

Motor Trade

# Policy booklet /



Your policy terms and conditions  
June 2010

redefining / standards





# Contents

<b>Section</b>	<b>Page number</b>
<b>Your Policy</b>	2
<b>Policy Definitions</b>	3
<b>Policy Exclusions</b>	6
<b>Policy Conditions</b>	8
<b>Making a Complaint</b>	12
<b>Section 1 – Material Damage</b>	14
<b>Section 2 – Selected All Risks</b>	35
<b>Section 3 – Money, Assault and Wrongful Conversion</b>	40
<b>Section 4 – Goods in Transit – Own Goods</b>	47
<b>Section 5 – Road Risks</b>	53
<b>Section 6 – Business Interruption and Loss of Licence</b>	71
<b>Section 7 – Equipment Breakdown</b>	87
<b>Section 8 – Computer Insurance</b>	94
<b>Section 9 – Public and Products Liability</b>	107
<b>Section 10 – Employers Liability</b>	116
<b>Section 11 – Terrorism</b>	120
<b>Section 12 – Legal Expenses</b>	122
<b>Section 13 – Personal Accident and Sickness</b>	134
<b>Section 14 – Engineering Inspection</b>	138

# Your Policy

Welcome to **your** AXA Motor Trade **policy** and thank **you** for choosing AXA. **We** are authorised and regulated by the Financial Services Authority. This can be checked on the FSA register by visiting the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting them on 0845 606 1234.

The information **you** have given forms part of the contract of insurance with **us**. **Your policy, schedule and endorsements** are evidence of that contract. **You** should read them carefully and keep them in a safe place.

In return for having accepted **your** premium **we** will provide insurance as described in the following pages of **your policy**.

**Your policy** wording is divided into a number of **sections** and must be read together with **your schedule, endorsements** and Certificate of Motor Insurance. **Your schedule** will show **you** which **sections** apply.

## Important

**We** recommend that **you** read this **policy** with **your schedule** to make sure that it meets with **your** needs. If **you** have any questions please contact **us** or **your** insurance adviser.

Please read the complaints procedure in the Making a Complaint section on page 12.

**We** have designed **your policy** to help **you** understand the cover provided. **You** will find the following headings on many pages:

## What is covered

Under this heading **we** give detailed information on the insurance provided and this should at all times be read with '**What is not covered**'.

## Conditions precedent

Where **we** use the term 'condition precedent' in **your policy** or on any **endorsement**, if **you** do not comply **we** may treat the insurance as invalid and **you** may lose all rights under this **policy**.

## What is not covered

Under this heading **we** draw **your** attention to what is not covered under **your policy**.

## The law that applies to this policy

**You** and **we** are free to choose the law which applies to this **policy**. As **we** are based in England **we** propose to apply the law of England and Wales and by purchasing this **policy you** have agreed to this.

## Important helpline

Legal advice  
0870 241 8178

**Our** advice line provides free confidential legal advice. Please quote scheme number PRC200100 when **you** call.

Please note that under Part 4 of Section 5 – Road Risks, there is a separate telephone number for queries on uninsured loss recovery specifically and to report a claim under motor prosecution defence covered under that part of your policy, please call 0870 241 4140 and quote master policy number 34035.

To maintain a good quality service **we** may monitor or record phone calls.

## Policy Definitions

Definitions apply throughout the **policy**.

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in the **policy**.

Each **section** will also have its own definitions that apply throughout the **section**. If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

<b>Business</b>	The activities undertaken directly in connection with the business as specified in the <b>schedule</b> Additional activities as defined below are included to the extent that they are conducted at or from the <b>premises</b> by <b>you</b> <ul style="list-style-type: none"> <li>• the provision and management of amenities for the benefit of any employee</li> <li>• the ownership and upkeep of <b>your premises</b> and any facilities operated primarily for fire prevention, safety or security at <b>your premises</b></li> <li>• private work undertaken with <b>your</b> prior consent, by any employee for <b>your</b> directors and officers</li> </ul>
<b>Company/our/us/we</b>	AXA Insurance UK plc (other than Section 12 – Legal Expenses, and Section 14 – Engineering Inspection)
<b>Defined peril</b>	<ul style="list-style-type: none"> <li>• aircraft or other aerial devices dropped from them</li> <li>• civil commotion</li> <li>• earthquake</li> <li>• escape of water from any tank apparatus or pipe</li> <li>• explosion</li> <li>• falling trees</li> <li>• impact by any road vehicle or animal</li> <li>• escape of fuel from any fixed oil heating installation</li> <li>• fire</li> <li>• flood</li> <li>• lightning</li> <li>• locked out workers</li> <li>• malicious persons</li> <li>• persons taking part in labour disturbances</li> <li>• riot</li> <li>• strikers</li> <li>• storm</li> <li>• theft</li> </ul>
<b>Endorsement(s)</b>	A clause or condition that adds to or changes the cover provided by the <b>policy</b> .
<b>Excess</b>	The amount <b>you</b> must pay as the first part of each claim after the application of any condition of <b>average</b> .
<b>Hacking</b>	Unauthorised access to any computer or other equipment, component, system or item which processes stores transmits or retrieves data.

<b>Insured/you/your/yours</b>	The firm, company or individual named in the <b>schedule</b> (also the Policyholder stated on the Certificate of Motor Insurance).
<b>Money</b>	<ul style="list-style-type: none"> <li>• bank and currency notes</li> <li>• bills of exchange</li> <li>• cash</li> <li>• cheques</li> <li>• credit card counterfoils</li> <li>• credit company sales vouchers</li> <li>• crossed bankers drafts</li> <li>• current postage stamps</li> <li>• customer redemption vouchers</li> <li>• gift tokens</li> <li>• luncheon vouchers</li> <li>• money orders</li> <li>• National Insurance stamps</li> <li>• National Lottery scratch cards</li> <li>• National Savings stamps and certificates</li> <li>• phonecards (excluding phonecards held in stock for resale)</li> <li>• holiday-with-pay stamps</li> <li>• postal orders</li> <li>• promissory notes</li> <li>• trading stamps</li> <li>• travellers tickets</li> <li>• unused units in franking machines</li> <li>• VAT purchase receipts</li> </ul>
<b>Motor vehicle(s)</b>	<p>Any</p> <ul style="list-style-type: none"> <li>• motor vehicle</li> <li>• trailer</li> <li>• caravan</li> <li>• motor cycle</li> <li>• agricultural implement</li> </ul> <p>including its fixed accessories and spare parts whilst on or temporarily detached from <b>your</b> vehicle.</p>
<b>Period of insurance</b>	The period from the effective date to the renewal date shown in <b>your schedule</b> and where applicable the Certificate of Motor Insurance or any further period that <b>we</b> have agreed to insure <b>you</b> for.
<b>Policy</b>	<b>Your policy</b> and most recent <b>schedule</b> including any <b>endorsements</b> .
<b>Policy territories</b>	<ul style="list-style-type: none"> <li>• Great Britain</li> <li>• Northern Ireland</li> <li>• Isle of Man</li> <li>• Channel Islands</li> </ul>
<b>Premises</b>	The building(s) or land at the address(es) stated in the <b>schedule</b> occupied by <b>you</b> in connection with the <b>business</b> .
<b>Proposal</b>	The signed application form or statement of fact and any renewal declaration as well as any additional information supplied to <b>us</b> by or on behalf of <b>you</b> .

<b>Schedule</b>	The document which specifies <b>your</b> details, the <b>sections</b> of the <b>policy</b> that apply, and any <b>endorsements</b> .
<b>Section(s)</b>	The parts of this <b>policy</b> that detail the insurance cover provided.
<b>Terrorism</b>	<ul style="list-style-type: none"> <li>• <b>For England, Scotland and Wales</b> – an act of any person(s) 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 any government de jure or de facto as certified by Her Majesty’s Government or Treasury or any successor relevant authority.</li> <li>• <b>For Northern Ireland</b> – an act including but not limited to the use or threat of force or violence 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) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.</li> <li>• <b>For the Channel Islands and the Isle of Man</b> – an act of any person(s) 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 any government de jure or de facto.</li> <li>• <b>For any other territory</b> – an act including but not limited to the use of or threat of force or violence 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) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.</li> </ul>
<b>Terrorist act</b>	Any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat, force or violence.
<b>Virus or similar mechanism</b>	Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self replication or not. This definition of virus or similar mechanism includes but is not limited to trojan horses, worms and logic bombs.

# Policy Exclusions

**Your policy** is subject to exclusions and these tell **you** what is not covered.

The **policy** exclusions are set out below and apply throughout **your policy** unless otherwise stated.

Where exclusions apply to one specific **section** of **your policy** they are stated in 'What is not covered' under that **section**.

Additionally exclusions may be applied by **endorsement** and if so they will be stated in **your schedule**.

## We will not pay for

### 1. Radioactive contamination

- a) Loss or damage to any property, or any loss or expense resulting or arising therefrom, or any consequential loss and
- b) Any legal liability directly or indirectly caused by, or contributed to by, or arising from
  - i) ionising radiation or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or of its nuclear component.

For injury caused to an employee, this exclusion will apply only when **you**, under a contract or agreement, have undertaken to indemnify a principal or have assumed liability under a contract and which liability would not have been attached in the absence of such a contract or agreement.

### 2. War risk

This exclusion does not apply to:

- Section 10 – Employers Liability

Any loss, damage or liability caused by, or happening through, war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

### 3. Confiscation risks

This exclusion does not apply to:

- Section 10 – Employers Liability

Loss or damage caused by confiscation, requisition, seizure, nationalisation by order of any government or public or local authority.

### 4. Sonic bangs

This exclusion does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability

Loss or damage by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.



## **5. Northern Ireland**

This exclusion does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability

Any loss, damage or consequential loss in Northern Ireland whether directly or indirectly caused by, resulting from or in connection with riot, civil commotion and (except by fire or explosion) strikers, locked-out workers, people taking part in labour disturbances or malicious people.

## **6. Motor sports**

Loss, damage, injury or liability arising from participation in or practising motor sports determined by time or speed taking place at any part of any premises where only competitors, members of their support team, organisers, marshals and other authorised people are allowed access.

# Policy Conditions

These conditions apply throughout the **policy**. Each **section** will have their own conditions which apply throughout the **section** and need to be read in conjunction with (and override where applicable) the **policy** conditions.

**Policy** conditions 1 to 6 are conditions precedent to **your policy**. This means that **you** must comply with these to have the full protection of **your policy**.

If **you** do not comply with them **we** may at **our** option treat the **policy** as though it never existed, cancel the **policy**, refuse to deal with **your** claim or reduce the amount of any claim **we** pay.

## 1. Non-disclosure and misrepresentation

**You** must disclose all facts and information that might be relevant to **our** assessment of the risk and all statements made to **us** must be true and accurate.

## 2. Alteration of risk

**You** must tell **us** if there is any alteration to the property insured, the **premises** or the **business** after the effective date of this insurance which increases the risk of loss, damage or injury or if **your** interest ceases except by will or operation of law. If **we** accept any alteration or change it may affect the premium terms or conditions of the cover. **We** do not have to accept any alteration or change affecting the risk.

## 3. Claims conditions

This condition does not apply to:

- Section 12 – Legal Expenses. See Conditions for claims settlement under this **section**

**You** must

- a) give **us** notice as soon as practical of any event which may result in a claim
- b) notify the Police immediately in respect of loss, destruction or damage caused by malicious people or by theft
- c) within 7 days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, people taking part in labour disturbances or malicious people, and within 30 days after any other loss destruction, damage, accident, injury or consequential loss (or such further time that **we** may in writing allow) provide **us** at **your** expense with a written claim containing as much information as possible about the loss, destruction, damage, accident, injury or consequential loss together with details of any other insurances on the property insured
- d) provide any proofs and information necessary to process the claim and as may be required a statutory declaration of the truth of the claim and of any matters connected
- e) pass to **us** immediately all communications from third parties in relation to any event which may result in a claim under this **policy**. **You** must not respond to any correspondence
- f) pass to **us** immediately any writ, summons or other legal process issued or commenced against **you**

- g) tell **us** in writing immediately if **your** legal representatives have knowledge of any impending prosecution, inquest or fatal accident inquiry in connection with the claim
- h) not admit or repudiate liability or offer to settle, compromise or make payment which may result in a claim or pay any claim under this **policy** without **our** written consent
- i) allow **us** to take over and conduct in **your** name the defence or settlement of any claim. **You** will also allow **us** to prosecute at **our** own expense and for **our** own benefit any claim for indemnity or compensation against any other person and **you** must give **us** all information and assistance required.

#### 4. Fraud

If a claim is made **you** or anyone acting on **your** behalf must not act dishonestly in any way or provide false information otherwise **we** will treat this insurance as not valid and **you** will lose all rights under this **policy**.

#### 5. Reasonable precautions

**You** must

- a) maintain the **premises**, machinery, vehicles, plant and equipment in a satisfactory state of repair
- b) take all reasonable precautions for the safety of the property insured
- c) take all reasonable precautions to prevent loss, destruction, damage, accident, injury, illness or disease
- d) comply with all statutory requirements and other safety regulations imposed by any authority
- e) keep books with a complete record of purchases and sales
- f) take all precautions to minimise the costs of claims or legal proceedings
- g) take all reasonable precautions in the selection of employees and sub contractors

#### 6. Our rights following a claim

Following a claim, **we** or anyone authorised by **us** will be allowed to enter the **premises**, take possession of or require to be delivered to **us** any property insured where loss or damage has occurred without incurring any liability or diminishing any of **our** rights under this **policy**. No property will be accepted without **our** approval.

