include as an **insured** any such company from the date of creation or acquisition without additional premium provided that:
- i the **business services** carried out by such company are similar to that of **yours**;
  - ii any acquired company did not pay or reserve any **claims** in the five (5) years prior to acquisition of a kind which would fall within the scope of cover comparable to that provided by this **policy** and the total paid or reserved amount was greater than the **excess** under this **policy**;
  - iii any acquired company is not aware of any **cyber risk** or **cyber extortion threat** affecting the said company;
  - iv any acquired company has less than one million (1,000,000) **Personally identifiable information**;
  - v any acquired company has multi-factor authentication on all remote connections and administrative accounts;
  - vi all software of any acquired company is still supported by the producer of the software and/or security updates are still being provided;

- vii the retroactive date applicable to the **business services** of the acquired company is deemed to be the date of the acquisition;
    - (a) control the composition of the board of directors
    - (b) control more than half the voting power at a general meeting of shareholders; or
    - (c) hold more than half of the issued share capital (regardless of class of share); and
  - viii such company is not, and does not own or control, an incorporated entity in the USA.
- b) Where **you** create or acquire a company subsequent to inception of this **policy** and the turnover relating to all such created or acquired company exceeds ten percent (10%) of the declared turnover of the companies covered under this **policy** at inception (less the declared turnover for any company which ceases to be an **insured** by reason of sale or otherwise, during the **period of insurance**), then this **policy** shall include as an **insured** any such company from the date of creation or acquisition provided that:
- i the terms applicable to acquisitions and creations in paragraph 22.6.1 a) above also apply to such companies;
  - ii **you** notify **us** as soon as is reasonably practicable of the creation or acquisition;
  - iii **you** accept the revised premium and terms applying to each and every such creation or acquisition; and
  - iv all insurance in respect of such creation or acquisition will terminate thirty (30) days following creation or acquisition if terms cannot be agreed between **you** and **us**.

#### 22.6.2. Claiming under more than one section

If it is possible for **you** to bring a claim under more than one section of this 'Cyber' section, then **you** may elect to submit a claim against that section which offers the maximum amount of payment subject to any applicable **maximum amount payable**.

#### 22.6.3. Interrelated Claims

Two or more **claims** under this **section** arising from the same originating cause shall be deemed to constitute a single **claim** notwithstanding that they might involve different claimants, insureds and causes of action. Only one **excess** and any applicable **maximum amount payable** shall apply to that single **claim**. All such **claims** shall be deemed to have been first made when the first of them was notified to **us**.

### 22.7. Exclusions and limitations applying to the Cyber section

The following exclusions and limitations apply to this **section** in addition to the 'General Exclusions'.

**We** will not indemnify **you** against any **claim**, loss, liability, **defence costs** or any other sums whatsoever arising out of or in respect of the following:

#### 22.7.1. Betterment

costs in repairing, replacing or restoring **your computer system** to a level beyond that which existed prior to any claim or loss.

#### 22.7.2. Bodily Injury or Property Damage

- a) **bodily injury** unless arising from any **claim** seeking compensatory damages for mental anguish or distress where such damages arise from **claims** covered under this **policy**;
- b) physical loss, destruction or **damage** of tangible property (including the loss of use) unless expressly provided to the contrary.

#### 22.7.3. Breach of Legislation / Anti-Trust

actual or alleged breach of taxation, competition, restraint of trade, anti-trust or unsolicited communications legislation or regulation including but not limited to:

- a) the Employment Retirement Income Security Act 1974 and any amendment thereto, or any rules or regulations promulgated thereunder;

- b) any actual or alleged violations of the Racketeer Influenced and Corrupt Organisation Act 18 USC Sections 1961 et seq and any amendments thereto, or any rules or regulations promulgated thereunder;
- c) any actual or alleged violation of any of the provisions of the Securities Act of 1933, the Securities Exchange Act 1934 or any similar Federal or State law or any common law relating thereto;
- d) the CAN-SPAM Act of 2003 or any subsequent amendments to that Act;
- e) the Telephone Consumer Protection Act 1991 or any subsequent amendments to that Act;
- f) any other law, regulation or statute relating to unsolicited communications, distributions, sending or transmitting of any communication via telephone or any other electronic or telecommunications device; or
- g) any law, regulation or statute relating to the wrongful collection, wrongful storage or wrongful use of biometric data.

#### 22.7.4. **Claim by an Insured**

**claim** brought directly or indirectly by or on behalf of:

- a) any company or other organisation shown as an 'Insured' in the **schedule** or **your** parent or subsidiary (as defined in the Companies Act 2006); or
- b) any entity in which **you** or **your** partner or member has an executive interest or responsibility or has a shareholding or other financial interest representing more than fifteen percent (15%) of the issued share capital;

provided that this exclusion shall not apply to such **claims** by **employees** for **breach of privacy**.

#### 22.7.5. **Conduct**

dishonest, fraudulent, deliberate or reckless act or omission by **you**. This exclusion shall not apply in respect of wilful misconduct of an **employee**.

#### 22.7.6. **Contractual Liability**

liability arising under a contract except to the extent that such liability would have attached in the absence of such contract provided that this exclusion shall not apply in respect of **PCI DSS**.

#### 22.7.7. **Existing occurrences**

any occurrence:

- a) prior to the retroactive date (if any);
- b) notified to any other insurer(s) covering the same subject matter as this insurance for a preceding period of insurance;
- c) known to **you** prior to inception of this **policy** that may reasonably have been expected to result in a loss under this **policy**.

#### 22.7.8. **Excess**

the applicable **excess** stated in the schedule;

#### 22.7.9. **False Advertising**

false advertising or deceptive trade practices arising from **media content**.

#### 22.7.10. **Fines and Penalties**

- a) fines, penalties, liquidated damages or contractual penalties other than those that are covered under the 'Fines and Penalties' extension (if applicable) or 'PCI DSS Costs' provided under 'Data Breach Expense' cover of this **section** where it is shown as "Insured" in the **schedule**; or
- b) punitive, multiple or exemplary damages awarded by a court or tribunal or reflected in a settlement.



#### 22.7.11. **Franchisee**

**your** franchise or franchisee unless noted in the **schedule**. In addition, a **claim** originating from **your** franchise or franchisee shall not be covered under this **policy**.

#### 22.7.12. **Gaming, Gambling or Lotteries**

use or provision of any gaming, gambling or lottery except when such services are identified as **business services**.

#### 22.7.13. **Government Intervention**

any government, regulatory, licensing or commission action or investigation.

However this exclusion shall not apply to the 'Fines and Penalties' extension.

#### 22.7.14. **Inaccurate Pricing**

inaccurate, inadequate or incomplete description or pricing of goods, products or services.

#### 22.7.15. **Insolvency of the Insured**

an **insolvency event**.

#### 22.7.16. **Liability arising out of Employment**

violation relating to any individual's actual or prospective employment by **you**. This exclusion will not apply to the extent that **you** would be liable to such **employees** other than in their capacity as **employees** or a **breach of privacy** or **breach of data protection law** directly affecting **employees**.

#### 22.7.17. **Management Liability**

personal liability incurred by **your directors or officers** when acting in that capacity.

#### 22.7.18. **Natural Perils**

physical cause or natural peril, including but not limited to fire, storm, wind, water, flood, subsidence, or earthquake, that results in physical damage to property including to **computer systems**.

#### 22.7.19. **Ordinary Payroll Costs**

ordinary salary costs incurred within **your** normal working hours. However, this exclusion shall not apply to insuring clause entitled 'Cyber Business Interruption'.

#### 22.7.20. **Patents / Trade Secrets**

the infringement of any patent or unauthorised use of trade secrets.

#### 22.7.21. **Pensions**

**insured** acting as a trustee, fiduciary or administrator of the **insured's** own pension, profit sharing or employee benefits programme, including any actual or alleged breach or violation of the Employee Retirement Income Security Act of 1974 (ERISA) (USA) the Pensions Acts of 1994 and 1995 (UK) or any successor, amending or subordinate legislation of either, or any similar or equivalent law or regulation in any other jurisdiction.