#### 7. Reinstatement

If any property insured is to be reinstated or replaced by **us**, **you** will at **your** own expense provide plans, documents, books and any information as may be reasonably required. **We** will not be bound to reinstate exactly, only as circumstances permit and in a reasonably sufficient manner and will not in any case be bound to expend in respect of any one of the items insured more than its sum insured.

## 8. Discharge of liability

**We** may pay the limit of indemnity or the sum insured (after deducting any sum already paid) or any lesser amount for which any claim or claims against **you** can be settled. **We** will be under no further liability with regards to the claim except for costs incurred prior to the date of payment.

## 9. Contribution

- a) Applicable to Section 9 – Public and Products Liability and Section 10 – Employers Liability

If the insurance provided by these **sections** is insured by any other policy **we** will only indemnify **you** for any excess beyond the amount payable under the other policy had these **sections** not been effected.

- b) Applicable to Section 5 – Road Risks

If the insurance provided by this **section** is insured by any other policy **we** will only pay **our** rateable proportion of the loss.

- c) Applicable to all other sections

- i) Where any loss or damage, legal costs, expenses or liability covered by this **policy** is insured by any other policy **we** will only pay **our** rateable proportion of the loss.
- ii) If the other insurance is subject to any condition of **average** and the **section of your policy** affected is not, this **policy** will be subject to the same condition of **average**.
- iii) If the other insurance covers any of the property insured but is subject to any provision excluding proportional payment either in whole or in part, payment by **us** will be limited to the proportion of the loss, destruction or damage as the sum insured bears to the value of the property.

## 10. Subrogation

Any claimant under this **policy** will at **our** request allow and take all necessary steps for enforcing rights against any other party in **your** name before or after any payment is made by **us**.

## 11. Cancellation

### Your rights

**You** may cancel this **policy** within 14 days of the **policy** start date in the first year of insurance by giving written notice and returning the effective Certificate(s) of Motor Insurance to **your** insurance adviser at the address shown in their correspondence, or to AXA Insurance at the address shown on **your schedule**. This right does not apply to any renewal of the **policy**.

**We** will keep an amount of premium (£50 minimum) in proportion to the time **you** have been on cover and refund the rest to **you** as long as there have been

- no claims made under the **policy** for which **we** have made a payment
- no claims made under the **policy** which are still under consideration
- no incidents likely to lead to a claim but are yet to be reported to **us**.

If a claim has been made or there has been any incident likely to lead to a claim during the current **period of insurance** **we** will not refund the unused part of the premium.

## Our rights

**We** do not have to accept any renewal of this **policy** and can cancel the **policy** by providing 21 days prior written notice by registered post to **your** last known address.

As long as **you** have not incurred eligible claims during the period **we** have been on cover and **you** return the effective Certificate(s) of Motor Insurance **we** will keep an amount of premium in proportion to the time **you** have been on cover and refund the rest to **you**.

If a claim has been made or there has been any incident likely to lead to a claim during the current **period of insurance we** will not refund the unused part of the premium.

This cancellation will not affect any claims or rights **you** or **we** may have before the end of the notice period.

## 12. Instalments

If the premium on this **policy** is paid by **our** budget plan and **you** do not pay each instalment on the due date, all cover under the **policy** is cancelled from the date the instalment was due.

If the premium on this **policy** is paid by **our** budget plan and during the current **period of insurance**

- a claim has been made under the **policy** for which **we** have made a payment
- a claim has been made under the **policy** which is still under consideration
- an incident has happened which is likely to lead to a claim but is yet to be reported to **us**

the annual premium remains due in full.

In this case monthly collection must continue or a one-off payment be agreed to settle the outstanding amount.

If the annual premium is not paid in full **we** may take any outstanding instalments from any claim payment that may be due to **you** or payable on **your** behalf. **We** will keep any instalments taken before the cancellation notice for the budget agreement. Any refund of premium will be for any collections taken between the time of the notice and cancellation.

## 13. Warranties

**You** are required to comply with every warranty set out in this **policy**, which relate to particular facts or actions that **you** undertake to do or not to do, now or in the future. These warranties will apply and continue to apply during the **period of insurance**. **You** will not be able to claim for loss, damage or destruction if **you** have not complied with any such warranty and **your** non-compliance has increased the risk of that loss, damage or destruction.

Whenever this **policy** is renewed a claim in respect of loss destruction or damage occurring during the renewal period will not be excluded for non compliance with a warranty at any time before the start of such period.

## 14. Arbitration

This condition does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability

If **we** admit liability for a claim and **you** disagree with the amount to be paid it will be referred to an arbitrator who is jointly appointed. **You** will not be able to take action against **us** over this disagreement until the arbitrators have made their award.

# Making a Complaint

**AXA Insurance aims to provide the highest standard of service to every customer.**

**If our service does not meet your expectations we want to hear about it so we can try to put things right.**

**All complaints we receive are taken seriously. Following the steps below will help us understand your concerns and give you a fair response.**

## **Step one** – making your complaint

The majority of complaints can be resolved quickly and satisfactorily by the department you are dealing with.

If your complaint relates to your policy, please contact the agent or AXA office where it was bought.

If your complaint relates to a claim on your policy, please contact the department dealing with your claim.

When you make contact please tell us the following information:

- **Name address and postcode, telephone number and e-mail address (if you have one)**
- **Your policy and / or claim number, and the type of policy you hold**
- **The name of your insurance agent / firm (if applicable)**
- **The reason for your complaint**

Telephone contact is often the most effective way to resolve complaints quickly.

Any written correspondence should be headed '**COMPLAINT**' and you may include copies of supporting material.

## **Step two** – contacting AXA Insurance Head Office

If your complaint remains unresolved following **step one**, please contact the Head of Customer Relations who will arrange for an investigation on behalf of the Chief Executive.

Please provide the same details to:

### **Head of Customer Relations**

**AXA Insurance**

**Civic Drive**

**Ipswich**

**IP1 2AN**

**Tel: 01473 205926**

**Fax: 01473 205101**

**email: [customercare@axa-insurance.co.uk](mailto:customercare@axa-insurance.co.uk)**

## Beyond AXA

Should you remain dissatisfied following our final written response, you may be eligible to refer your case to the **Financial Ombudsman Service (FOS)**.

The FOS is an independent body that arbitrates on complaints about general insurance products. The FOS can only consider your complaint if we have made a decision following **step two**.

You have six months from the date of our final response to refer your complaint to the FOS. This does not affect your right to take legal action.

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

Tel: 0845 080 1800  
Fax: 020 7964 1001

### Our promise to you

#### **We will**

- acknowledge written complaints promptly.
- investigate quickly and thoroughly.
- keep you informed of progress.
- do everything possible to resolve your complaint.
- learn from our mistakes.
- use the information from complaints to continuously improve our service.

Telephone calls are recorded and monitored.

# Section 1 – Material Damage

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

<b>Alarmed premises</b>	The <b>premises</b> or those portions of the <b>premises</b> protected by the <b>intruder alarm system</b> .
<b>Average</b>	If the sum insured at the time of any <b>damage</b> is less than the value of the property covered within the sum insured, the amount payable by <b>us</b> for the <b>damage</b> will be proportionately reduced.
<b>Building(s)</b>	The building(s) including <ul style="list-style-type: none"> <li>• landlords fixtures and fittings</li> <li>• canopies</li> <li>• car parks</li> <li>• fences</li> <li>• fixed glass</li> <li>• fixed signs</li> <li>• forecourts</li> <li>• gates</li> <li>• pavements</li> <li>• outbuildings</li> <li>• walls</li> <li>• yards</li> <li>• wires, piping, ducting, cables and associated control gear and accessories on the <b>premises</b> and extending to the public mains</li> </ul> but only to the extent of <b>your</b> responsibility
<b>Customers motor vehicles</b>	<b>Motor vehicles</b> in <b>your</b> custody or control but not the <b>insureds motor vehicles</b> .
<b>Damage</b>	Accidental loss, destruction or damage to the <b>property insured</b> .
<b>Declared value</b>	<b>Your</b> assessment of the cost of <b>reinstatement</b> of the <b>property insured</b> at the start of the <b>period of insurance</b> (ignoring inflationary factors) which may operate subsequently together with <ul style="list-style-type: none"> <li>• the additional cost of <b>reinstatement</b> to comply with public authority requirements</li> <li>• professional fees</li> <li>• debris removal costs.</li> </ul>



<b>Insureds motor vehicles</b>	<b>Motor vehicles</b> belonging to <b>you</b> or leased or held by <b>you</b> on consignment.
<b>Intruder alarm system</b>	The components including the means of communication used to transmit signals to the alarm-receiving centre.
<b>Key holder</b>	Any person or key holding company authorised by <b>you</b> who is available at all times to accept notification of faults or alarm signals to the <b>intruder alarm system</b> and who can attend and allow access to the <b>premises</b> .
<b>Machinery, plant and all other contents</b>	Machinery, plant, tools and all other contents whilst at the <b>premises</b> including but not limited to <ul style="list-style-type: none"> <li>a) office furniture and equipment</li> <li>b) documents, manuscripts, business books and computer system records but only for the cost of the materials, clerical labour and computer time needed in reproducing any records excluding any amount in excess of £10,000 for any one loss subject to a maximum of £25,000 during any one <b>period of insurance</b> for computer system records</li> <li>c) patterns, moulds, models, plans or designs for an amount not exceeding the cost of the labour and materials for <b>reinstatement</b></li> <li>d) fixed fuel installations, including fuel pumps, underground tanks and associated pipes and cables excluding any fuel stocks</li> <li>e) <b>tenants improvements</b>.</li> </ul>
<b>Non standard construction</b>	Constructed of materials other than those detailed in the definition <b>standard construction</b> .
<b>Property insured</b>	<ul style="list-style-type: none"> <li>a) Property as shown in the <b>schedule</b> (excluding the contents and commercial loads of customers vehicles) <ul style="list-style-type: none"> <li>i. belonging to <b>you</b></li> <li>ii. in <b>your</b> custody or control</li> <li>iii. for which <b>you</b> are responsible under any lease, hire, rental or similar contractual agreement.</li> </ul> </li> <li>b) Personal effects excluding <b>motor vehicles</b> belonging to directors, partners, customers, visitors and employees for an amount not exceeding £1,000 for any one person whilst the property is on the <b>premises</b> or whilst they are working or travelling in connection with the <b>business</b> if not more specifically insured.</li> </ul>
<b>Reinstatement/ reinstate</b>	<ul style="list-style-type: none"> <li>a) The rebuilding or replacement of property lost or destroyed which provided our liability is not increased may be completed <ul style="list-style-type: none"> <li>i. in any manner suitable to <b>your</b> requirements</li> <li>ii. upon another site.</li> </ul> </li> <li>b) The repair or restoration of property lost or destroyed.</li> </ul> <p>To a condition equivalent to or the same as but not better or more extensive than its original condition when new.</p>
<b>Standard construction</b>	Brick, stone or concrete built and roofed with slates, tiles, metal, concrete or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights. Metal panels and sandwich panels insulated with materials other than polystyrene will be regarded as standard construction.

<b>Stock</b>	Stock and materials in trade, merchandise, finished goods and work in progress, including spare parts, fuel and oil stocks other than <b>motor vehicles</b> . The maximum amount <b>we</b> will pay for tobacco, cigarettes, wines, spirits, clothing, in vehicle entertainment and satellite navigation equipment, CDs, DVDs, digital music players and mobile phones is £5,000 for any one loss.
<b>Tenants improvements</b>	Structural fixtures, fittings, improvements, glass and sign writing, interior decorations belonging to <b>you</b> as a tenant of the <b>premises</b> .
<b>Unoccupied</b>	Any <b>building</b> or part of any <b>building</b> which is empty or not in use.

## What is covered

**We** agree that for **damage** to

1. any of the **property insured** specified in the **schedule**
2. any **motor vehicle** specified in the **schedule** as a result of theft or attempted theft whilst on or about the **premises**, provided that when the **premises** are unattended, it is a condition precedent to cover that all **motor vehicles** in the open are securely locked at all points of access and all **motor vehicle** keys or key cards are removed from the **premises** or if kept on the **premises** placed in a locked safe or cabinet and its key(s) removed from the **premises** or to a part of the **premises** in which the person responsible for their safe custody actually lives.

If **you** fail to comply with this condition **you** will (after the application of the condition of **average** and any **excess**) be responsible for 25% of each and every loss under this **section** with **our** payment being limited to 75% of such loss.

**We** will pay **you** the value of the property at the time of its **damage** or the amount of the **damage** or at **our** option **reinstate** or replace the property or any part of it subject to

- a) the sum insured by each item specified in the **schedule** other than those items in b) below (including items applying to rent, fees, removal of debris and contents of **customers motor vehicles**) and any item subject to the Day One Average Special Clause being separately subject to **average**
- b) the sum insured by each item under **insureds motor vehicles, customers motor vehicles** and **stock** in the **schedule** being separately subject to **average** if this sum at the time of any **damage** is less than 85% of the value of the item covered within the sum insured

provided that **our** liability under this **section** does not exceed

- i) the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the **schedule** at the time of **damage**
- ii) the sum insured or limit remaining after costs for any other **damage** have been deducted during the same **period of insurance** unless **we** have agreed to **reinstate** any sum insured or limit

adjusted in line with the inflation protection clause (if applicable).

## Extensions of cover

### 1. Additional expenses

Should any **damage** occur to **your customers motor vehicle**, which **you** become legally liable for **we** will pay any additional expenses incurred with **our** consent up to a maximum of £1,000 for any one **customers motor vehicle**.

### 2. Architects, surveyors, legal and consulting engineers fees

**We** will cover **you** for architects, surveyors, legal and consulting engineers, and other fees incurred in the **reinstatement** or repair of the **property insured** following **damage**, but not for preparing any claim. The amount payable under each item will not exceed in total its sum insured.

### 3. Capital additions

The insurance under this **section** will (subject to its terms and conditions) extend to include

- a) any additional **buildings** or **buildings** under construction (excluding any property which a building contractor is responsible for), machinery and plant which is not insured elsewhere  
and
- b) alterations, additions and improvements to buildings, machinery and plant but not any appreciation in value

situated anywhere within the United Kingdom during the **period of insurance** provided that

- i) at any one situation this cover will not exceed 15% of the sum insured by the **buildings, machinery, plant and all other contents** items
- ii) **you** give **us** details of the extension of cover required as soon as possible but in any event within six months and before the expiry of the **period of insurance**
- iii) **you** will ensure specific insurance is arranged with **us** from the date **our** liability commenced
- iv) **you** pay the additional premium that may be required
- v) notwithstanding any specific insurance effected under iii) above the provisions of this extension will be fully maintained.

### 4. Replacement of locks and keys

**We** will cover **you** for the cost of replacing locks or lock mechanisms, keys, key cards, remote control transmitters, central locking interfaces, parts of the engine control units, alarms or immobilisers necessary to maintain the security of

- a) **motor vehicles** in the event of theft or loss of the keys, key cards or remote control transmitters provided that there is reasonable belief that the keys, key cards or remote control transmitters are in the possession of someone other than **you** and that person will know the identity of the garaging address of the **motor vehicle**
- b) the **premises** or any safe or strongroom, against access following theft of keys by force or violence including any threat against any director, partner or employee of **yours** from
  - i) the **premises**

- ii) **your** home
- iii) the home of any director, partner or employee of **yours**.

The maximum **we** will pay in respect of a) is £10,000 any one loss up to a maximum of £50,000 during any one **period of insurance**.

The maximum **we** will pay in respect of b) is £2,500 for any one loss.

## 5. Contents and commercial loads of customers vehicles

**We** will cover **your** legal liability for **damage** to the contents of a **motor vehicle** belonging to or held in trust by **your** customer whilst stored on the **premises** or in transit or on any **motor vehicle** in **your** custody or control, and carried in connection with the **business** for an amount not exceeding

- a) £100,000 for a commercial load in any one **customers motor vehicle**
- b) £5,000 for all other contents

subject to a maximum of £300,000 for all claims during any one **period of insurance**.

**We** will not cover **you** for

- a) any kind of consequential loss
- b) liabilities assumed by **you** under any contract or agreement unless the liability would have been in place in the absence of any contract or agreement
- c) property belonging or hired to **you** or any member of **your** family, household or any director, partner or employee or any member of their family or household.

## 6. Contract sale price

If either **stock** or **motor vehicles** sold by **you** but undelivered and still **your** responsibility suffers **damage** insured by this **section** and with regard to which, under the conditions of sale, the sale contract is cancelled, or cancelled to the extent of such **damage** then **average** will apply based on the contract price for any such property.

## 7. Debris removal

This **section** also includes costs and expenses necessarily incurred with **our** consent in

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping

of the portion(s) of the **building(s)** as a result of **damage**.

**We** will not pay for any costs or expenses

- a) incurred in removing debris except from the site of the property destroyed or damaged in the area immediately adjacent to the site
- b) arising from pollution or contamination of property not insured by this **section**

**Our** liability will not exceed the sum insured shown in the **schedule** for any item.

## 8. Drains

The insurance for **buildings** extends to include expenses reasonably incurred by **you**, with **our** consent, in cleaning, clearing and/or repairing drains, sewers or gutters for which **you** are responsible as a consequence of **damage** on the **premises** insured by this **policy**.

## 9. Explosives

This **section** will (in addition to the total sum insured) insure **you** for **damage** to any **property insured** by this **section**, directly or indirectly caused by or as a consequence of the use of explosives, for any theft or any attempted theft at the **premises**, but only if the risk of explosion is not insured under any other policy, in respect of the same property, provided that **our** maximum liability in any one **period of insurance** will be £50,000 for each **premises**.

## 10. Theft of building fabric

This **section** extends to include loss of or **damage** to

- a) the external fabric of **buildings** as a result of theft or attempted theft
- b) **property insured** as a result of rainwater entry following theft or attempted theft of the external fabric of the **building**.

This extension does not apply to

- a) any building which is **unoccupied**
- b) the first £300 of each loss after **average** has been applied.

## 11. Hire agreements

If **property insured** under this **section** is subject to hire agreements it is understood that the interest of the owners will be included in this insurance. **You** will declare the name of any other interested party in the event of loss.

## 12. Inflation protection

**We** will adjust the sum insured in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted sum insured.

## 13. Machinery re-erection costs

The cover for **machinery, plant and all other contents** extends to include the cost of re-erection and fixing of machinery and plant, testing and commissioning as a result of **damage** insured by this **policy**. The amount recoverable for any **damage** will not exceed the sum insured shown in the **schedule**.

## 14. Miscellaneous property

Cover for **buildings** and **machinery, plant and all other contents** also includes

- a) telephone, gas, water and electrical instruments, meters, piping, cabling and all accessories including similar property in adjoining yards, roadways or underground pertaining to the **premises** insured by this **section** and for which **you** are responsible

- b) plant, conveyors, trunk cables, lines, wire, service pipes and other equipment including all supporting structures in the open or adjoining or connected with a building(s).

## 15. Mortgagees

The act or neglect of any mortgagor or occupier of any insured **building(s)** where the risk of **damage** is increased without the authority or knowledge of any mortgagee will not prejudice the interest of the latter party (or parties), provided they notify **us** immediately on becoming aware of any increased risk and pay an additional premium if required.

## 16. Motor vehicles in the open

The cover on **insureds motor vehicles** and **customers motor vehicles** extends to cover this property whilst in the open, on, or about the **premises**.

## 17. Motor vehicle excess

**We** will not be liable for any **damage** to any **insureds motor vehicle(s)** which, at the time of the **damage** is, or are, insured by any other policies except for any amount (not exceeding the sum insured hereby) which may be in excess of the amount which would have been paid under the other policies had this insurance not been in place.

## 18. Non invalidation

**Your policy** will not be invalidated by any act or failure to advise of any alterations where the risk of **damage** is increased that are unknown to or beyond **your** control. **You** must advise **us** as soon as possible and pay an additional premium if applicable.

## 19. European Community and Public Authorities (including undamaged properties)

The insurance provided for **buildings, machinery, plant and all other contents** extends to include any additional costs for **reinstatement** that may be incurred solely to comply with

- a) European Community Legislation
- or
- b) Building or other Regulations under any Act of Parliament or Byelaws of any Public Authority

referred to as 'the Stipulations'

in respect of

- i) the lost, destroyed or damaged **property insured**
- ii) undamaged portions.

### Excluding

- a) the cost incurred in complying with the Stipulations
  - i) for **damage** occurring prior to the granting of this extension
  - ii) for **damage** not insured by the **section**
  - iii) under which notice has been served upon **you**, prior to the **damage** happening

- iv) for which there is an existing requirement which has to be implemented within a given period
- v) for property entirely undamaged by any **defined peril**
- b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to the condition when new, had the need to comply with any of the Stipulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner for the reason of complying with the Stipulations

### Special conditions

1. **Reinstatement** work must begin and be carried out without unreasonable delay and in any case must be completed within twelve months after the **damage**, unless **we** agree such further time (during the said twelve months) and the work may be carried out upon another site (if the Stipulations necessitate), subject to **our** liability under this extension not being increased.
2. If **our** liability under this **section**, apart from this extension, is reduced by the application of any terms and conditions of the **policy** then **our** liability under this extension will be reduced in like proportion.
3. The maximum amount **we** will pay under any item of this **section** under this extension will not exceed
  - a) in respect of the lost, destroyed or damaged property
    - i) 15% of its sum insured
    - ii) where the sum insured by the item applies to property at more than one **premises**, 15% of the total amount for which **we** would have been liable had the **property insured** by the item at the **premises** where the **damage** occurred has been wholly destroyed
  - b) for undamaged portions of property (other than foundations) 15% of the total amount which **we** would have been liable, had the **property insured** by the item at the **premises** where the **damage** occurred been wholly destroyed.
4. The total amount **we** will pay under any item of this **section** will not exceed its sum insured.
5. All terms and conditions of the **policy**, except where they have been varied by this extension, will still apply.

## 20. Reinstatement

(This extension is not applicable to **motor vehicles**, personal effects or **stock**)

Subject to the following special conditions the amount payable in respect of **property insured** under sums insured marked 'R' on the **schedule** will be calculated as **reinstatement** of the property, lost, destroyed or damaged.

### Special conditions

1. **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount **we** would have been liable for had the property been wholly destroyed.

2. If the sum insured at the time of any **damage** is less than 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item, at the time of rebuilding or replacement, the amount payable by **us** will be proportionately reduced.
3. No payment will be made beyond the amount which would have been payable in the absence of this extension
  - a) unless **reinstatement** commences and proceeds without unreasonable delay
  - b) until **reinstatement** costs have been actually incurred
  - c) if the **property insured** at the time of its loss, destruction or **damage** has any other insurance in force, which is not on the same basis of **reinstatement**.
4. All terms and conditions of the **policy** will apply
  - a) to any claim payable under this extension unless they have been amended by this extension
  - b) if any claim is payable as if this extension had not been included.

## 21. Automatic Reinstatement

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

## 22. Rent

Any insurance on rent only applies if the **building(s)** or any part of them is unfit for occupation following **damage**. The amount payable will not exceed the proportion of the sum insured on rent as the period necessary for **reinstatement** relating to the term of the rent insured.

## 23. New for old vehicle replacement

If during the twelve month period from the date of first registration any **motor vehicle** which is either

- a) owned or registered by **you** since new
- or
- b) a private car, motor cycle or goods carrying vehicle under 4 tonnes gross vehicle weight, owned and registered in the name of **your** customer since new and is within **your** custody and control in connection with the **business**

and is either

- a) lost by theft and not recovered within 28 days of the date from when the theft is first reported to **us**
- or
- b) damaged to an extent greater than 50% of its list price (inclusive of VAT) at the time of the **damage**.

**We** will at **your** request (and subject to the consent of any other interested parties known to **us**), replace the vehicle with a new one of the same manufacture and model subject to availability. The damaged or recovered vehicle will then become **our** property.



If a replacement vehicle of the same manufacture and model is not available, the most **we** will pay is the market value of the vehicle and any permanently fitted accessories and spare parts immediately prior to the **damage** giving rise to the claim.

## 24. Property in transit

The insurance for **stock, machinery, plant and all other contents** extends to cover the **property insured** whilst in transit by road, rail, air and sea including loading and unloading anywhere within the **policy territories** but excluding

- a) any amount exceeding £5,000 any one loss
- b) employees tools
- c) contents and commercial loads of **customers motor vehicles** and personal property in any other vehicle
- d) **money**.

## 25. Subrogation waiver

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

- a) any **business** standing in relation of Parent to Subsidiary (Subsidiary to Parent) to **you** as defined in the Companies Act or the Companies (NI) Order at the time of the **damage**
- b) any company which is a Subsidiary of a Parent Company of which **you** are a Subsidiary in each case within the meaning of the Companies Act or the Companies (NI) Order at the time of the **damage**.

## 26. Temporary removal

This **section** extends to cover **property insured** other than **motor vehicles** whilst temporarily removed from the **premises** for **business** purposes anywhere in the **policy territories** excluding

- a) any amount in excess of 10% of the item sum insured shown in the **schedule** or £25,000 whichever is the less
- b) property whilst at any exhibition
- c) employees tools
- d) property in **motor vehicles**
- e) property in transit
- f) property which is removed from the **premises** for more than 90 consecutive days, unless **we** agree a longer period in writing
- g) property which is more specifically insured.

## 27. Temporary work

**We** will in addition to the sum insured pay the reasonable costs of temporary work necessary to secure the **premises** against entry following **damage** by theft in order to protect the **property insured** pending completion of permanent repairs.

## 28. Theft damage to buildings

Where there is no insurance in force for **buildings**, **we** will pay for **damage** (except by fire) to that part of the **premises** referred to in the **schedule** containing the **property insured** under this **section** resulting directly from theft or any attempted theft provided that

- a) **you** are the owner of the **premises** or are legally liable for the **damage**
- b) **our** maximum liability for **damage** by theft to each **premises** does not exceed the total sum insured as shown in the **schedule** against those **premises**.

## 29. Transfer of interest

If at the time of **damage you** have contracted to sell **your** interest in the **buildings** insured and the purchase has not yet been completed, the purchaser upon completion will be entitled to benefit under this **section** without prejudice to the rights and liabilities of **you** or **us** until completion, providing it is not yet insured by or on behalf of the purchaser.

## 30. Workmen

Joiners and other tradesmen are allowed on the **premises** insured to make repairs or minor structural alterations without prejudice to this insurance.

## 31. Seasonal increase

The sum insured for **insureds motor vehicles** is increased by 30% during the months of

- a) February and March
- b) August and September

## 32. Financial loss – new vehicles

If **you** have to discount the sale price of a new and unused **motor vehicle** held for sale by **you** as the direct result of **you** having to declare

- a) damage repair
- or
- b) that the vehicle was stolen

to a prospective purchaser, **we** will consider making a payment to **you** to the value of the discount given, providing **we** had agreed to the level of discount given prior to the sale.

The maximum **we** will pay under this extension for any one **motor vehicle** is £5,000 and £25,000 for any one loss.

## 33. Fire extinguishing expenses

This **section** includes the reasonable costs and expenses incurred in refilling, recharging and replacing any

- a) portable fire extinguishing appliances
- b) local fire suppression system

- c) sprinkler installation
- d) sprinkler heads

as a result of **damage** insured by this **section**.