#### 22.7.22. **Pollution, Asbestos or Electromagnetic Fields**

any **claim**:

- a) for **bodily injury**, sickness, disease, death or physical loss, destruction or damage of tangible property (including the loss of use) directly or indirectly caused by **pollution** or contamination;
- b) for removing nullifying or cleaning-up seeping, polluting or contaminating substances;
- c) directly or indirectly arising out of, resulting from, in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity;
- d) directly or indirectly arising out of electromagnetic fields, electromagnetic radiation or electromagnetism.

#### 22.7.23. **Products Liability**

goods or products (being tangible property or merchandise) sold, supplied, repaired, altered, treated, manufactured, installed or maintained by **you** or on **your** behalf.

#### 22.7.24. **Professional Services**

**claim** or loss arising out of or in connection with any act, error or omission, or any breach of contract in rendering or failure to render **professional services**.

#### 22.7.25. **Return of Fees or Commissions**

return, restitution or offset of fees, commissions, expenses or costs either by service level credits or by any other means.

#### 22.7.26. **Terrorism**

**bodily injury, damage, claim**, loss, liability, expenses, costs or **defence costs** of whatsoever nature caused by an **act of terrorism**. Any unlawful act of a third party resulting in a **breach of network security** shall not be regarded as **act of terrorism**.

#### 22.7.27. **Theft**

**claim** or loss sustained by **you** or a third party by the transfer of money or securities (or equivalent thereof) other than where cover is provided under the 'Cyber Crime' cover provided by this **section**.

#### 22.7.28. **Trading Loss and Liabilities**

**your:**

- a) lost profit, mark-up or tax liability or **your** equivalent; or
- b) trading loss or trading liability including those arising from the loss of any client, account or business; other than where cover is provided under the 'Cyber Business Interruption' cover provided by this **section**.

#### 22.7.29. **Unlicensed Software**

use by **you** of software in breach of any intellectual property rights of another party, beyond the terms permitted by a licence granted to **you**, or in breach of applicable legislation or regulation.

#### 22.7.30. **Unsupported Systems**

**claim** or loss caused by a **cyber risk** to software which is no longer supported by the producer of the software or/and where security updates are no longer being provided.

#### 22.7.31. **Utility Service Provider**

failure, disturbance, interruption or outage of: internet access or telecommunications services, including Domain Name System (DNS), Top-Level Domain or DNS Root Zone Service, telecommunications infrastructure or internet infrastructure, electricity, satellite or utilities. This exclusion will not apply if such services are under **your** direct operational control.

#### 22.7.32. **Waiting period**

Loss of **business income** arising during the **waiting period**;

#### 22.7.33. **War, Cyber War and Cyber operation**

- a) save where otherwise specifically provided, this **section** does not cover any loss, **bodily injury, claim, defence costs, damage**, liability, cost or expense of any kind (together 'loss') resulting:
  - i directly or indirectly from **war**;
  - ii from a **cyber operation** that is carried out in the course of **war**; or
  - iii from a **cyber operation** that causes a sovereign state to become an **impacted stated**.

Provided, however, paragraph 22.7.33 a) iii above shall not apply to the direct or indirect effect of a **cyber operation** on a **computer system** used by **you** or **your** third party service providers that is not physically located in an **impacted state** but is affected by a **cyber operation**.

b) In determining attribution of a **cyber operation**, **you** and **we** shall have regard to whether the government of the **impacted state** formally or officially attributes the **cyber operation** to another sovereign state or those acting at its direction or under its control.

In the absence of attribution by the **impacted state**, **we** may rely upon a reasonable inference as to attribution of the **cyber operation** to another sovereign state or those acting at its direction or under its control having regard to such evidence as is available to **us**.

In the event that the government of the **impacted state** either takes an unreasonable length of time to, or does not, or is unable to attribute the **cyber operation** to another sovereign state or those acting at its direction or under its control, it shall be for **us** to prove attribution by reference to such other evidence as is available.

## 23. Trustees' and Officers' Financial Liability

Cover under this section is only provided if it is shown in the schedule as an operative section.

### 23.1. Trustees' and Officers' Financial Liability cover

**We** will indemnify **you** in accordance with the terms of this **section** for all amounts that any properly elected trustee or officer of the **business** becomes legally liable to pay or contribute towards, in respect of a shortfall between the assets and liabilities of the **business** in the event that the **business** will cease trading during the **period of insurance** through any cause outside the control of such trustee or officer.

### 23.2. Maximum Amount Payable

The maximum **we** will pay under this **section** during any one **period of insurance** in respect of all claims by all trustees or officers of the **business** is the **sum insured** shown in the **schedule**.

### 23.3. Other Trustees' and Officers' Financial Liability Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### 23.3.1. Notice of Claim – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent.

In the event of any circumstances that might reasonably be expected to give rise to a claim under this **section** **you** must:

- a) notify **us** within thirty (30) days of the cessation of trading by **you**; and
- b) submit a claim in writing providing full particulars and all proofs and information as may be reasonably required.

### 23.4. Exclusions and limitations applying to the Trustees' and Officers' Financial Liability section

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) cessation of trading or shortfall caused by, contributed to by, or in connection with fraud, embezzlement, misappropriation or other criminal act of any of **your** trustees or officers;
- b) any shortfall resulting from dishonoured cheques, use of counterfeit money, clerical or accounting errors or shortfalls due to error or omission;
- c) losses arising from the closure of the **business** within the first six (6) months from inception of this **section**;
- d) the **excess** stated in the **schedule**.

## 24. Loss of Licence

Cover under this **section** is only provided if it is shown in the **schedule** as an **operative section**.

### 24.1. Loss of Licence Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where they are used in this **section**, unless an alternative definition is stated to apply.

#### 24.1.1. Designated premises supervisor

Means the individual designated as the manager or supervisor of the **premises**, whether or not that person is the owner or licensee.

#### 24.1.2. Gross income

Means the money paid or payable to **you** in respect of food, drink or accommodation provided and services rendered, less the cost of food and drink.

#### 24.1.3. Indemnity period

Means the period during which **your business** is affected, beginning with the date the **licence** is forfeited, suspended or refused and ending no later than:

- a) the date **your** interest ceases due to the disposal of the **premises** or the business; or
- b) twelve (12) months from the date of the cancellation of **your licence** whichever is the earlier.

#### 24.1.4. Licence

Means the licence granted by the relevant **licensing authority** for the retail sale of intoxicating liquor at the **premises** or such other license as may be defined in the **schedule**.

#### 24.1.5. Licensing authorities

Means those bodies and/or individuals authorised to grant licences for the sale of alcohol and/or the provision of entertainment under the Licensing Act 2003 and/or Licensing (Scotland) Act 2005, as amended or re-enacted, within each of the territories within the **United Kingdom**.

### 24.2. Loss of Licence Cover

In the event of the **licence** being withdrawn by the appropriate **licensing authority**, during the **period of insurance**, whether by way of suspension, forfeiture, revocation or otherwise (such acts which shall be defined herein as 'withdrawn' or 'withdrawal' as the context so requires) or refused renewal by the appropriate **licensing authority** at the time of renewal **we** will indemnify **you** in accordance with the terms of this **section** in respect of:

- a)
  - i any consequent reduction in **gross income**; and
  - ii any reasonable additional expenses incurred by **you** to maintain the **gross income** during the **indemnity period** but not more than the loss avoided under **gross income** less any amount saved during the **indemnity period** in respect of reduced expenses due to the event;
- b) the depreciation in value of **your** interest in the **premises** or alternatively the **business**, provided that:
  - i the cause giving rise to such withdrawal of or refusal to renew the **licence** occurs during the **period of insurance**;
  - ii withdrawal of or refusal to renew the **licence** is due to causes beyond **your** control;
  - iii **you** are unable to obtain the grant of a new **licence** for a period of twelve (12) months following the forfeiture, suspension or withdrawal of the **licence**; and
  - iv **you** sell the **premises**.

### 24.3. Loss of Licence Extensions

#### 24.3.1. Costs and Expenses

**We** will indemnify **you** for legal costs and expenses incurred with **our** written consent in connection with any proceedings or appeal against the withdrawal of or refusal to renew the **licence** provided that:

- a) any cause leading to such forfeiture, suspension or refusal was beyond your control; and
- b) in the event of a successful appeal, **you** agree to reimburse **us** for such costs from any amount **you** may receive in compensation for the withdrawal of or refusal to renew the **licence**.

#### 24.4. Maximum Amount Payable

The maximum **we** will pay under this **section** during any one **period of insurance** will not exceed the **sum insured** stated in the **schedule**.

Unless expressly stated elsewhere in this **policy** or the **schedule** the maximum amount **we** will pay in respect of the 'Costs and Expenses' extension provided by this **section** shall be within and not in addition to the maximum amount **we** will pay in accordance with this condition.

### 24.5. Basis of Settlement Clauses

#### 24.5.1. Gross Income

In respect of a reduction in **gross income**, **we** will pay:

- a) the amount that the **gross income** during the **indemnity period** falls short of the **gross income** during the equivalent period immediately before the withdrawal of the **licence**;
- b) any reasonable additional expenses incurred by **you** to maintain the **gross income** during the **indemnity period** but not more than the loss avoided under **gross income** less any amount saved during the **indemnity period** in respect of reduced expenses due to the withdrawal.

#### 24.5.2. Alternative Trading

If during the **indemnity period** work is done or services are provided elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf, the money paid or payable in respect of such work or services will be brought into account in calculating the **gross income** during the **indemnity period**.

#### 24.5.3. Departmental Trading

If the **business** is conducted in departments or across a number of **premises**, the separate trading results of which can be ascertained, then any claim settlement under this **section** will be calculated for each department or **premises**.

#### 24.5.4. Trends and Variations

All variations or circumstances affecting the **business** will be taken into account in order that any amount paid from the indemnity provided by this **section** is adjusted to represent as nearly as practicable the results which would have been expected if withdrawal of the **licence** had not occurred.

If the withdrawal of the **licence** occurs in the first trading year of the **business**, any payment under **gross income** will be based on the trading figures immediately before the withdrawal of the **licence**.

### 24.6. Other Loss of licence Terms and Conditions

The following conditions apply to this **section** in addition to the 'General Terms' and 'Claims Conditions and Requirements'.

#### 24.6.1. Change in Circumstances – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent. **You** must immediately notify **us** in writing and supply such additional information and give such assistance as **we** may reasonably require on becoming aware of any:

- a) notice, caution or complaint against the **premises** or the control of the **business** at the **premises** or against any **licence** holder, manager, tenant, **designated premises supervisor** or other occupier of the **premises**;

- b) proceedings against or conviction of the **licence** holder, manager, tenant or occupier of the **premises**, for any breach of the licensing law or any other matter whatsoever where the character or reputation of the person concerned is affected or called into question with respect to their honesty, moral standing or sobriety;
- c) change in the tenancy or management of the **premises**;
- d) transfer or proposed transfer of the **licence**;
- e) alteration in the purpose for which the **premises** are used;
- f) objection to renewal or other circumstances which may endanger the **licence** or its renewal.

#### 24.6.2. **Forfeiture or Refused Renewal – CONDITIONS PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following conditions precedent in the event of the **licence** being forfeited, suspended, withdrawn, lapsed or refused renewal. **You** will:

- a) notify **us** on the next working day (or if such occurrence happens on the weekend or a bank holiday, then the next day **our** head office is open) on becoming aware of the forfeit of, suspension of, withdrawal of, lapsing of or refusal to renew the **licence**, stating the grounds upon which the licence was forfeited, suspended, withdrawn, lapsed or refused renewal;
- b) give **us** such access to the **premises** and **your** books as **we** may require to quantify the amount payable under this **section**;
- c) give **us** all necessary assistance **we** may require to appeal against such forfeiture, suspension, withdrawal, lapsing or refusal to renew the **licence**;
- d) if required by **us**, apply for the grant of a new **licence** for the same or for alternative **premises** to enable the continuance of the **business** or of a similar **business**.

#### 24.6.3. **Licences, visas and permits**

**You** will ensure that **you** hold all necessary licenses, visas and permits and where **you** are responsible for the recruitment of **employees**, such licenses, visas and permits are obtained for any staff employed on the **premises** who are not holders of European Union passports.

#### 24.6.4. **Transfer of Licence**

**You** will ensure that in the event of death, bankruptcy, incapacity, desertion of the **premises** or conviction for any offence (where such convictions affects the character or reputation of the convicted person) of the **designated premises supervisor**, tenant, manager, occupier or licence holder, **you** procure a suitable person to replace them, such replacement being acceptable to the **licensing authorities** or any other like authority governing transfer of the **licence**.

#### 24.7. **Exclusions and limitations applying to the Loss of licence section**

In addition to the limitations and exclusions in the 'General Exclusions', **we** will not indemnify **you** under this **section** in respect of:

- a) any loss which **you** are entitled to obtain compensation under the provision of any statute following refusal to renew the **licence**;
- c) the death or insolvency of the **licence** holder;
- d) the **licence** holder being declared mentally incapable;
- e) the loss of any **licence** issued to the **designated premises supervisor** in a personal capacity or the **designated premises supervisor** being dismissed or otherwise unable to fulfil that role;
- f) withdrawal or non-renewal of the licence as a result of:
  - i actual or proposed compulsory acquisition of the **premises**;
  - ii any town or country planning improvement or redevelopment or redistribution of **licences** in connection therewith;
  - iii alteration to the **premises** or the **business** that requires the consent of the **licensing authorities** or any other authority without the consent of the appropriate authority;



- iv failure to maintain the **premises** in good sanitary and general repair;
  - v failure to comply with any direction or requirement of **licensing authorities** or any other like authority unless **you** can demonstrate to **our** satisfaction that such direction or requirement is unreasonable, it being understood that the final decision as to what constitutes unreasonable shall be at **our** sole discretion;
  - vi act(s) or omission(s) undertaken by **you** or those acting on **your** behalf for the purpose of securing the loss or lapsing of the **licence**;
  - vii **your** failure to take all reasonable and necessary action to maintain the **licence** in force;
  - viii the failure by **you** and/or the **designated premises supervisor** to notify and/or obtain the consent of the **licensing authorities** to any changes to the services or activities provided at the **premises** that requires such notification and consent;
- g) loss arising from:
- i surrender, reduction or redistribution of **licences**;
  - ii any withdrawal arising from the alteration of the law governing the grant, renewal, transfer, surrender, forfeiture, revocation, suspension or withdrawal of the **licence** after the commencement of the **period of insurance**, unless **we** confirm in writing that this cover will continue to apply after such alteration in so far as the prevailing law permits.

## 25. General Exclusions

The following 'General Exclusions' apply to all **sections** and **sub-sections** of this **policy** including any extensions, unless otherwise expressly provided either in this **section** or in another **section** of the **policy**.

In some cases a 'General Exclusion' has particular relevance to the cover provided under an extension and so it is highlighted in the extension. However, in such cases (i) the extension in question remains subject to all other general exclusions and (ii) the exclusion so highlighted remains applicable to all other parts of the **policy** and not just the extension where it is highlighted.

Defined terms (in bold) in the **sub-sections** below may be found within the 'General Definitions' **section** and/or within the specific definitions within other **section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the 'General Definitions' **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

Unless expressly provided otherwise, **we** will not indemnify **you** for any loss, or liability which is caused or contributed to by any of the following:

### 25.1. General Exclusions applicable to all sections

**We** will not pay for loss or damage to any property whatsoever or any claim, cost or expense whatsoever resulting or arising therefrom or any consequential loss or any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

#### 25.1.1. Aircraft Travelling at Supersonic Speeds

pressure waves caused by aircraft or other aerospace devices travelling at sonic or supersonic speeds.

#### 25.1.2. Confiscation

confiscation, nationalisation, requisition or expropriation of property by any acts of any government or public, municipal, local or customs authority regardless of any other cause or event contributing concurrently or in any other sequence thereto.

#### 25.1.3. Cyber risks – Employers' Liability and Public and Products Liability sections

in respect of the 'Employers' Liability' and 'Public and Products Liability' **sections** only:

- a) **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
- b) loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any **data**, including any amount pertaining to the value of such **data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

Paragraph 25.1.3. a) above will not apply in respect of any actual or alleged liability for:

- i any ensuing third party bodily injury, death, physical illness or disease; or
- ii any ensuing physical **damage** to or destruction of third party property;

caused by a **cyber incident**, unless that **cyber incident** is contributed to by a **cyber act**.