The maximum **we** will pay for any one claim is £10,000.

**We** will not cover **you** for any costs and expenses recoverable from **your** maintenance company or fire and rescue services.

### 34. Trace and access

This **section** includes the reasonable costs and expenses incurred by **you** in locating the actual source and subsequent making good of **damage** resulting from

- a) the escape of water from any tank, apparatus or pipe
- b) the leakage of fuel from any fixed oil heating installation
- c) accidental damage to cables, underground pipes and drains serving the **premises** insured.

The maximum **we** will pay for all claims during any one **period of insurance** is £10,000.

### 35. Exhibitions

**We** will cover **you** for **damage** to the **property insured**, other than **motor vehicles**, anywhere in the United Kingdom

- a) whilst at any exhibition which does not exceed seven days
- b) including accidental **damage** during the course of demonstration, erection, dismantling or construction by **you** whilst at any exhibition.

The maximum **we** will pay for any one claim is £10,000.

**We** will not cover **you** for

- a) **damage** due to theft or any attempted theft other than entry to or exit from any building storing the property by forcible and or violent means or hold up by violence or threats of violence
- b) the first £300 of each and every loss
- c) **damage** due to theft or attempted theft from any **motor vehicle** which is left unattended, unless the vehicle is securely locked, its keys, key card or remote control transmitter removed and all windows are securely closed and all security devices are set to operate
- d) any computer equipment.

### 36. Landscaped grounds

This **section** includes costs incurred by **you** with **our** consent in reinstating or repairing landscaped gardens and grounds following **damage** to **property insured** at the **premises**.

The maximum **we** will pay for any one claim is £10,000.

**We** will not cover **you** for any subsequent costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established.

## 37. Employees tools

**We** will pay for **damage** to portable hand tools belonging to **your** employees which **you** accept responsibility for and are being used in connection with the **business**, whilst removed from the **premises** to anywhere within **policy territories** including whilst in transit (provided the sums insured in the **schedule** are adequate).

The maximum **we** will pay for any one employee is £3,500.

## 38. Loss of metered water

This **section** is extended to cover the cost of additional metered water charges incurred by **you** as a direct result of **damage** insured by this **policy** calculated at the current rate per cubic metre.

The maximum **we** will pay for all claims during any one **period of insurance** is £10,000.

**We** will not cover **you** for the accidental escape of water from any automatic sprinkler installation in the **premises**.

## What is not covered

**We** will not pay for

### 1. Collusion

**Damage** by theft caused by or in collusion with **you** or any partner, director or employee of **you**, or any member of **your** family or any other people lawfully on the **premises**.

### 2. Consequential loss

Consequential loss or **damage** of any kind except loss of rent, when such a loss is included in the cover under this **section**.

### 3. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

### 4. Dishonesty

**Damage** caused by any acts of fraud or dishonesty by **you** or any partner or director or **your** employees, but this will not exclude **damage** not otherwise excluded that results from a **defined peril**.

### 5. Electronic risks

- a) **damage** to any computer or other equipment, component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but not limited to any information or programs or software) and whether **your** property or not where the **damage** is caused by programming, operator error, **virus or similar mechanism** or **hacking**

This will not exclude **damage** which is excluded as a **defined peril** except for malicious persons other than thieves

- b) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, people taking part in labour disturbances, civil commotion or malicious people
- c) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **defined peril** not otherwise excluded.

## 6. Excess

The amount shown below after the application of **average** (if applicable), for each and every loss

a) <b>damage</b> caused by fire, lightning, explosion, aircraft, riot and civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or earthquake	£nil
b) all other insured <b>damage</b>	£300

## 7. Glass

Any amount in excess of £500 for the repair or replacement of sign writing, lettering, alarm foil or other ornamentation work on glass.

## 8. Loss of value

Loss of value following the repair of any **motor vehicle**, other than provided by Extension 32 'Financial Loss – New Vehicles'.

## 9. Miscellaneous Damage

**Damage** caused by or consisting of

- a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level or its own faulty or defective design or materials but this will not exclude subsequent **damage** which results from a cause not otherwise excluded
- b) the bursting of a boiler (not used for domestic purposes only) by steam pressure, economiser or other vessel, machine or apparatus in which internal pressure is due to steam only, belonging to **you** or under **your** control but this will not exclude subsequent **damage** which results from a cause not otherwise excluded.
- c) faulty or defective workmanship, operational error or omission on the part of **you** or any of **your** employees but this will not exclude
  - i) **damage** which is not excluded that results from a **defined peril**
  - ii) subsequent **damage** which results from a cause not otherwise excluded
- d) destruction of or **damage** to a building or structure caused by its own collapse or cracking, unless it results from a **defined peril** not otherwise excluded

- e) **damage** to fences and gates caused by wind, rain, hail, sleet, snow, flood or dust and moveable property in the open other than any item(s) on **motor vehicles**
- f) **damage** (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair
- g) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects but this will not exclude
  - i) **damage** which is not excluded that results from a **defined peril**
  - ii) subsequent **damage** which results from a cause not otherwise excluded
- h) change in temperature, colour, flavour, texture or finish but this will not exclude
  - i) **damage** which is not excluded that results from a **defined peril**
  - ii) subsequent **damage** which results from a cause not otherwise excluded
- i) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or in connection with them
  - i) **damage** which is not excluded that results from a **defined peril**
  - ii) subsequent **damage** which results from a cause not otherwise excluded
- j) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment, where the breakdown or derangement originates but this will not exclude
  - i) **damage** which is not excluded that results from a **defined peril**
  - ii) subsequent **damage** which results from a cause not otherwise excluded.

## 10. Motor vehicles and other property

- a) **Motor vehicles** or their contents, unless in or about the **premises**, railway locomotives, rolling stock, watercraft or aircraft
- b) Property or structures in the course of construction and materials or supplies used in connection with the property in the course of construction or erection of the property
- c) Land, roads, pavements, piers, jetties, bridges, culverts or excavations
- d) Livestock, growing crops or trees

unless specifically mentioned as insured by this **section**.

## 11. Other insurance

Any property more specifically insured by **you** or on **your** behalf.

## 12. Other insurance – marine

Property which at the time of the **damage** is insured by any marine policy except for any excess beyond the amount payable under the marine policy had this **section** not been effected.

### 13. Pollution or contamination

**Damage** caused by pollution or contamination. This does not exclude destruction of or **damage** to the **property insured** not otherwise excluded and caused by

- a) pollution or contamination which results from a **defined peril**
- b) a **defined peril** which results from pollution or contamination.

### 14. Subsidence

**Damage** caused by or consisting of

- a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- b) normal settlement or bedding down of new structures.

### 15. Terrorism

**Damage**, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

### 16. Theft by deception

**Damage** resulting from **you** or any director, partner or employee of **yours** voluntarily parting with title or any rights of ownership of any property if induced to do so by any fraudulent scheme, trick or false pretence.

### 17. Theft by force excluding vehicles

**Damage** caused by theft or any attempted theft

- a) not involving entry to or exit from the **premises** by forcible and violent means or threat of violence to **you, your** family or employees
- b) of property in the open or property not contained in a locked **building**.

This exclusion will not apply to **motor vehicles** on the **premises**.

### 18. Unexplained loss

**Damage** caused by or consisting of disappearance unexplained or inventory shortage, misfiling or misplacing of information.

## 19. Unoccupied buildings

**Damage** to or caused by

- a) freezing
- b) escape of water from any tank, apparatus or pipe
- c) malicious persons not acting on behalf of or in connection with any political organisation (other than by fire or explosion)
- d) theft or any attempted theft
- e) fixed glass

for any **building** which is **unoccupied**.

## 20. Valuables

**Damage** to

- a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books
- b) property in transit, other than provided by extension 24 – Property in transit
- c) china, earthenware, marble or other fragile or brittle objects
- d) computers or data processing equipment
- e) **money**, stamps, bonds, credit cards or securities of any description

other than **damage** caused by a **defined peril** (other than theft) that is not otherwise excluded.

## Conditions

The **policy** conditions apply to this **section** and in addition

### 1. Fire-break doors and shutters

All fire-break doors and shutters must be kept closed except during working hours and be maintained in efficient working order.

### 2. Fire extinguishing appliances

All fire extinguishing appliances must be maintained in efficient working order during the **period of insurance**. This **section** will not be invalidated by any defect in any of the appliances due to any circumstances beyond **your** control.

### 3. Security of premises

If this insurance has been granted following a survey of **your premises**, **you** must not alter door and window fastenings and other security devices (except as may be required in the Further Protection Clause if shown in the **schedule**), without **our** written consent. In **your** own interest, please give early notification of any proposed changes so that if necessary a further survey can be undertaken.



## 4. Explosion

For any vessel, machinery or apparatus or its contents belonging to **you** or under **your** control, which need examination to comply with any Statutory Regulations, cover against **damage** caused by an explosion is subject to the provision that the vessel, machinery or apparatus will be the subject of a policy or another contract providing the required inspection.

## 5. Protections

It is a condition precedent to **our** liability for loss or **damage** caused by theft or any attempted theft that all locks, bolts, bars, window fasteners and other protective and locking devices installed are maintained and put into operation whenever the **premises** are closed for **business** or left unattended.

## 6. Changes in occupancy

**You** must advise **us**

- a) of all changes in tenancy or occupation within the **premises**
- b) immediately if any empty building or empty portion of a building insured becomes occupied, or if any occupied building becomes **unoccupied** in line with Policy Condition 2. **You** may have to pay an additional premium.

## 7. Records

**You** will maintain a complete record of **stock** and **motor vehicles** received and sold.

## 8. Designation

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

# Special clauses

*Clauses 1 to 5 apply only if the clause number(s) appear in the **schedule***

## 1. Day one average

Subject to the following special conditions, the amount payable for **property insured** under sums marked DA in the **schedule** will be calculated as **reinstatement** of the property lost, destroyed or damaged.

The premium has been calculated according to the **declared value** specified in the **schedule** in brackets below the sum insured for each of the specific items which **you** have stated in writing.

### Special conditions

- a) At the inception of each **period of insurance** **you** must notify **us** of the **declared value** of the **property insured** by each of the item(s). In the absence of this declaration the last amount will be taken as the **declared value** for the ensuing **period of insurance**.

- b) If at the time of **damage** the **declared value** of the property covered by each item is less than the cost of **reinstatement** at the inception of the **period of insurance**, **our** liability for any **damage** will not exceed that proportion of which the **declared value** is relative to the cost of **reinstatement**.
- c) **Our** liability for repair or restoration of property damaged in part only, will not exceed the amount which would have been payable had the property been wholly destroyed.
- d) No payment will be made beyond the amount that would have been payable in the absence of this special clause
  - i) unless **reinstatement** commences and proceeds without unreasonable delay
  - ii) until the cost of **reinstatement** has been incurred
  - iii) if the **property insured** at the time of the **damage** is insured by any other insurance which is not upon the same basis of **reinstatement**.

All the terms and conditions of this **policy** apply

- i) for any claim payable under the provisions of this special clause, except if they are varied by the special conditions
- ii) where claims are payable as if this special clause had not been incorporated except that the sum insured will be limited to 115% of the **declared value**.

## 2. Stock declaration conditions

The premium for any item in the **schedule** where the sum insured is marked 'D', is provisional and subject to adjustment as below.

The value of the property on the last day of each calendar month will be declared by **you** to **us** within 30 days. If a declaration is not given **you** will be deemed to have declared the sum insured as the value.

On the expiry of each **period of insurance** the actual premium will be calculated at the rate applicable on the total of the amounts declared, divided by the number of declarations. If the actual premium is greater than the provisional premium **you** will pay the difference to **us**. If it is less **we** will pay the difference to **you**.

The sum insured will not be reduced by the amount of any loss. **You** will have to pay an appropriate extra premium on the amount of the loss from the date of the loss until the expiry of the **period of insurance**.

Any other insurance on such property covering **damage** must be on a similar basis of declaration adjustment.

## 3. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

## 4. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

## 5. Intruder alarm

It is a condition precedent to **our** liability for **damage** following entry or attempted entry to, or exit from the **premises** by forcible and violent means that

- a) the **premises** are protected by an **intruder alarm system** designed, installed and maintained to British Standard BS4737 or EN50131 including where stipulated by **us** or the local Policy Authority Code of Practice DD243
- b) the intruder alarm installation and maintenance company must be both
  - i) a member of an Alarm Inspectorate which is accredited by UKAS to EN45011 or EN45012 and
  - ii) accredited and operate a Quality Management System in accordance with EN ISO 9000.
- c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS4737 or EN50131 with the installing company or other company as agreed with **us**. Where remote alarm signalling is required by **us** the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979:2000 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.
- d) no alteration to or substitution of
  - i) any part of the **intruder alarm system**
  - ii) the maintenance contract
  - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**
  - iv) the procedures agreed with **us** for Police or any other response to any activation of the **intruder alarm system**be made without **our** written agreement.
- e) the **alarmed premises** will not be left unattended without **our** agreement:
  - i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals, including both alarm transmission systems for dual signalling systems in full operation
  - ii) if the Police have withdrawn their response to alarm activations.
- f) **you** will maintain secrecy of codes for the operation of the **intruder alarm system** and details of the codes and all keys to the **intruder alarm system** will be removed from the **premises** when they are left unattended.
- g) **you** will appoint at least two **key holders** and lodge written details (which must be kept up to date) with the alarm company and either the Police or the alarm receiving centre.
- h) in the event of any notification of any activation of the **intruder alarm system** or interruption of communication, including one or both alarm transmission systems in respect of dual signalling systems, during any period the **intruder alarm system** is set, a **key holder** must attend the **premises** as soon as reasonably possible.