This exclusion will not apply to:

- a) the 'General Data Protection Regulations' extension in the 'Public and Product Liability' **section** only if the 'Public and Product Liability' **section** is specified as 'Insured' in the **schedule**; or
- b) any consequent **personal injury** or **damage** caused by **act of terrorism**, for which cover is expressly provided elsewhere in the **policy** and if specified as 'Insured' in the **schedule**.

**We** will not indemnify **you** for any action taken in controlling, preventing, suppressing or remediating a **cyber incident** or a **cyber act**.

#### 25.1.4. **Cyber risks – Property Damage, Portable Equipment, Equipment Breakdown, Business Interruption, Loss of Registration Certificate, Personal Accident, Money, Employee Dishonesty, Trustees’ and Officers’ Financial Liability and Loss of Licence Sections**

in respect of the ‘Property Damage’, ‘Portable Equipment’, ‘Equipment Breakdown’, ‘Business Interruption’, ‘Loss of Registration Certificate’, ‘Personal Accident’, ‘Money’, ‘Employee Dishonesty’, ‘Trustees’ and Officers’ Financial Liability’ and ‘Loss of Licence’ **sections**:

- a) **cyber loss** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber loss**; and
- b) **damage**, loss, interruption or interference, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, or arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**;  
regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

However:

- i. paragraph 25.1.4. a) above will not apply to any **damage** to **property insured** and resulting business interruption under this **policy** caused by any fire or explosion directly and solely caused by a **cyber event** although paragraph 25.1.4. a) will continue to apply where the **cyber event** is itself caused by a **cyber act**;
- ii. paragraph a) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the ‘Equipment Breakdown’ **section** in this **policy**, although paragraph 25.1.4. a) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**;
- iii. paragraphs 25.1.4. a) and b) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the ‘Computer breakdown’ extension in the ‘Equipment Breakdown’ **section** only if the ‘Equipment Breakdown’ **section** is specified as ‘Insured’ in the **schedule**, although paragraphs 25.1.4. a) and 25.1.4. b) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**.

Paragraph 25.1.4. b) above will be subject to the proviso that, should **data processing media** owned or operated by **you** suffer **damage** insured by this **policy**, then this **policy** will cover the cost to repair or replace the **data processing media** itself plus the costs of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the **electronic data**. If such media is not repaired, replaced or restored the basis of valuation will be the cost of the blank **data processing media**. However, this **policy** excludes any amount pertaining to the value of **electronic data**, to **you** or any other party, even if such **electronic data** cannot be recreated, gathered or assembled, other than to the extent that such cover is provided under the ‘Computer breakdown’ extension in the ‘Equipment Breakdown’ **section**, if the ‘Equipment Breakdown’ **section** is shown as ‘Included’ in the **schedule**.

This exclusion will not apply to any claim or loss for which cover is expressly provided under the ‘Terrorism’ **section** of in the **policy** if this is shown as ‘Insured’ in the **schedule**.

#### 25.1.5. **Radioactive Contamination and Weapons**

- a) ionising radiations from or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c) any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter;
- d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter, but the exclusion in this paragraph (d) shall not extend to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

e) any chemical biological bio-chemical or electromagnetic weapon.

As far as concerns **personal injury** caused to any **employee** of **yours** if such **personal injury** arises out of and in the course of employment or engagement of such person by **you** this exclusion shall apply only in respect of:

- i the liability of any principal;
- ii liability assumed by **you** under agreement and which would not have attached in the absence of such agreement.

#### 25.1.6. **War and Terrorism**

- a) any act of **war** or **act of terrorism**;
- b) any action controlling, preventing, suppressing, retaliating against or responding to any act of **war** or **act of terrorism**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

In any action, suit or other proceedings where **we** allege that by reason of this exclusion any **damage**, loss, interruption or interference or **personal injury** or **bodily injury** is not covered by the **policy**, the burden of proving that such loss is covered will be upon **you**.

This exclusion will not apply to the extent that if it did not apply, any claim would be covered by the 'Employers' Liability' **section** and the 'Terrorism' **section** if shown as 'Insured' in the **schedule**.

This exclusion does not apply to the 'Public and Product Liability' and 'Cyber' **sections** which contain a separate exclusion in relation to **war** and **act of terrorism**.

#### 25.2. **General Exclusions applicable to the Property Damage, Portable Equipment, Equipment Breakdown, Business Interruption, Loss of Registration Certificate, Personal Accident, Money, Employee Dishonesty, Cyber, Terrorism and Loss of Licence Sections**

**We** will not pay for any loss, damage or any claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

##### 25.2.1. **Communicable Disease**

- a)
  - i a **communicable disease**; or
  - ii the fear or threat (whether actual or perceived) of a **communicable disease**;
 regardless of any other cause or event contributing concurrently or in any other sequence thereto.

The above exclusion includes, without limitation to the scope of the foregoing:

- (a) any cost to clean up, detoxify, remove, monitor or test:
    - (i) for a **communicable disease**; or
    - (ii) any property insured hereunder that is affected by such **communicable disease**; and
  - (b) any measures taken by any governmental, public or other authority or any other person for the prevention, suppression, mitigation, cleaning or removal of any **communicable disease**.
- b) However, paragraph 25.2.1. a) shall not apply to physical loss or destruction of, or physical **damage** to, property and any resulting consequential loss, to the extent that **you** establish that such physical loss, destruction or **damage** was directly caused by:
- i an **act of terrorism**; or
  - ii a **defined peril**, as described below;
- where specifically insured by this insurance.

All other terms, conditions and exclusions of the insurance remain the same.

The following definitions apply to this exclusion:

“**communicable disease** means any type of disease or illness which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, any pathogen, virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas, or between organisms; and
- c) the disease, illness, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten **damage** to, deterioration of, loss of value of, marketability of or loss of use of property of any type”;

“**defined peril** means one of the following perils if specifically insured by this insurance: fire (howsoever caused); lightning; explosion; aircraft and aerial devices dropped from them; riot; civil commotion; strikers; **damage** caused by malicious persons; windstorm; rainstorm; hail; tornado; cyclone; typhoon; hurricane; earthquake; seaquake; seismic and/or volcanic disturbance/eruption; flood (howsoever caused); freeze; ice storm; weight of snow or ice; avalanche; meteorite or asteroid impact; landslip; landslide, mudslide; escape of water, oil or hydraulic fluid from any tank, apparatus or pipe; sprinkler leakage; impact by any road vehicle or animal; theft or attempted theft; mechanical or electrical breakdown; subsidence; heave; implosion; or collapse”.

#### 25.2.2. Gradually Operating Causes

wear, tear or any gradually operating cause.

#### 25.2.3. Northern Ireland

riot, civil commotion and (except in respect of **damage** or any expense caused by fire or explosion) strikers, locked out workers or persons taking part in labour disturbances or malicious persons happening in Northern Ireland.

#### 25.2.4. Pollution

- a) **pollution** not otherwise excluded unless such **pollution** is caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during the **period of insurance** and arising out of the **business** specified in the **schedule**;
- b) in addition, **we** will not pay for any loss under the ‘Business Interruption’ **section** of this **policy** resulting from **pollution** not otherwise excluded other than loss resulting from **damage** at the **premises** to property used by **you** for the purpose of the **business** caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during not more than one **period of insurance** and arising out of the **business** specified in the **schedule**.

#### 25.2.5. Process of Heat

property undergoing any process involving the application of heat.

#### 25.2.6. Theft by Principals

theft or attempted theft where an **official** or any member of an **official’s** family or household be concerned as principal or accessory.

#### 25.2.7. Unexplained Losses

disappearance, unexplained loss, inventory shortage, misfiling or misplacing of information.

### 25.3. General Exclusions applicable to the Public and Products Liability, Treatment Liability for Registered Providers, Treatment Liability for Unregistered Providers, Professional Indemnity, Directors’, Trustees’ and Officers’ Liability and Trustees’ and Officials’ Financial Liability Sections

**We** will not pay for any loss, damage or any claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

### 25.3.1. **Asbestos**

- a) any liability arising directly or indirectly out of exposure to inhalation of, or fears of the consequences of exposure to, or inhalation of asbestos, asbestos fibres or any derivatives of asbestos;
- b) the cost of cleaning up, or removal of, or **damage** to property or any product arising out of any asbestos, asbestos fibres or any derivatives of asbestos (except as stated in this policy).

### 25.3.2. **Electronic Risk**

- a) authorised or unauthorised transmission of **electronic data**;
- b) the content of any website, **your** email, intranet or extranet;
- c) erasure, loss, distortion, corruption or alteration of **electronic data** or any loss of use resulting in reduction of functionality;
- d) failure of electronic, electromechanical data processing or electronically controlled equipment or **electronic data** to correctly recognise any given date or to process data or to operate properly due to a failure to recognise any given date.

### 25.3.3. **Pollution**

- a) **bodily injury** or financial loss of, **damage** to or loss of use of property directly or indirectly arising out of the discharge, dispersal, release or escape of **pollution** not otherwise excluded unless caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during not more than one **period of insurance** and arising out of the **business** specified in the **schedule**;
- b) the cost of removing, nullifying or cleaning up of **pollution** not otherwise excluded unless caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during not more than one **period of insurance** and arising out of the **business** specified in the **schedule**.

## 26. General Claim Conditions and Requirements

Defined terms (in bold) in the **sub-sections** below may be found within the 'General Definitions' **section** and/or within the specific definitions within other **section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the 'General Definitions' **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

Unless expressly stated elsewhere in this **policy** the conditions and requirements of this **section** apply to all **sections** of this **policy**. Other claims conditions applicable to a **section** of cover will be set out in the **section** of cover. If non-compliance with the conditions of this **section** or applicable claims conditions for a **section** of cover increases the amount **we** may be liable to pay for a claim under this **policy** **we** may not pay the amount of the claim that is increased by the non-compliance with this **section** and the applicable **section** of cover.

### 26.1. Claim notification contact details

Please refer to the 'Claim Notification' **section** (section 3) for claims notification contact details.

### 26.2. Claim notification – CONDITIONS PRECEDENT

**We** will only indemnify **you** if you comply with the following claim conditions precedent.

Compliance with this term is not a condition precedent for the purpose of the 'Employers' Liability' **section**.

#### 26.2.1. All sections except Legal Expenses section

##### Notification and procedure

You must

- c) notify us as soon as reasonably possible on becoming aware of:
  - i a verbal or written communication addressed to **you** which seeks to hold **you** liable for loss, or expresses an intention to do so;
  - ii an **occurrence** or circumstance which may give rise to a claim under the **policy**, including but not limited to:
    - (a) an inquest, fatal accident inquiry, prosecution, public inquiry or other proceedings;
    - (b) **personal injury** to an **employee** in the course of employment by **your business**;
    - (c) a **RIDDOR** incident involving any person;
    - (d) an Industrial Tribunal hearing which includes allegations of **personal injury** or **damage**;
    - (e) **personal injury** or **damage** sustained by anyone on any premises which are owned or occupied by **you**;
    - (f) **personal injury** or **damage** sustained by any of **your** direct or indirect customers involving **your products**;
    - (g) any **bodily injury** to any person;
  - iii any other circumstance which may give rise to a claim under the **policy**;
- d) notify **us** within twenty-one (21) days of the event in the case of **damage** caused by riot, civil commotion, strikers, locked outworkers, persons taking part in labour disturbances or malicious persons;

Notice under 26.2.1. a) and b) must include full particulars and be provided by telephone or email using the applicable claims notification contact details for the **section** under which the claim is being notified. The applicable claims notification contact details are provided in the 'Claim Notification' **section**.

- e) immediately upon discovery of an actual or alleged **cyber risk**, contact the **panel adviser** 24-hour hotline using the 'Cyber' **section panel adviser** contact details in the 'Claim Notification' **section** (section 3);
- f) give immediate notice to the police authority of **damage** caused by theft or malicious persons, and take all practical steps to discover any guilty person or persons and recover the property lost;



- g) follow the claim procedures applicable for the **section** of cover under which a claim is notified (if applicable);

### 26.2.2. Legal Expenses section

If **you** need to make a claim under the 'Legal Expenses' **section you** must notify ARAG as soon as possible.

- a) Under no circumstances should **you** instruct **your** own lawyer or accountant as ARAG will not pay any costs incurred without agreement.
- b) **You** can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning **0330 303 1955** or by downloading a claim form at **www.arag.co.uk/newclaims**.
- c) ARAG will issue **you** with a written acknowledgement within one working day of receiving **your** claim form.
- d) Within five (5) working days of receiving all the information needed to assess the availability of cover under the 'Legal Expenses' **section**, ARAG will write to **you** either:
- i confirming the appointment of a qualified representative who will promptly progress the claim for **you**; or
  - ii if the claim is not covered, explaining in full why and whether ARAG can assist in another way.
- e) When a representative is appointed they will try to resolve **your** 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.

## 26.3. General Claims Conditions

### 26.3.1. Your Duties

For every claim **you** and every person acting on **your** behalf must:

- a) on the occurrence of any **incident**, accident, event, **circumstance**, loss or **damage** act with due diligence and undertake or permit to be undertaken all tasks reasonably practicable to minimise the loss;
- b) provide **us** or **our** appointed agent with copies of any legal documents relating to an occurrence within three (3) business days of receipt;
- c) not admit or repudiate liability without **our** written consent;
- d) always act honestly;
- e) give **us** all information, assistance and forward all documents to enable **us** to investigate, settle or resist any claim as **we** may require;
- i within twenty one (21) days of **damage** caused by riot civil commotion, strikers, locked outworkers, persons taking part in labour disturbances or malicious persons;
  - ii within thirty (30) days after **damage** (or expiry of the **indemnity period** in the case of business interruption, loss of registration certificate or loss of licence) with a written account of those articles or portions of **property insured damaged**, the amount of the **damage** based on the value at the time it took place, and full details of any business interruption loss together with supporting accounts and financial information;
  - iii in accordance with any other timescales set out in the **section** of cover for which the claim is notified;
- unless **we** have agree in writing to a different timescale for the provision of such information, assistance and documents;
- f) in a timely manner provide all evidence and information in respect of the claim as **we** may reasonably require together with (if **we** ask for it):
- i a statutory declaration of the truth of the claim and any matters connected with it;
  - ii authorisation to obtain relevant information held by third parties, including medical records;

- g) co-operate with **us** or **our** appointed agents to allow compliance with any relevant practice directions and pre-action protocols and recoveries;
- h) have, operate and maintain adequate internal systems, which allow for ready access to material information;
- i) not destroy evidence or supporting information or documentation without **our** prior written consent;
- j) not destroy any property that may give rise to a claim;
- k) allow **us** to enter any building where **damage to property insured** by this **policy** has occurred and to take possession of and deal with any salvage in a reasonable manner. No property may be abandoned to us;
- l) comply with any reporting obligations provided for under data protection law; and
- m) pay any applicable **excess** on demand to comply with any settlement agreed by **us**.

**You** will provide **us** with all details, information and evidence **we** require at **your** own expense unless cover for such expense is expressly provided for by this **policy**.

#### 26.3.2. **No admission of liability – CONDITION PRECEDENT**

**We** will only indemnify **you** if **you** comply with the following claim conditions precedent.

For every claim **you** and every person acting on **your** behalf must not admit responsibility, liability, make an offer or promise, or offer payment or indemnity without **our** prior written consent.

Compliance with this term is a condition precedent to **our** liability under all **sections** of the **policy** except the 'Employers' Liability' section.

#### 26.3.3. **Fraudulent Claims**

For the purposes of this condition the definition of '**you, your, yours, policyholder**' will also include any person who is entitled to benefit from the **policy** to the extent that a claim is made by or on their behalf.

If **you** or anyone acting on **your** behalf make a fraudulent claim **we**:

- a) will not be liable to pay any part of the claim;
- b) may recover from **you** any sums already paid by **us** to or on behalf of **you** in respect of the claim;
- c) may notify **you** that **we** are treating the **policy** as having terminated with effect from the time of the fraudulent act. Where **we** treat this **policy** having terminated **you** will have no cover under this policy from the date of termination and will not be entitled to any refund of premium.

Where a fraudulent claim is made by or on behalf of a person that is not the **policyholder** this condition applies to that person's claim and references to '**this policy**' should be read as if they were references to the cover for that person alone and not to the **policy** as a whole.