- i) in the event of **you** receiving any notification
    - i) the Police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
    - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
    - iii) that the **intruder alarm system** cannot be returned to, or maintained in full working order
- You** must advise **us** as soon as possible and comply with any subsequent requirements stipulated by **us**.

# Section 2 – Selected All Risks

Your **schedule** will show **you** if this **section** is in force.

## Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions.

If the same word appears in both the **policy** and **section** definitions the **section** definition will apply.

<b>Alarmed premises</b>	The <b>premises</b> or those portions of the <b>premises</b> protected by the <b>intruder alarm system</b> .
<b>Damage</b>	Accidental loss, destruction or damage to property specified in the <b>schedule</b> .
<b>Europe</b>	Anywhere in Europe.
<b>Great Britain</b>	Anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
<b>Intruder alarm system</b>	The components including the means of communication used to transmit signals to the alarm-receiving centre.
<b>Key holder</b>	Any person or key holding company authorised by <b>you</b> who is available at all times to accept notification of faults or alarm signals to the <b>intruder alarm system</b> and who can attend and allow access to the <b>premises</b> .
<b>Worldwide</b>	Anywhere in the World.

## What is covered

**We** will pay **you** for the cost of replacement or repair following **damage** occurring at the location(s) detailed in the **schedule**.

**We** will not pay more than the sum insured detailed in the **schedule** for any one item and not more than the total sum insured adjusted in accordance with the Inflation Protection Clause.

## What is not covered

**We** will not pay for:

### 1. Excess

The first £250 of each claim.

## 2. Theft by force from premises

Theft or any attempted theft from the **premises** not involving entry to or exit from the **premises** by forcible and violent means.

## 3. Miscellaneous damage

**Damage** caused by or consisting of

- a) wear and tear, or from any process of cleaning, restoring, adjusting or repairing
- b) or attributable to the action of light, atmosphere, moths, parasites or vermin
- c) any electrically driven machine or apparatus directly caused by its own overrunning, short-circuiting, self-heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact
- d) any component part of any item insured in the **schedule** while such part is removed from its normal position in the item.

## 4. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

## 5. Electronic risks

- a) **damage** to any computer or other equipment, component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but not limited to any information or programs or software) and whether **your** property or not where the **damage** is caused by programming, operator error, **virus or similar mechanism** or **hacking**

This will not exclude **damage** which is excluded as a **defined peril** except for malicious persons other than thieves

- b) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, people taking part in labour disturbances, civil commotion or malicious people
- c) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **defined peril** not otherwise excluded.

## 6. Terrorism

**Damage**, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Clauses

### 1. Average clause

If at the time of **damage** the value of the property insured under any item is more than its sum insured, **you** will be considered as being **your** own insurer for the difference and will be responsible for a proportional share of the loss accordingly.

### 2. Inflation Protection Clause

**We** will adjust the sum insured in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted sum insured.

### 3. Reinstatement Clause

Where the sum insured on the **schedule** is marked R, the basis of claims settlement will be the cost of repair or the current replacement value without deduction for wear and tear provided that all necessary repairs or replacements are carried out without delay.

## Special Clauses

*Clauses 1 to 3 apply only if the clause numbers appear in the **schedule***

### 1. Temporary Cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

### 2. Long Term Agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

### 3. Intruder alarm

It is a condition precedent to **our** liability for **damage** following entry or attempted entry to, or exit from the **premises** by forcible and violent means that

- a) the **premises** are protected by an **intruder alarm system** designed, installed and maintained to British Standard BS4737 or EN50131 including where stipulated by **us** or the local Policy Authority Code of Practice DD243
- b) the intruder alarm installation and maintenance company must be both:
  - i) a member of an Alarm Inspectorate which is accredited by UKAS to EN45011 or EN45012 and
  - ii) accredited and operate a Quality Management System in accordance with EN ISO 9000
- c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS4737 or EN50131 with the installing company or other company as agreed with **us**. Where remote alarm signalling is required by **us** the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979:2000 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000
- d) no alteration to or substitution of:
  - i) any part of the **intruder alarm system**
  - ii) the maintenance contract
  - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**
  - iv) the procedures agreed with **us** for Police or any other response to any activation of the **intruder alarm system**be made without **our** written agreement
- e) the **alarmed premises** will not be left unattended without **our** agreement
  - i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals, including both alarm transmission systems for dual signalling systems in full operation
  - ii) if the Police have withdrawn their response to alarm activations
- f) **you** will maintain secrecy of codes for the operation of the **intruder alarm system** and details of the codes and all keys to the **intruder alarm system** will be removed from the **premises** when they are left unattended
- g) **you** will appoint at least two **key holders** and lodge written details (which must be kept up to date) with the alarm company and either the Police or the alarm receiving centre
- h) in the event of any notification of any activation of the **intruder alarm system** or interruption of communication, including one or both alarm transmission systems in respect of dual signalling systems, during any period the **intruder alarm system** is set, a **key holder** must attend the **premises** as soon as reasonably possible



- i) in the event of **you** receiving any notification
    - i) the Police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
    - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
    - iii) that the **intruder alarm system** cannot be returned to, or maintained in full working order
- You** must advise **us** as soon as possible and comply with any subsequent requirements stipulated by **us**.

# Section 3 – Money, Assault and Wrongful Conversion

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

<b>Accident</b>	Bodily injury caused by violent external and visible means.
<b>Business hours</b>	Your usual business hours (including overtime) while you or your employees entrusted with money, are on your premises or sites of contracts for the purposes of the business.
<b>Insured Person(s)</b>	You and any partner, director or employee aged between 16 and 70.
<b>Loss of limb(s)</b>	Total and permanent loss by physical severance, or total and permanent loss of use of a hand at or above the wrist, or a foot at or above the ankle.
<b>Loss of sight</b>	Total and permanent loss of sight will be regarded as having occurred a) in both eyes when the insured person has been added to the register of blind persons on the authority of a fully qualified ophthalmic specialist or b) in one eye when the degree of sight is 3/60 or less on the Snellen Scale (which means the insured person is only able to see at three feet that which they should normally see at 60 feet) and we are satisfied that the condition is permanent and beyond hope of improvement.
<b>Permanent total disablement</b>	Permanent disablement (other than loss of limb(s) or loss of sight) which a) lasts for more than twelve consecutive months and b) in the opinion of a independent qualified medical referee acceptable to us will in all probability continue for the remainder of the insured persons lifetime and c) wholly prevents the insured person from engaging in or giving attention to their usual occupation.
<b>Temporary partial disablement</b>	Disablement which prevents the insured person from engaging in or attending to a substantial part of their usual occupation, but is not permanent total disablement.
<b>Temporary total disablement</b>	Disablement which wholly prevents the insured person from engaging in or attending to all functions of their usual occupation, but is not permanent total disablement.

## Part 1 – Money

### What is covered under Part 1

**We will**

1. insure **you** against
  - a) loss of **money** connected to the **business** which occurs whilst
    - i) in transit
    - ii) at any of **your premises**
    - iii) in a bank night safe
    - iv) at the residence of any principal or authorised employee of **yours**
  - b) loss of or damage to safes and strongrooms resulting from theft of **money** or any attempted theft anywhere in the **policy territories** up to the limits of liability stated in the **schedule** to this **section**, subject to the limit any one loss of crossed cheques, crossed postal orders, crossed money orders, crossed bankers drafts, National Savings Certificates, credit company sales vouchers or receipts, National Insurance stamps affixed to cards and VAT purchase receipts being £250,000.
2. Pay for loss of or damage to clothing and personal effects belonging to **you** or any employee of **yours** caused by robbery or attempted robbery occurring in the course of the **business** subject to a limit of £500 in respect of any one person.

### Extensions to Part 1

#### 1. Credit cards

**We will cover you** for any amount for which **you** become liable, under the terms of issue, for any bank charge, credit, debit or cash card used solely in connection with the **business** following fraudulent use by anyone unauthorised, provided that **our** liability does not exceed £500 during any one **period of insurance**.

#### 2. Vehicle excise licences (Tax Discs)

**We will cover you** for any amount for which **you** become liable to the Driver and Vehicle Licensing Agency (DVLA) for unused vehicle excise licences (tax discs) for which **you** are responsible, following accidental loss, destruction or damage up to an amount not exceeding £10,000 any one loss unless stated otherwise in the **schedule**, provided that, they are stored in a locked safe outside of **business hours**.

#### 3. Bank Holidays

The sums insured shown in the **schedule** of this **section** for **money** in transit on the **premises** and in a bank night safe are automatically increased by 25% during each and every official Bank Holiday in the United Kingdom until twelve noon on the next working day.

## What is not covered under Part 1

We will not cover **you** against

- a) the first £300 of each and every loss
- b) loss from unattended **motor vehicles**
- c) loss arising from fraud or dishonesty of **your** employees unless the loss is discovered within fourteen working days of the event
- d) loss due to clerical or accounting errors
- e) loss insured (or which would but for the existence of this **section**) by any Fidelity Guarantee or Theft policy, except for the excess of any amount recoverable (or which would but for the existence of this **section** be recoverable).

## Conditions to Part 1

### Transit warranty

1. It is agreed that **money** in transit other than by an approved security organisation will be accompanied by the following number of able-bodied adults and that no more than £3,000 will be carried by any one person

Amount at any one time	Number of persons
Up to £3,000	One
£3,001 to £6,000	Two
£6,001 to £9,000	Three
£9,001 and over	Approved security organisation

2. It is agreed that unused vehicle excise licences (tax discs) in transit will be accompanied by the following number of able-bodied adults and that no more than £50,000 worth will be carried by any one person:

Amount at any one time	Number of persons
Up to £50,000	One
£50,001 and over	Two

## Part 2 – Personal Accident – Assault

### What is covered under Part 2

We will pay **you** in trust for the **insured person**, or in the event of death, the personal representatives of the **insured person**, compensation based on and in accordance with the Table of compensations if any **insured person** suffers an **accident** caused by theft or any attempted theft involving violence or threat of violence in the course of the **business** during the **period of insurance** (which is the sole and direct cause of death or disablement).

For the purposes of item 4, the compensation payable will not exceed the **insured persons** average weekly remuneration from **you**, over the period of 13 weeks immediately prior to the event causing the **accident**.

Provided always that

- a) the **insured person** is not entitled to compensation under more than one of the items in the table of compensations for the same injury
- b) after a claim under items 1 to 3 has been admitted and become payable, no further liability for any additional payment will be met
- c) weekly compensation under items 4 and 5 will not become payable until the total amount has been agreed
- d) this cover does not insure against death or disablement arising from any pre-existing physical defect or infirmity of the **insured person**.

### Table of compensations

The amounts shown represent one unit.

Item	Amount
1. Death*	£10,000
2. <b>Loss of limb(s)</b> (one or more) and / or <b>loss of sight</b> of one or both eyes*	£10,000
3. <b>Permanent total disablement</b>	£10,000
4. <b>Temporary total disablement</b> (while the <b>insured person</b> is disabled) for a period not exceeding 104 weeks in respect of any one injury calculated from the date of the <b>accident</b> at the rate of:	£100 per week
5. <b>Temporary partial disablement</b> (while the <b>insured person</b> is disabled) for a period not exceeding 104 weeks in respect of any one injury calculated from the date of the <b>accident</b> at the rate of:	£50 per week
6. Reimbursement of incurred medical expenses*	up to £500

\* Occurring within 2 years of the event giving rise to the accident.

### Conditions to Part 2

1. Notice of every **accident** claim needs to be given to **us** in writing as soon as possible; in any case it must be within three months of the event.
2. All certificates, information and evidence required by **us** must be supplied at your expense and in a format that **we** request. The **insured person**, as often as required, will undergo medical examinations on **our** behalf for any alleged **accident**. This will be at **our** expense.
3. **We** will at **our** expense, in the case of death of the **insured person**, be entitled to arrange for a post-mortem examination.

### Part 3 – Wrongful conversion

**Your schedule** will show if cover under Part 3 is in force.

## What is covered

**We** will cover **you** for loss sustained by **you** in connection with any vehicle purchased by **you** in the course of the **business** during the **period of insurance** within the **policy territories** for which

- a) the rightful and lawful owner has substantiated a valid claim for the return of the **motor vehicle** or its value
- b) the person with whom **you** have contracted to sell the **motor vehicle** has substantiated a valid claim for damages for breach of implied warranty of title.

**We** will also pay costs

- a) recovered by any claimant against **you** where **we** contest the claim or the claim is contested with **our** written consent
- b) for the defence of any claim incurred with **our** written consent.

Provided always that

- a) **you** will be responsible for the first £500 or 20% of each claim whichever is the greater. If **you** have subscribed to the HPI Gold check the amount of co-insurance reduces to 15% or £500 whichever is the greater
- b) all payments for **motor vehicles** purchased by **you** or allowance for part exchange will be settled by cheque, credit card or credit against a new purchase
- c) no payment will be made by **you** until HPI Ltd or Experian Ltd have confirmed that the **motor vehicle** being purchased is not subject to any Hire Purchase Interest or adverse information against it. If confirmation is obtained by telephone no payment will be made by **us** until written confirmation is received from HPI Ltd or Experian Ltd
- d) notice of any claim or potential claim must be given as soon as **you** are aware. Notice must be given in writing and be received by **us** during the **period of insurance** when the **motor vehicle** was purchased by **you** or within six months.