Fraudulent claims include but are not limited to:

- i making a claim which is fraudulent, fictitious or known to be false;
- ii intentionally exaggerating or inflating a claim;
- iii supporting a claim with false or forged documents, information or statements;
- iv wilfully causing loss, **damage** or injury.

#### 26.3.4. **Other Insurances**

Unless stated otherwise elsewhere in this **policy** where **damage**, loss or liability which is the subject of a claim under this **policy** is covered by any other insurance **we** will only pay **our** rateable proportion of the claim.

#### 26.3.5. **Our rights**

For every **claim**:

- a) **we** will have conduct of any potential insured claim which may be subject to an indemnity and may take over the defence or settlement of any claim in **your** name;

- b) **we** may at any time pay the applicable **limit of indemnity, limit of liability, maximum amount payable, maximum accumulation limit** or **compensation limit** (after deduction of any sums already paid) or such lesser sum for which the claim can be settled and on payment will relinquish the conduct and control of the claim and thereafter be under no further liability except (where payable under the relevant **section**) for payment of **defence costs** incurred prior to the date of payment;
- c) **we** may at any time require **you** to reimburse **us** for payments made under the **sections** that do not exceed the **excess**;
- d) **you** must reimburse **us** for any **defence costs** and paid damages including claimant costs recoverable from **you** and incurred in connection with such insured event where any settlement figure does not exceed the **excess**.

#### 26.3.6. Subrogation

- a) Except where expressly provided otherwise elsewhere in the **policy**, **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person relating to an occurrence, claim, loss or suit that may give rise to a claim.
- b) **We** will be entitled to undertake in **your** name or on **your** behalf:
  - i the defence or settlement of any claim;
  - ii steps to enforce rights against any other party before or after payment is made by **us**.
- c) **You** or any other party insured by the **policy** must, at **our** request and expense undertake such acts as may be required for the purpose of enforcing any rights and remedies whether or not **we** have indemnified **you**. If **you** have any uninsured losses that are properly recoverable against a third party which **we** intend to pursue by way of a subrogated claim, **we** will, at **your** request, include **your** uninsured losses in the subrogated claim. **We** will have sole control over the conduct, strategy, management and settlement of the subrogated claim and **we** will fund all legal costs. **We** will pay **you** any recovery from the subrogation proceedings, less expenses incurred by **us** in such proceedings, in the proportion that the amount that:
  - i any applicable **excess**; and
  - ii any provable and recoverable uninsured loss
 bears to the whole loss amount.

#### 26.3.7. Terms not Relevant to Actual Loss

If payment of a claim is conditional upon compliance with any term of this policy **we** will not pay for any claim where there has been non-compliance with any term of this **policy**, other than a term that defines the risk as a whole and compliance with such term would tend to reduce the risk of loss:

- a) of a particular kind; and/or
- b) at a particular location; and/or
- c) at a particular time;

where **we** will pay for claims if **you** can prove that non-compliance with the term could not have increased the risk of loss, **damage**, injury or liability which occurred in the circumstances in which it occurred.

## 27. General Terms

The following 'General Terms' apply to all **sections** and **sub-sections** of this **policy** including any extensions, unless otherwise expressly provided.

Defined terms (in bold) in the **sub-sections** below may be found within the 'General Definitions' **section** and/or within the specific definitions within other **section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the 'General Definitions' **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

### 27.1. Applicable law and jurisdiction

The law applying to the **policy** will be the law applying in that part of the **United Kingdom**, Channel Islands or Isle of Man where **you** have **your** principal place of business.

Any dispute or legal proceedings between **you** and **us** in connection with the **policy** will be subject to the exclusive jurisdiction of the courts of England and Wales.

### 27.2. Application of Excess

Where an **excess** is stated in the **policy** or **schedule you** will be responsible for paying an **excess** in relation to each and every claim made by **you** under this **policy**. This amount shall not be deducted from the applicable **sums insured, limits of indemnity, limits of liability, maximum amounts payable, maximum accumulation limit** and **compensation limits** in order to calculate the amount of the indemnity we will pay you under the policy.

Where more than one **excess** could be applied to a claim or loss resulting from the same cause at the same time under any **section** or **sections** of the **policy**, only the single highest **excess** will be applied.

### 27.3. Assignment

Assignment of interest under the **policy** will not bind **us** unless and until **our** written consent is endorsed hereon.

### 27.4. Average

Where at the time of any loss the total **sum insured** specified in the **schedule** is less than eighty-five percent (85%) of the total value of the **property insured** we will bear only that proportion of the loss which the total **sum insured** bears to the total value of the **property insured**.

This condition does not apply to the 'Equipment Breakdown' **section**, 'Portable Equipment' **section** and 'Cyber' **section**.

### 27.5. Cancellation

#### a) Your rights to the cancel the policy

**You** may cancel this **policy** by giving written notice of cancellation to **us**, quoting **your policy** number:

- a) within fourteen (14) days from the inception day of the **policy**. **You** have the right to cancel the **policy** free of charge and to receive full refund of premium under this **policy**,
- b) after fourteen (14) days from the inception day of the **policy**. **We** may refund any unearned premium calculated pro-rata to the annual premium;

provided that there have been;

- i no claims made under the **policy** for which **we** have made a payment;
- ii no claims made under the **policy** which are still under consideration;
- iii no incident likely to give rise to a claim but is yet to be reported to **us**;

during the current **period of insurance**.

If **you** cancel this **policy** after fourteen (14) days from the inception day of the **policy**, there will be an additional charge of £40 to cover the administrative cost of providing the insurance.

This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance** no refund for the unexpired portion of the premium will be given.

b) **Our rights to cancel the policy**

**We** or any agent appointed by **us** and acting with **our** authority have the right to cancel **your policy** at any time during the **period of insurance**, where there is a valid reason for doing so.

Where **we** have not been able to collect premium and **you** have not paid a premium when it is due **we** may give **you** written notice cancelling the **policy** with effect from the seventh (7<sup>th</sup>) day after the notice has been served on **you**. Notice of cancellation is deemed to be served on the third (3<sup>rd</sup>) day after being posted by pre-paid letter to the latest correspondence address **we** have for **you** shown on the schedule.

Where **we** cancel the **policy** for any other valid reason **we** will give **you** fourteen (14) days' notice of cancellation in writing, by recorded delivery, to the latest address **we** have for **you** shown on the **schedule**.

We will set out **our** reason for cancellation in **our** notice of cancellation. Valid reasons may include but are not limited to:

- a) where **you** are required to co-operate with **us** or provide **us with** information or documentation and **you** fail to do so in a way that materially affects **our** ability to process the **policy** or **our** ability to defend **our** interests;
- b) where **you** materially fail to take all reasonable precautions to prevent or minimise **damage**, accident or injury as required by the 'Minimisation of risk' condition of the 'General Terms' **section** of this **policy**;

and fail to put this right when **we** ask **you** to by sending **you** seven (7) days written notice to **your** latest address **we** have for **you** shown on the **schedule**;

- c) where **we** reasonably suspect fraud;
- d) use of threatening or abusive behaviour or language, or intimidation or bullying of **our** staff or suppliers.

If **we** cancel **your policy**, **we** will refund the premium for the exact number of days left on the **policy** unless a claim or an incident likely to give rise to a claim has occurred during the current **period of insurance**. No refund will be given if a claim has been submitted or there have been any incidents likely to give rise to a claim during the current **period of insurance**.

#### 27.6. Change of Risk or Interest

This **policy** will be avoided if:

- a) **your** interest ceases other than by death;
- b) the **business** is wound up or carried on by a liquidator or receiver or permanently discontinued at any time after the commencement of this insurance unless **we** have accepted the change.

Nothing contained in this **policy** will give any right against **us** to any person other than **you** except to a transferee approved by **us**.

#### 27.7. Compliance with policy terms

**You** and anyone acting on **your** behalf must each comply with every applicable provision of the **policy**.

To the extent this insurance provides a benefit to any other party, **you** must arrange for each insured party to comply with every applicable provision of the **policy**.

If **you** or anyone acting on **your** behalf breaches any provision of the **policy**, **we** may, without prejudice to any of **our** other rights, reject or reduce sums payable to the extent that **our** liability under the **policy** has been incurred or increased by reason of the breach. If the breached term is a condition precedent, **we** will not indemnify **you** for any part of **your** claim.