## What is not covered under Parts 1, 2 and 3

We will not pay for

### Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Conditions to Parts 1, 2 and 3

The **policy** conditions apply to this **section** and in addition

1. **You** will take all reasonable precautions for the safety of the **money** and upon knowing of any event giving rise or likely to give rise to a claim under this **section** will
  - a) give immediate notice to the Police and **us** and take all practical steps to discover the guilty person(s) and to recover the **money** lost
  - b) give immediate notice to the Inland Revenue of any loss of stamped National Insurance cards
  - c) deliver to **us** a detailed statement in writing of the loss within fourteen days from when **you** became aware
  - d) provide all explanations, vouchers, proof of ownership and other evidence to substantiate the claim. **We** may, if deemed necessary, require corroborative evidence of the statements of **you** or any of **your** employees.
2. It is a condition precedent to **our** liability that
  - a) **you** keep a daily record of the amount of **money** contained in safes or strongrooms and the record will be deposited in a secure place other than these safes or strongrooms. Documentary evidence will need to be produced to support a claim under this **section**
  - b) the keys of safes or strongrooms will not be left on the **premises** out of **business hours** unless the **premises** are still occupied by **you** or any of **your** authorised employees. In which case if keys are left on the **premises** they will be deposited in a secure place not in the vicinity of safes or strongrooms.

## Special clauses

*Clauses 1 to 3 apply only if the clause numbers appear in the **schedule**.*

### 1. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

Any changes to the LTA clause will need to be made every time it appears.

### 2. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance**, and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

### **3. Intruder Alarm**

Where special clause 5 – Intruder Alarm is operative under Section 1 – Material Damage of this **policy**, it will operate in a like manner under this **section** and its adherence will be a condition precedent to **our** liability.



# Section 4 – Goods in Transit – Own Goods

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

<b>Any one event</b>	Any one claim or series of claims attributable to one original cause.
<b>Enclosed premises</b>	A locked building or a compound, bound on each side by a substantial wall, fence or similar structure and having a locked gate.
<b>Excess</b>	The amount you must pay as the first part of each claim.
<b>Property</b>	Goods and tools belonging to you or for which you are responsible, relating to the business which is shown in the schedule, except for any goods specifically excluded by this section.
<b>Territorial limits</b>	<ul style="list-style-type: none"> <li>• England</li> <li>• Wales</li> <li>• Scotland</li> <li>• Northern Ireland</li> <li>• Channel Islands</li> <li>• Eire</li> <li>• Isle of Man</li> </ul> including the sea crossings in or between.
<b>Unattended</b>	<p>A vehicle will be considered unattended if you or the person in charge of the vehicle are not in such a position as to have reasonable prospects of preventing loss or damage.</p> <p>For the purpose of clarification a vehicle will not be regarded as unattended whilst the driver of the vehicle on which property is loaded is asleep in the vehicle.</p>
<b>Vehicle(s)</b>	<ul style="list-style-type: none"> <li>• articulated vehicle</li> <li>• motor vehicle</li> <li>• trailer or semi-trailer</li> </ul>
<b>Vehicle sum insured</b>	The maximum we will pay for property on any one vehicle.

## What is covered

**We** agree, subject to the terms contained or endorsed within, to cover **you** against loss of or damage to **property** in transit within the **territorial limits** whilst carried by the means of transportation shown in the **schedule** for this **section**.

Cover commences when the **property** is lifted by **you** or **your** employees, immediately prior to loading and continues until the **property** is placed in position (excluding erection, dismantling or installation) by **you** or **your** employees at the destination, including loading and unloading.

## Expenses

**We** will pay expenses reasonably incurred by **you** in

- a) the removal of debris and site clearance of **property** damaged, whilst in transit from the immediate area of the site where the damage occurred
- b) transferring **property** to any other vehicle, following fire, collision, overturning or impact of the conveying **vehicle** including carrying the **property** to the original destination or to the place of collection
- c) reloading onto the **vehicle** any **property** which has fallen from the **vehicle**
- d) re-securing the **property** where there is dangerous movement of the load in transit.

## Ropes and sheets

**We** will pay for loss of or damage (excluding wear and tear) to tarpaulins, sheets, trailer curtains, ropes, chains, webbing, straps and packing materials which belong to **you** or for which **you** are responsible whilst carried on any **vehicle** described in the **schedule** for this **section**.

## Reinstatement of sum insured

**We** will automatically reinstate the **vehicle sum insured** shown in the **schedule** for this **section** from the date of any loss, unless written notice to the contrary is given by **us**.

## Temporary vehicle substitution

If **your vehicle(s)** are individually specified in the **schedule** for this **section**, **we** will insure **property** carried in any similar road **vehicle**, subject to the terms and security requirements in this **section**, when **your own vehicle** is out of use, undergoing repair, maintenance or testing.

## Temporary cover for fleet additions

If **your vehicle(s)** are individually specified in the **schedule** for this **section**, subject to the **section** terms, **we** will insure **property** carried in any road **vehicle you** operate which is to be added on a permanent basis to the fleet but is not currently included, provided that

- a) after fourteen days from the date **you** take custody or control of the **vehicle**. Cover will cease unless during this period, terms have been mutually agreed between **us** and **you**
- b) a **vehicle sum insured** of £2,000 will apply.

## Personal effects

Following the payment of a claim under this **section**, **we** will pay up to £100 for loss of or damage to drivers personal effects (excluding wear and tear) whilst they are in **vehicles** operated by **you**. **We** will not pay for audio, visual, telecommunications equipment or clothing, watches and jewellery whilst being worn.

**The maximum we will pay under this section including any extensions for any one event will be the amount shown in the schedule as the limit one event.**

## Extensions

These only apply if shown in the **schedule** for this **section**.

### 1. Travellers samples

**We** agree to cover **you** against loss of or damage to travellers samples relating to the **business** shown in the **schedule** for this **section**.

### 2. Stockroom and hotel

**We** agree to cover **you** against loss of or damage to **property** or **travellers samples** whilst temporarily removed from the **vehicle** and kept in a stockroom, hotel or private dwelling house, provided that they remain in the custody and control of **you** or **your** employees.

### 3. Livestock

**We** will cover **you** against death, loss of, or injury to livestock caused by either fire, accidental means or theft whilst being loaded onto, carried by, or unloaded from any **vehicle** described in the **schedule** for this **section**, anywhere in Great Britain.

Loading starts as the animal mounts the ramp and unloading finishes as the animal leaves the ramp.

**We** will pay up to £500 for any one animal.

The exclusion of living creatures under What is not covered does not apply to livestock.

#### Conditions

- a) Any vehicle used must be constructed specifically for the safe carriage of livestock.
- b) The loading and unloading operations must be done under adequate supervision and by means of a specially constructed ramp.

### 4. Property on approval with customers

**We** agree to cover **you** against loss of or damage to **property** whilst on customers premises, on approval, excluding loss or damage whilst in use.

**We** will pay up to £20,000 under this extension for **any one event**.

## 5. Property on demonstration

**We** agree to cover **you** against loss of or damage to **property** whilst on customer's premises for demonstration purposes, excluding loss or damage caused during the demonstration itself.

**We** will pay up to £20,000 under this extension for **any one event**.

## 6. Exhibitions

**We** agree to cover **you** against loss of or damage to **property** and stands belonging to **you** or in **your** custody or control whilst at exhibitions.

**We** will not pay for

- a) loss or damage due to atmospheric, climatic or weather conditions of any kind including flood
- b) loss or damage to machinery due to its own running or operation
- c) breakage of china, glass or scientific instruments or any other property of a brittle or fragile nature unless resulting from fire.

## What is not covered

**We** will not pay for

### 1. Delays

Loss or damage to **property**, directly or indirectly caused by or arising from a delay.

### 2. Money

Loss of or damage to **money**, securities for money (which includes certificates of bond, stock certificates, bills of exchange or promissory notes), stamps, watches, precious stones, jewellery, bullion.

### 3. Consequential loss

Any indirect or consequential loss.

### 4. Deterioration

Natural deterioration.

### 5. Deterioration of property

The deterioration of **property** conveyed in a frozen, chilled or insulated condition due to

- a) faulty stowage
- b) incorrect setting or operation of the equipment
- c) variations in temperature

unless directly caused by fire, accident (but not breakdown) to the conveying **vehicle**, theft or attempted theft.

## 6. Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Conditions

The **policy** conditions apply to this **section**, and in addition

### 1. Your duty of care

**You** must take all reasonable care to prevent and minimise loss or damage to **property**. If the **vehicle(s)** are left **unattended you** must ensure that all the doors and the boot are securely locked and windows and other openings are securely closed.

### 2. Average

If at the time of any loss or damage the total value of the **property** on the conveying **vehicle** to which this insurance relates exceeds the sum insured for the **property** and **your vehicle(s)**, then **you** shall be deemed **your** own insurer for the difference and will be responsible for a proportional share of the loss or damage accordingly. This will be the amount that the **vehicle sum insured** is, as a proportion to the value of the **property**.

### 3. Basis of claims settlement

This will normally be a payment in money but **we** have the option to repair, replace or reinstate **property** lost or damaged.

In the event of loss or damage to any part of a machine **we** will only pay for the value of the part actually lost or damaged including any replacement charges.

### 4. Premium Adjustment

If **we** base **your** deposit premium on estimates **you** supply as shown in the **schedule**, **you** must provide a declaration of the actual figures for the last **period of insurance** as soon as possible after that period has ended. The actual premium for the period is then calculated.

## Special clauses

Clauses a) to g) apply only if the clause letter appears in the **schedule**

### a) Overnight theft restriction

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** outside of **your** normal business hours, unless it is secured at all points of access and is garaged within **enclosed premises** which are securely locked or have a watchman in constant attendance.

### b) Forcible entry to vehicle restriction

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** unless there are outward signs of forced entry to the **vehicle(s)**.

### c) Immobiliser requirement

**You** must ensure that all **vehicle(s)** are fitted with a key operated immobiliser approved by **us** and that whenever the **vehicle(s)** are left **unattended** the immobiliser is put into operation.

### d) Alarm requirement

**You** must have all **vehicle(s)** fitted with an alarm system approved by **us**. The alarm system must always be switched on and operational when the **vehicle(s)** are left **unattended**. **You** must have the alarm system regularly serviced and maintained by a qualified person approved by **us** and **you** must not make any alterations to the alarm system without **our** agreement.

### e) Never left unattended requirement

When **vehicle(s)** are carrying **property you** must ensure that they will not be left **unattended** and will always be guarded by **you** or a responsible able bodied adult.

### f) Exclusion of overnight theft cover

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** between 9pm and 6am.

### g) Exclusion of theft cover in London

This **section** does not cover theft or attempted theft which occurs within the perimeter of the M25.

# Section 5 – Road Risks

Your schedule will show you if this section is in force, and which parts of this section apply.

## Cover options

The cover provided under your policy is shown in your schedule. The parts of this section that apply to each type of cover are as follows

<b>Comprehensive</b>	All parts of this section apply
<b>Semi Comprehensive</b>	All parts of this section apply however cover is limited to the cost of parts and sundries, labour costs are not included for vehicles owned or registered by you
<b>Third Party Fire &amp; Theft</b>	All parts of this section apply but part 1 – Loss or damage applies only to loss or damage caused directly by fire or theft as described in part 1, sub-section 2 – Fire and theft.
<b>Third Party Only</b>	All parts of this section except for part 1 – Loss or damage

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

<b>Employee(s)</b>	<p>Anyone who is</p> <ul style="list-style-type: none"> <li>• under a contract of service or apprenticeship with you</li> <li>• under a work experience training scheme</li> <li>• a labour master or labour only subcontractor or anyone supplied or employed by them</li> <li>• self employed working on a labour only basis</li> <li>• hired to or borrowed by you</li> <li>• a prospective employee who is being assessed by you on his or her suitability for employment</li> <li>• a voluntary helper working under your supervision and control</li> </ul>
<b>European Union</b>	Countries who have agreed to abide by common international treaties and have been accepted as full members of the European Union by the European Council of Ministers.
<b>Goods carrying vehicle</b>	A motor vehicle manufactured or adapted to carry goods.

<b>Inexperienced</b>	<p>Anyone who holds</p> <ul style="list-style-type: none"> <li>a) a provisional licence</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>b) a full licence for less than 12 months which was issued within the <b>policy territories</b> or any other <b>European Union</b> country</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>c) a full licence that has been in force for less than 2 years which was issued outside of the <b>policy territories</b> or any non-<b>European Union</b> country.</li> </ul>
<b>Insured value</b>	The actual market value of the <b>insured vehicle</b> at the time of the loss or damage.
<b>Insured vehicle</b>	<ul style="list-style-type: none"> <li>a) Any <b>motor vehicle</b> (including accessories, plant, fixed equipment) as detailed under paragraph 1. Description of Vehicle in the effective Certificate of Motor Insurance</li> <li>b) Any disabled <b>motor vehicle</b> and/or any trailer attached to a vehicle described in a) above for the purpose of being towed</li> <li>c) Any vehicle and/or trailer whilst being conveyed on a vehicle or trailer described in a) or b) above used in connection with the <b>business</b> or otherwise in accordance with paragraph 6. Limitations as to Use of the effective Certificate of Motor Insurance</li> </ul> <p>excluding</p> <ul style="list-style-type: none"> <li>i) any <b>motor vehicle</b> transporter (or <b>motor vehicle</b> transporter and trailer) capable of carrying more than two <b>motor vehicles</b> at any one time, unless the <b>motor vehicle</b> transporter and/or trailer is in <b>your</b> custody or control for sale, repair, alteration, testing, servicing, maintenance, cleaning or inspection</li> <li>ii) any <b>motor vehicle</b> carried by a <b>motor vehicle</b> transporter (or <b>motor vehicle</b> transporter and trailer) capable of carrying more than two <b>motor vehicles</b> at any one time</li> <li>iii) vehicles hired by <b>you</b> under a hire purchase agreement to any partner or director unless specifically agreed by <b>us</b> in advance, or <b>employee</b> of <b>yours</b> unless the vehicle is in <b>your</b> custody or control for sale, repair, alteration, testing, servicing, maintenance, cleaning or inspection</li> <li>iv) vehicles loaned or hired from <b>you</b> under sponsorship agreements.</li> </ul>
<b>Motorcycle</b>	<ul style="list-style-type: none"> <li>a) A mechanically propelled two-wheeled <b>motor vehicle</b> with or without a sidecar or trailer attached.</li> <li>b) A mechanically propelled three-wheeled <b>motor vehicle</b> that has two wheels on one axle, the central points of contact of the wheels and the road, are less than 46 centimetres apart.</li> </ul>
<b>Private car</b>	A passenger-carrying <b>motor vehicle</b> with not more than nine seats including the driver's seat.



## Part 1 – Loss or damage

### What is covered under Part 1

**We** will indemnify **you** against loss of or damage to the **insured vehicle** up to the **insured value** occurring during the **period of insurance** and within the **policy territories**, by

#### 1. Loss or damage

Any cause including fire and theft more specifically described in 2. below.

#### 2. Fire and theft

- a) fire, self-ignition, lightning or explosion
- b) theft or attempted theft.

including the reasonable cost of

- a) protection and removal to the nearest repairers
- b) delivery to the **premises** after repair.

If to **our** knowledge the **insured vehicle** is subject to a hire purchase, leasing or contract hire agreement **we** will pay any outstanding amount due to the owner described in the agreement first with any balance being paid to **you**.

### Clause applicable to Part 1

#### Claims settlement

**We** may at **our** own option repair, reinstate or replace the **insured vehicle** or pay in cash the amount of the loss or damage.

The maximum amount payable by **us** for any claim for loss or damage will be the **insured value** immediately prior to the loss or damage, not exceeding the limit of indemnity stated in the **schedule** or in any **endorsement** applicable, unless **you** are entitled to claim for a new replacement vehicle as described in extension 1 below.

### Extensions to Part 1

#### 1. New for old vehicle replacement

If during the twelve month period from the date of first registration any **insured vehicle** which is either

- a) owned or registered by **you** since new

or

- b) a **private car, motorcycle** or **goods carrying vehicle** under 4 tonnes gross vehicle weight owned and registered in the name of **your** customer since new and is within **your** custody and control whilst in connection with the **business**.

and is either

- i) lost by theft and not recovered within 28 days of the date from when the theft is first reported to **us**

or

- ii) damaged to an extent greater than 50% of its list price (inclusive of VAT) at the time of the damage.

**We** will at **your** request and subject to the consent of any other interested parties known to **us**, replace the **insured vehicle** with a new one of the same manufacture and model subject to availability. The damaged or recovered vehicle will then become **our** property.

If a replacement vehicle of the same manufacture and model is not available, the most **we** will pay is the **insured value** of the vehicle and any permanently fitted accessories and spare parts immediately prior to the loss or damage giving rise to the claim.

## 2. Replacement locks and keys

**We** will cover **you** for the cost of replacing locks or lock mechanisms, keys, key cards, remote control transmitters, central locking interfaces, parts of the engine control units, alarms or immobilisers necessary to maintain the security of the **insured vehicle** in the event of the theft or loss of the keys, key cards or remote control transmitters provided there is reasonable belief that

- a) such keys, key cards or remote control transmitters are in the possession of someone other than **you**

and

- b) that person will know the identity of the garaging address of the **insured vehicle**.

The maximum **we** will pay is £10,000 any one loss subject to a maximum of £50,000 during any one **period of insurance**.

## 3. Financial loss – new vehicles

If **you** have to discount the sale price of a new and unused **insured vehicle** held for sale by **you** as the direct result of **you** having to declare

- a) damage repair

or

- b) that the vehicle was stolen

to a prospective purchaser, **we** will consider making a payment to **you** to the value of the discount given, providing **we** had agreed to the level of discount given prior to the sale.

The maximum **we** will pay under this extension for any one **insured vehicle** is £5,000 and £25,000 any one event.

#### 4. Contract sale price

**We** will cover **you** if an **insured vehicle** sold by **you** which is undelivered and **your** responsibility suffers loss or damage insured by this **section** and with regard to which under the conditions of sale the sale contract is cancelled, or cancelled to the extent of such loss or damage then **our** liability will be based on the contract price and not the **insured value**.

#### 5. Sub-contractors

In the event of an **insured vehicle** sustaining loss or damage whilst in the possession of a sub-contractor appointed by **you** for service or repair, the **vehicle** will be deemed to be in **your** custody or control.

#### 6. Contents of customers vehicles

**We** will cover **you** against loss of or damage to the contents of customers vehicles whilst in **your** custody or control. **Our** liability is limited to £5,000 for any one loss.

### What is not covered under Part 1

**We** will not pay for

1. the following **excesses**, in addition to any other **section excesses** as specified in the **schedule**, for loss or damage occurring while the **insured vehicle** is being driven by or is in the charge of for the purpose of being driven by any person who is
  - a) under 21 years of age – £250
  - b) 21 to 24 years of age inclusive – £150
  - c) **inexperienced** and 25 years of age and over – £150.These **excesses** will not apply for loss or damage by fire, self-ignition, lightning, explosion, theft or attempted theft or where the only damage to the **insured vehicle** is a broken window or windscreen, including any resulting scratched bodywork where
  - i) the total **excess** under this **section** for loss of or damage to the glass in the **insured vehicle's** windscreen, windows, or for any scratching of the bodywork arising from the breakage of glass is £100 for each and every loss. This excess will not apply when the glass is repaired rather than replaced
  - ii) the maximum **we** will pay including the **excess** is limited to £100 unless the repair or replacement is carried out by a replacement windscreen provider authorised by **us**.
2. loss of use other than as provided under Part 2 – Third party liability
3. depreciation and wear and tear
4. mechanical, electronic or electrical breakdowns, failures or breakages
5. computer and electronic equipment failure or malfunction
6. loss of value following the repair of any **insured vehicle** other than as provided by extension 3 – Financial loss – new vehicles
7. damage to tyres by the application of brakes or by punctures, cuts or bursts
8. loss or damage as a consequence of or arising during riot or civil commotion occurring in Northern Ireland or outside the **policy territories**

9. loss or damage caused by any malicious act or by theft or any attempted theft by any of **your** employees or brought about in any way by them
10. loss or damage through deception by someone pretending to be a buyer or that person's agent
11. any costs arising from the need for
  - a) the repair of the original work or alteration undertaken by **you** or any sub-contractor appointed by **you** that caused loss of or damage to the **insured vehicle**
  - b) carrying out again the service, maintenance, treatment, test or examination undertaken by **you** or any sub-contractor appointed by **you** that caused loss of or damage to the **insured vehicle**
12. Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

## Part 2 – Third party liability

### What is covered under Part 2

#### 1. Your liability to third parties

**We** will indemnify **you** against legal liability for damages and costs and expenses incurred through

- a) death of or bodily injury to anyone
- b) damage to property up to £10,000,000 for any one claim or number of claims arising out of one event

as a result of an accident that is caused by or in connection with the **insured vehicle**, including its loading and unloading, during the **period of insurance** and within the **policy territories**.

#### 2. Liability of other people driving or using your vehicle

**We** will also insure the following people on the same basis that **we** insure **you**

- a) anyone **you** give permission to drive or use the **insured vehicle**, provided that **your** effective Certificate of Motor Insurance allows that person to drive
- b) at **your** request any passenger travelling in, or getting into or out of the **insured vehicle**.

#### 3. Legal defence costs

For any event where **we** provide indemnity under Part 2 – Third party liability, **we** will pay

- a) the solicitors' fees to represent anyone insured under this Part at any coroner's inquest or fatal accident inquiry
- b) for the defence in any Court of Summary Jurisdiction
- c) the cost of legal services to defend a charge of manslaughter or causing death by careless or dangerous driving

- d) any other costs and expenses which **we** agree in writing
- e) legal fees and expenses incurred in connection with defending proceedings, including appeals and costs of prosecution awarded against **you** arising from a health and safety inquiry or criminal proceedings for any breach of the
  - i) Health and Safety at Work etc Act 1974
  - ii) Health and Safety at Work (Northern Ireland) Order 1978
  - iii) Corporate Manslaughter and Corporate Homicide Act 2007.

Provided that for paragraph e) sub-section iii) above **you** have **our** written consent and that **we** will not be liable

1. for more than £5,000,000 in total for any action or series of actions, arising from any one insured event and in total during any one **period of insurance**
2. unless the proceedings relate to an actual or alleged act, omission or incident committed during the **period of insurance** within the **policy territories** in connection with the **business**
3. unless the proceedings relate to an actual or alleged act, omission or incident arising from the ownership, possession or use, by or on behalf of **you** of any motor vehicle or trailer, where compulsory insurance or security is required by the Road Traffic Acts
4. for proceedings which result from any deliberate act or omission by **you**
5. where indemnity is provided by another insurance policy
6. for fines or penalties or the cost of implementing any remedial order or publicity order
7. for any appeal against any fine, penalty, remedial order or publicity order
8. for costs incurred as a result of the failure to comply with any remedial order or publicity order
9. for costs and expense insured by any other policy
10. for fees of any solicitor or counsel appointed by, or on behalf of, anyone entitled to indemnity unless the appointment has been agreed by **us**.

#### **4. Indemnity to personal representatives**

In the event of the death of anyone insured under Part 2 – Third party liability, **we** will continue to provide insurance for their personal representatives for legal liability incurred by that person in accordance with the limitations of this **policy**.

#### **5. Emergency treatment fees**

**We** will pay for emergency treatment fees required by any road traffic legislation arising from the use of an **insured vehicle** in respect of which indemnity is provided. Any payment made by **us** will not affect **your** entitlement to a No Claims Discount.

#### **6. Application of limits of indemnity**

In the event of any accident involving indemnity to more than one person, the maximum amount **we** will pay will not exceed the limit of indemnity, regardless of the number of people claiming to be indemnified.

## 7. Cross liabilities

We will insure each party named as the **insured** in the **schedule** and this Part 2 – Third party liability will apply as if a separate policy had been issued to each. We agree to waive all rights of subrogation against any of these people, provided that the total amount payable for all claims does not exceed any limit of indemnity stated in the **policy**.

## 8. Contingent motor liability

We will insure **you** against **your** legal liability arising in connection with

- a) any **motor vehicle** which does not
  - i) belong to **you**nor
  - ii) is in **your** custody or controlwhilst it is being used in the course of the **business** within the **policy territories**.
- b) an **insured vehicle** whilst
  - i) in the custody or control of **your** sub-contractor
  - ii) loaned to **your** customer
  - iii) hired to **your** customer whilst the customer's vehicle is in **your** custody or control for repair, alteration, testing, servicing, maintenance, cleaning or inspection

provided that insurance is not available under any other policy.

## 9. Compensation for court attendance

If **you** have to attend court as a witness at **our** request in connection with a claim and are entitled to indemnity under this **section**, compensation per day for each day that attendance is required is payable at the following rates to

- a) **you** or any director or partner     £250
- b) any employee                             £150

## 10. Unauthorised movement

We will indemnify **you** against **your** legal liability for death, bodily injury or damage to property (including damage to the vehicle being moved) arising out of the movement of any **motor vehicle** which does not belong to **you** nor is in **your** custody or control (with or without the owners permission) by **you** or any partner, director or employee of **yours** for the purpose of

- a) parking
- b) loading or unloading
- c) allowing free passage of

any **insured vehicle**.

## 11. Unauthorised use

We will insure **you** for damage to an **insured vehicle** and **your** legal liability arising from the use of an **insured vehicle** when used without the knowledge or consent of an authorised official of **you**. There will be no liability to indemnify the person driving or using the vehicle.

## 12. Loss of use (customers vehicles)

We will indemnify **you** for **your** legal liability to pay for the consequential loss arising from the loss of use of a customer's vehicle following accidental loss, destruction or damage whilst in **your** custody or control which is insured under Part 1 – Loss or damage provided that

- a) **you** repair or replace the customer's vehicle as quickly as possible
- b) **our** liability is limited to £50,000 for any one loss.

## 13. Driving other vehicles

We will indemnify **you** or any partner or director of **yours** who is driving for social, domestic or pleasure purposes any **motor vehicle**

- a) not owned by or in the custody or control of **you** in connection with the **business**  
or
- b) not owned by or hired under a hire purchase agreement to such partner or director  
provided that
  - i) indemnity is not provided under any other policy
  - ii) the limit of indemnity will not be exceeded as a result of indemnifying more than one person
  - iii) indemnity is not provided for use to secure the release of any **motor vehicle** which has been seized by or on behalf of any government or public authority which was not **your** property or in **your** custody or control at the time of the seizure.

Each indemnified person will be subject to the terms of this **policy** so far as they apply.

## 14. Trailers

We will insure **you** in terms of subsection 1. **Your** liability to third parties of this Part 2 - Third party liability. For any damage or **injury** caused by any trailer owned by **you** or in **your** custody or control whilst detached from any vehicle, only so far as it is necessary to meet the requirements of any law relating to compulsory insurance in the territory concerned, providing that the insurance of the trailer is **your** responsibility.