If **we** have paid any sums to **you** or anyone acting on **your** behalf for which **we** were not liable (whether by reason of breach of any provision of the **policy** by **you** or anyone acting on **your** behalf or for any other reason) **you** must promptly repay such sums to **us**.

To the extent **we** waive all or some of **our** rights in relation to any obligation on **you**, this will not prevent **us** from relying on any provisions in the future and any delay in reliance or any partial reliance by **us** will not prevent **us** from relying on any such provisions, in whole or in part, in the future.

#### 27.8. **Contract (Rights of Third Parties) Act 1999 and Contract (Third Party Rights) (Scotland) Act 2017**

This **policy** does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017 by any person who is not named as the **insured** and both **you** and **us** may amend, cancel or terminate this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

#### 27.9. **Data privacy notice**

Any personal data provided to **us** will be processed in compliance with all applicable laws and regulations and in accordance with the privacy notice which can be found at <https://qbeeurope.com/privacy-policy/>. Alternatively the **you** may contact **us** by writing to the Data Protection Officer to request a copy of the full privacy notice by email: [dpo@uk.qbe.com](mailto:dpo@uk.qbe.com) or by writing to the: Data Protection Officer, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD.

#### 27.10. **EU Coverage**

a) Any automatic coverage provided by this **policy** for:

- i entities acquired by, merged with, or established by, **you**;
- ii property or other interests acquired by **you**; or
- iii additional insureds;

will not apply to the extent that, as a result of the **United Kingdom's** withdrawal from the European Union, **we** are not permitted by applicable law or regulation to provide that coverage and/or would become exposed to legal or regulatory sanction as a consequence of providing that coverage.

b) In the case of any grant or exclusion or restriction of coverage in respect of **your** liability under or compliance with European Union law or regulation, following the United Kingdom's withdrawal from the European Union, any reference in this **policy** to European Union law or regulation will include equivalent domestic laws of England & Wales, Scotland and/or Northern Ireland or equivalent **United Kingdom** regulation.

c) If this clause conflicts with any other clause in the **policy**, the terms of this clause will prevail.

#### 27.11. **Exchange rate**

In the event of a payment being made under the **policy** in any other currency than pounds sterling (GBP), for the purposes of the 'Employers' Liability and 'Public and Products Liability' **sections** only the exchange rate applicable will be the free rate of exchange at the date that settlement is agreed and for all other **sections**, the exchange rate applicable for each month that the loss accrues will be the exchange rate at the mid-point of each month during the accrual of the loss.

#### 27.12. **Fair Presentation of the Risk**

**You** must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this insurance.

##### 27.12.1. **Remedies for breach of the duty of fair presentation - proposing for this insurance**

If **you** or anyone acting on your behalf breaches **your** duty of fair presentation then **our** remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
  - i treat this **policy** as having been terminated from its inception; and
  - ii retain the premium;



- b) if such breach is not deliberate or reckless and **we** would not have entered into this **policy** but for the breach, **we** may by notice to you treat this **policy** as having been terminated from its inception in which case **we** shall return the premium; and
- c) in all other cases if, but for the said breach, **we** would have entered into this **policy** but:
  - i on different terms (other than terms relating to the premium), **we** may require that this **policy** is treated as if it had been entered into on those different terms from the outset; or
  - ii would have charged a higher premium, **we** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims).

In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where  $X = (\text{premium actually charged/higher premium}) \times 100$ .

#### 27.12.2. Remedies for breach of the duty of fair presentation - Variation

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation in relation to a variation of this **policy**, **our** remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
  - i treat this **policy** as having been terminated from the time when the variation was concluded; and
  - ii retain the premium;
- b) if such breach is not deliberate or reckless and **we** would not have entered into the variation but for the breach, **we** may by notice to **you** treat this **policy** as having been terminated from the time when the variation was concluded in which case **we** shall return the relevant premium; and
- c) in all other cases if, but for the said breach, **we** would have entered into the variation but:
  - i on different terms (other than terms relating to the premium), **we** may require that the variation is treated as if it had been entered into on those different terms from the outset;
  - ii would have increased the premium by more than **we** did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where  $X = (\text{premium actually charged/higher premium}) \times 100$ ; or
  - iii would not have reduced the premium by as much as **we** did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where  $X = (\text{premium actually charged/reduced total premium}) \times 100$ .

In respect to conditions 27.12.1 and 27.12.2, where this **policy** provides benefits to individuals who would, if they had taken out similar insurance in their own name, have done so for purposes wholly or mainly unconnected with their trade, business or profession, **we** will not rely on this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to that particular individual, unless the individual (or **you** on their behalf) makes a careless misrepresentation, in which case **we** may rely on this condition as against that particular individual as if a separate insurance contract had been issued to them leaving the remainder of the **policy** unaffected.

#### 27.13. Inspection and audit

**We** or **our** representative will be permitted to inspect **your** property and operations with reasonable notice. Such inspections do not warrant that the property or operations are safe.

#### 27.14. Insurance Act 2015

Nothing in the **policy** is intended to vary the provisions of the Insurance Act 2015.

#### 27.15. Legislation and other requirements

All Acts of Parliament, laws, regulations, standard form contracts and permits (in each case, as applicable) referred to in this **policy** will include any deriving rule, order, regulation, permit, contract or instrument and will include any subsequent amendment, replacement, consolidation or reenactments.



### 27.16. Material changes during the policy period

**You** must notify **us** as soon as reasonably practicable and in any event within thirty (30) days of any material change to **you, your business** or the risks insured if indemnity under this **policy** is sought in relation to any such change.

**We** will not indemnify **you** for any liability arising out of a material change for which indemnity would otherwise have been available under this **policy** unless **we** have received notification from **you** of the material change and **we** have provided valid confirmation of cover, whether by an express term of the **policy**, endorsement, written confirmation or otherwise and **you** have paid any additional premium that **we** require.

If the risk is unacceptable to **us** **we** may cancel the **policy** in accordance with the 'Our Rights to Cancel the **Policy**' in the 'Cancellation' condition in this **section**.

If **you** do not tell **us** about a material change to **you, your business** or the risks insured by this **policy**, **we** may:

- a) terminate the **policy** back to the date when the change occurred, if **we** would have cancelled the **policy** had **you** told **us** of the change in risk;
- b) proportionately reduce the amount payable in respect of a claim; and/or
- c) treat the **policy** as if it contained such different terms (other than relating to the premium) that **we** would have applied to the **policy** had **you** told **us** of the change in risk.

Any reduction in claims payments or application of different terms will take effect from the date on which the change in risk occurred.

Where **we** elect to proportionately reduce the amount payable in respect of a claim, **we** will pay a percentage of the claim, calculated by comparing the premium which **you** actually paid with the premium which **we** would have charged had **you** told **us** about the change in risk. For example, if the premium which **you** actually paid is fifty percent (50%) of the premium **we** would have charged, **we** will only pay fifty percent (50%) of any claim.

### 27.17. Minimisation of risk

**You** must:

- a) take all reasonable steps at **your** own expense to prevent an accident, event, occurrence, loss or **damage** or injury arising or continuing;
- b) maintain the **premises**, machinery equipment and furnishings in a good state of repair;
- c) exercise due care in the selection and supervision of **employees**;
- d) comply with all relevant statutory requirements, manufacturers' recommendations and other regulations relating to the use, inspection and safety of property and the safety of persons.

**You** must take such steps at **your** own expense to the extent that cover under the **policy** has not been confirmed by **us**.

Upon the happening of any accident, event, occurrence, loss or **damage** or injury and at all times thereafter, **you** must act as a prudent uninsured and take all reasonable measures as are appropriate to avoid or minimise any claims which arise or may arise.

Any failure by **you** to take such steps will reduce or extinguish **our** liability to indemnify **you** under the **policy** to the extent that such failure has increased the claim under this **policy**.

### 27.18. Other parties

The interest of such other parties, including lessors, mortgagees, banks and hire purchase companies, is noted in this **policy** but only to the extent of their financial interest in the **property insured**.

In the event of any claim:

- a) **you** must immediately declare to **us** the names of such interested parties; and
- b) **we** will consult with such declared interested parties as regards the manner and method of any indemnity to protect the direct financial interests of such parties.

### 27.19. Premium adjustment

- a) Where the premium in whole or part is provisionally based on estimates provided by **you**, **you** will keep accurate records and provide such information as **we** require within three (3) months of the expiry of the **period of insurance**. The premium will then be adjusted, and any difference paid by **you**.
- b) At **our** request **you** must supply an auditor's certificate attesting to the accuracy of any calculations.

### 27.20. Records

**We** may hold documents relating to this **policy** and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

### 27.21. Recovery of benefits

Where **your** liability in damages is reduced owing to the application of benefits and/or charges under the Compensation Recovery Unit, **your** liability in **damages** will be deemed to include such benefits and/or charges.

### 27.22. Registration – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following condition precedent. Before undertaking any **business** activities which require you to be registered, **you** must be registered with the appropriate Registering Authority and comply with the terms of **your** registration at all times.

### 27.23. Reinstatement of Sum Insured

In the event of **damage** under this **policy**, unless **we** provide written notice to the contrary, **we** will automatically reinstate the **sum insured**, provided that **you**:

- a) undertake to pay the **us** any additional premium **we** require; and
- b) implement any recommendations **we** make to prevent further **damage** within a timescale **we** reasonably require and effect all repair or replacement work without delay.

### 27.24. Representation

Where more than one entity is designated as 'Insured' the first named insured on the **schedule** will act on behalf of all named insureds and other parties covered under the **policy** with respect to the giving and receiving of any notices from us or their representatives including any notice of cancellation. The payment to the first named insured of any return premium that **we** may pay under the **policy** will satisfy our obligations to return premium to any other party covered by this **policy**.

### 27.25. Risk survey

- a) **We** reserve the right to carry out a survey of the **property insured** at any time. **We** may choose to impose one or more risk improvement requirements as conditions or conditions precedent should they be of sufficient importance to **us**. **We** retain the right to cancel suspend or alter the terms of the insurance provided by this **policy** should the survey show the risk or any part thereof to be unacceptable to **us** or requiring improvement.
- b) Under no circumstances will a survey relieve **you** of **your** obligations to comply with all of the **policy** terms, conditions, conditions precedent and requirements and **you** should not assume that because a breach has not been raised during or following a risk survey that **we** are aware of it and have decided to accept it.
- c) **Your** compliance with risk improvement requirements imposed during previous policy years will continue to be required.

### 27.26. Sanction limitation and exclusion

**We** will not provide cover nor indemnify **you** for 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 **us** or any member of **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

### 27.27. Security – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent to any claim resulting from fire, theft or malicious **damage**. **You** must at all times ensure that:

- a) security devices are properly maintained, in good and effective working order and put into full and effective operation whenever the **premises** are closed for **business** or left unattended;
- b) keys and all details of any codes or combinations relating to any part of the **intruder alarm installation** and any safe or strongroom are removed from the **premises** whenever the **premises** are closed for **business** or left unattended;
- c) fire break doors and shutters in the **buildings** are maintained in good and effective working order and that openings protected by such doors and shutters are clear of obstruction at all times and all such doors and shutters other than those fitted with fusible links are closed except during **business hours**;
- d) **you** notify **us** in writing as soon as reasonably practicable of alterations or additions to or changes in or removal of security devices.

### 27.28. Subscribing insurer

**Insurers'** obligations under the **policy** are several and not joint and are limited solely to the extent of their individual subscription. No insurer is responsible for the subscription of any co-subscribing insurer.

### 27.29. Tracing office database

**We** will add **your** details and those of any subsidiary companies to the Employers' Liability Tracing Office ("ELTO") database where **we** provide an indemnity under the Employers' Liability (Compulsory Insurance) Regulations 1998.

**You** must supply **us** with **your** details and those of any subsidiary companies as required by the ELTO at inception of the **policy** and promptly thereafter following any acquisition, disposal or creation of any subsidiary company.

The ELTO database assists claimants that have suffered an employment related injury or disease arising out of the course of their employment in the United Kingdom whilst working for employers carrying on, or who carried on, business in the United Kingdom and that are covered by the employers' liability insurance of their employers to identify: (i) which insurer(s) is (or are) or was (or were) providing employers' liability insurance to an employer during the relevant periods of employment; and (ii) the relevant employers' liability insurance policies. The ELTO database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for United Kingdom commercial lines employers' liability insurance and any other persons or entities permitted by law. The ELTO database will be managed by the ELTO and further information can be found on the ELTO website: [www.elto.org.uk](http://www.elto.org.uk)

### 27.30. Vacant or Unoccupied Buildings – CONDITIONS PRECEDENT

**We** will only indemnify **you** if **you** comply with the following conditions precedent where there are **vacant or unoccupied buildings**. **You** will notify **us**:

- a) immediately on becoming aware that the **buildings** are **vacant or unoccupied buildings**;
- b) of any **damage** to the **vacant or unoccupied buildings** whether the **damage** is insured or not;
- c) if the **buildings** are to be occupied by contractors for renovation, alteration or conversion purposes.

**You** must take the following action:

- i an internal and external inspection of the **buildings** every seven (7) days by **you** or an authorised representative and a written record of such inspections maintained;
- ii all trade refuse and waste materials are removed from anywhere inside the external structure of the **buildings** and no accumulation of refuse and waste be allowed in the adjoining yards or spaces owned by **you**;
- iii the **buildings** must be secured against unlawful entry and all locks bolts and other protective devices in good and effective working order and full operation;
- iv all ground floor window openings must be securely fastened and if specified by **us** in writing boarded

up in accordance with **our** requirements;

v ensure all letterboxes are sealed to prevent insertion of material; and

vi all sources of power fuel or water are turned off and the water system drained down other than:

(a) where electricity is needed to maintain any fire or **intruder alarm installation** in operation;

(b) where the **buildings** are protected by a wet sprinkler installation to provide sufficient heat to prevent freezing or bursting of the sprinkler installation.

Following any breach of security of the **buildings**, malicious **damage** or any evidence of unlawful entry or attempted entry to the **buildings you** will immediately:

(i) carry out the necessary work to satisfy the above requirements; and

(ii) notify **us**.

## 28. How to Complain

### 28.1. Complaints to QBE and ARAG

**You** can complain about this **policy** by contacting **your** broker or by contacting **us**.

#### 28.1.1. Non-Legal Expenses complaint

Where **your policy** is insured by QBE Europe SA/NV (UK Branch) or QBE UK Limited **you** can complain about the **policy** by contacting **us** using the following details.

By post: **Customer Relations, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD**

By telephone: **+44 (0)20 7105 5988**

By email: **CustomerRelations@uk.qbe.com**

#### 28.1.2. Legal Expenses complaint

If **your** complaint relates to the 'Legal Expenses' **section**, please contact ARAG plc using the following details.

By post: **The Customer Relations Department ARAG plc, 9 Whiteladies Road, Clifton, Bristol BS8 1NN**

By telephone: **0117 917 1561**

By email: **customerrelations@arag.co.uk**

Calls may be recorded for training and evidential purposes. (Hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays).

Using these services does not affect **your** right to take legal action.

Please be ready to provide all relevant details of **your policy** and in particular **your policy** or claim number (if allocated) to help **your** enquiry or complaint to be dealt with speedily.

**You** can also register a complaint with the European Union's Online Dispute Resolution (ODR) Platform. Their website is <http://ec.europa.eu/consumers/odr/>

The ODR will pass **your** complaint to the Financial Ombudsman Service.

### 28.2. UK Financial Ombudsman Service (UK FOS)

If **you** feel that **your** complaint has not been satisfactorily resolved, **you** may be eligible to contact the UK FOS to review the complaint.

Information about the eligibility criteria is available on the UK FOS website: <https://www.financial-ombudsman.org.uk/consumers/how-to-complain>.

**You** can contact the UK FOS via its website, or write to Exchange Tower, London E14 9SR, Tel: +44 (0)800 023 4567.

### 28.3. Financial Services Compensation Scheme (FSCS)

**You** may be entitled to compensation from the FSCS if **we** are unable to meet **our** obligations under the **policy**. Further information is available from [www.fscs.org.uk](http://www.fscs.org.uk), or **you** can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.



## **Morton Michel**

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