## What is not covered under Part 2

We will not be liable

1. for loss, damage, bodily injury or death caused or happening outside the limits of any carriageway or thoroughfare in connection with the bringing of a load to the **insured vehicle** (for loading on to it) or taking a load away from the **insured vehicle** (having unloaded it), other than by the driver or attendant of the **insured vehicle**
2. for death of or bodily injury to anybody arising due to their employment by the person claiming indemnity, except as is required by any road traffic legislation

3. under subsections 2, 3 or 4 of this Part 2 – Third party liability to indemnify any person
  - a) if anyone insured under this **section** does not observe the terms, exceptions and conditions of this **policy**
  - b) if anyone is entitled to indemnity under any other policy
4. for loss or damage to property belonging to, held in trust by or in the custody or control of the person claiming to be indemnified including property being carried in or on the **insured vehicle**
5. for loss or damage to the **insured vehicle**
6. for death, bodily injury or damage (except so far as is necessary to meet the requirements of any road traffic legislation) as a consequence of the operation as a tool of the **insured vehicle**, or any plant forming part of such vehicle, unless the operation is a necessary requirement in its overhaul, upkeep or repair
7. for any contractual liability
8. for death or bodily injury to anyone or damage arising from the presence of the **insured vehicle**, in or on that part of an aerodrome, airport, airfield or military base used for
  - a) the take off or landing or movement of aircraft
  - b) aircraft parking aprons and the associated service roads, refuelling areas, ground equipment, parking areas, maintenance areas and hangarsexcept so far as is necessary to meet the requirements of any road traffic legislation
9. loss or damage, cost or expense or any consequential loss directly or indirectly caused by resulting from or in connection with **terrorism** except where **we** are required to provide insurance under any road traffic legislation.

## Part 3 – European cover

### What is covered under Part 3

1. If **you** take an **insured vehicle** abroad, the **policy territories** are extended to provide indemnity in line with EU Directives to meet the laws on compulsory insurance of **motor vehicles** in
  - a) any other country which is a member of the **European Union**
  - b) any country which the European Commission is satisfied has made arrangements to meet the requirements of Article 7(2) of EC Directive 72/166/EEC relating to civil liabilities arising from the use of a **motor vehicle**. (**Your** insurance adviser should be able to tell **you** the list of countries to which this applies.)

The level of cover provided will be the minimum that is required to comply with the laws on the compulsory insurance of **motor vehicles** of the country in which the accident occurs.

Where an accident occurs in another **European Union** member state and the minimum cover required by the laws of Great Britain is wider than that member state's, then the level of cover provided will be that of the minimum cover required by the laws of Great Britain.

2. In addition **we** will provide insurance cover as set out in the **policy**, the **schedule** and the Certificate of Motor Insurance for any **insured vehicle** used in, or travelling between such countries as noted in 1a) and b) above for Social Domestic and Pleasure purposes.



## General average contributions and other charges

**We** will insure **you** against general **average** contributions, salvage and sue and labour charges incurred during the transportation of the **insured vehicle** by air or sea within such countries as noted in 1 and 2 above.

### Customs duty

**We** will insure **you** against customs duty on the **insured vehicle** after its temporary importation into any country within the **policy territories**.

## What is not covered under Part 3

### Important Information

This insurance will not be valid if **you** intend to take an **insured vehicle** to countries not mentioned in 1 a) or b) above. **You** will need to contact **us** to see whether **we** will extend the **policy territories** to include the country in which **you** wish to use the **insured** vehicle.

## What is not covered under Parts 1, 2 and 3

### Driving and use of the insured vehicle

**You** are not covered for any accident, injury, loss or damage while any **insured vehicle** is

- a) in, on or about **premises** owned by **you** or in **your** occupation in connection with the **business** except so far as is necessary to meet the requirements of any road traffic legislation
- b) being used or driven other than in accordance with the terms of **your** effective Certificate of Motor Insurance except in respect of which indemnity is provided by extension 11 – Unauthorised use
- c) being used or driven by **you** if **you** do not hold a licence to drive the **insured vehicle** or have held and are not disqualified from holding or obtaining such a licence
- d) being used or driven by anyone else with **your** permission who to **your** knowledge does not hold a licence to drive the **insured vehicle** has never held one or is disqualified from holding or obtaining one
- e) in storage at any other premises
- f) registered and being used or driven outside the **policy territories**.

Exclusion b) above will not apply and **we** will insure **you** if the claim arises because the **insured vehicle** was stolen or taken without **your** permission.

Exclusions c) and d) will not apply when a licence to drive is not required by law.

## Conditions

The **policy** conditions apply to this **section**, and in addition

### 1. Reasonable precautions

**You** must

- a) take all reasonable steps to keep the **insured vehicle** from being lost or damaged
- b) maintain the **insured vehicle** in an efficient and roadworthy condition and **we** must be able to inspect it at any time.

### 2. Motor Insurance Database

**Your policy** details will be added to the Motor Insurance Database (MID) run by the Motor Insurers Information Centre (MIIC).

This may be consulted by

- a) the Police for establishing whether a driver's use of the **insured vehicle** is likely to be covered by a motor insurance policy and for preventing and/or detecting crime
- b) other UK insurers, the Motor Insurer's Bureau and MIIC to ascertain relevant **policy** information if **you** have been involved in an accident in the UK or abroad
- c) the Driver and Vehicle Licensing Agency (DVLA) and Driver and Vehicle Licensing Northern Ireland (DVLNI) for the purposes of Electronic Vehicle Licensing
- d) people pursuing a claim for a motor traffic accident (including citizens of other countries).

**You** should show this notice to anyone insured to drive the **insured vehicle** under this **policy**.

**You** can find out more about the Motor Insurance Database and its use by contacting **us** or at [www.miic.org.uk](http://www.miic.org.uk)

### Failure to maintain the Motor Insurance Database

If **you** are advised by **us** that it is **your** responsibility to maintain **your** vehicle details on the Motor Insurance Database (MID) then **you** should update the MID immediately upon any changes or deletions to any licensed **insured vehicle** or trade plate. The impact upon **you** for failing to maintain **your** vehicle schedule on the MID is that **you** may be liable for a fine of up to £5,000 for failing to comply with the Road Traffic Act obligation.

### 3. Avoidance of certain terms and rights of recovery

Nothing in this **policy**, will affect the right of any people indemnified or of anyone else to recover an amount under the provisions of the law within the **policy territories** of the **policy** relating to the insurance of liability to third parties.

However **you** will repay to **us** all sums paid by **us** which **we** would not have been liable to pay but for the provisions of such law.

### 4. No claims discount

The renewal premium will be reduced in accordance with **our** current scale of No Claims Discount, providing no claim has been made under **your policy**.

If **you** make a claim under **your policy**, **your** NCD will be reduced as detailed by the table below:

NCD at policy start date or previous renewal	NCD following a claim or claims		
	One	Two	Three
1 year	Nil	Nil	Nil
2 years	Nil	Nil	Nil
3 years	1 year	Nil	Nil
4 years or more	2 years	Nil	Nil

No Claims Discount is not transferable

A payment made in respect of a claim arising under Part 1 of this **section** where the only loss or damage sustained by the **insured vehicle** is breakage of glass in the windscreen or windows (or any scratching of bodywork resulting solely and directly from such breakage) will not be deemed to be a claim for the purpose of this condition.

## Part 4 – Uninsured loss recovery and Motor prosecution defence

This part of **your policy** gives **you** 24 hours a day telephone access to **Lawphone** for advice on any commercial legal matter. The advice **you** get will always be in accordance with the laws of Great Britain and Northern Ireland.

Please note that all calls are recorded for **your** protection.

**Phone: 0870 241 4140 (Scotland: 0141 221 8878)**

When **you** call **Lawphone** quote **34035**.

All claims and calls to **Lawphone** will be managed by **Lawclub** on **our** behalf.

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in Part 4 of this **section**.

These definitions are in addition to the **policy** definitions and the definitions for this **section**.

If the same word appears in both the **policy** and **section** definitions, the definition given below will apply.

<b>Costs</b>	<p>Under this Part 4 of Section 5 – Road Risks, <b>we</b> will pay</p> <p>a) The professional fees and expenses reasonably and properly charged by the <b>legal representative</b> on a <b>standard basis</b>, up to the standard rates set by the courts, which <b>you</b> cannot recover from <b>your</b> opponent</p> <p>b) <b>Your</b> opponent’s <b>costs</b> in civil cases which <b>you</b> are ordered to pay by a court or tribunal or which <b>you</b> pay <b>your</b> opponent with the written agreement of <b>Lawclub</b>.</p> <p><b>We</b> will only pay <b>costs</b> which <b>we</b> consider are necessary and in proportion to the value of <b>your</b> claim.</p> <p><b>We</b> will only start to cover <b>costs</b> from the time <b>we</b> have accepted <b>your</b> claim and <b>Lawclub</b> have appointed the <b>legal representative</b> on <b>our</b> behalf.</p>
<b>Lawclub</b>	<b>Lawclub</b> Legal Protection, whose address is Redwood House, Brotherswood Court, Great Park Road, Bradley Stoke, Bristol BS32 4QW.
<b>Legal representative</b>	The solicitor or other person appointed with the agreement of <b>Lawclub</b> under this Part 4 of section 5 – Road Risks of <b>your policy</b> to represent <b>you</b> .
<b>Standard basis</b>	The assessment of <b>costs</b> which are proportionate to <b>your</b> claim.
<b>Territorial limit</b>	<p>For uninsured loss recovery, the territorial limit is Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, Andorra, Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Gibraltar, Greece, Hungary, Italy, Liechtenstein, Luxembourg, Monaco, the Netherlands, Norway, Poland, Portugal, the Republic of Ireland, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland and Turkey.</p> <p>For motor prosecution defence, the territorial limit is Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.</p>
<b>You / Your</b>	<p>The person shown on <b>your schedule</b> as the policyholder and</p> <p>a) anyone allowed by the Certificate of Motor Insurance to drive the <b>insured vehicle</b> and</p> <p>b) anyone who, with <b>your</b> permission, is in, getting into, or out of, the <b>insured vehicle</b>.</p>

## What is the most we will pay

**We** will pay up to £100,000 in **costs** for all claims arising out of any one event.

## What is covered under Part 4

### 1. Uninsured loss recovery

**We** will pay the **costs** of **you** taking legal action as a result of any road accident which causes

- **your** death or bodily injury while **you** are in, on or getting into or out of the **insured vehicle**
- damage to the **insured vehicle**
- damage to property which **you** own or are legally responsible for and which is in or on the **insured vehicle**.

## 2. Motor prosecution defence

**We** will pay the **costs** of defending **your** legal rights (including making an appeal against **your** conviction or sentence) after any event which results in criminal proceedings being brought against **you** for a breach of road traffic laws or regulations relating to **your** owning or using an **insured vehicle**.

**We** will provide cover for uninsured loss recovery and motor prosecution defence as long as

- the event that led to **your** claim happened within the **territorial limit** and within the **period of insurance**
- the claim will be decided by a court within the **territorial limit**
- **you** have a reasonable chance of a successful defence, recovering damages or getting any other remedy.

## What is not covered under Part 4

**We** will not pay for any

1. claim arising out of a contract **you** have with another person or organisation
2. claim for an event which is also covered under Part 1 – Loss or damage to the **insured vehicle** or Part 2 – Third party liability of this **policy**
3. claim for an event resulting in legal proceedings where **you** are accused of corporate manslaughter or corporate homicide
4. claim for an event which is not covered under **your** current motor insurance **policy**
5. claim where the **insured vehicle** is being used for racing, rallies or competitions
6. disputes between **you** and **us** or **Lawclub**
7. fines, penalties or compensation awards
8. **costs** or expenses **you** are ordered to pay by a criminal court
9. application for a judicial review
10. disputes or claims arising from **your** deliberate, conscious, intentional or careless disregard of the need to take all reasonable steps to avoid, prevent and limit any dispute or claim
11. **costs we** have not agreed to in writing
12. **costs** covered by another insurance policy
13. **costs you** have paid directly to the **legal representative** or any other person without the permission of **Lawclub**
14. VAT which **you** can recover from elsewhere
15. parking offences for which **you** do not get points on **your** licence
16. criminal proceedings to do with driving while under the influence of drink or drugs
17. criminal proceedings brought against **you** because **you** have allowed other people to use an **insured vehicle**
18. claim where **you** do not have a valid
  - a) motor insurance policy
  - b) road fund licence or MOT certificate for the **insured vehicle**
  - c) driving licence.

19. claim while
  - a) **you** are insolvent (or have committed an act of insolvency or bankruptcy)
  - b) **you** have made an arrangement with the people **you** owe money to
  - c) **you** have entered into a deed or arrangement
  - d) **you** are in liquidation
  - e) part or all of **your** affairs, assets or property are in the care or control of a receiver or a liquidator or
  - f) there is an administration order over **your** affairs, assets or property
20. **costs** where **you** knowingly and materially mislead **Lawclub** or the **legal representative**, or fail to pass important information to **Lawclub** or the **legal representative** in connection with any claim made under this Part 4 of Section 5 – Road Risks. If this happens **we** can reclaim from **you** any money already paid in respect of any relevant claim.

## Conditions

If **you** do not keep to the conditions **we** will have the right to cancel this Part 4 of Section 5 – Road Risks of **your policy** and **Lawclub** will have the right to refuse any claim and withdraw from any current claim.

### 1. You must

- a) give **us** written details of **your** claim as well as any other information **we** or **Lawclub** ask for
- b) make **your** claim within six months of the date of the event which led to the dispute
- c) not appoint a **legal representative**
- d) follow the **legal representative's** advice and provide any information they request
- e) take every step to recover **costs** and pay them to **us**
- f) get **Lawclub's** written permission before making an appeal
- g) make sure that the **legal representative** keeps to condition 2 below.

### 2. The legal representative must do the following

- a) get **Lawclub's** written permission before instructing a barrister or expert witness
- b) tell **Lawclub** if there is no longer a reasonable chance of a successful defence, recovering damages or getting any other remedy
- c) tell **Lawclub** immediately if the other party makes a payment into court or any offer to settle the matter
- d) report the result of the claim to **Lawclub** when it is finished.

### 3. Lawclub will have the right to

- a) take over and conduct any claim or proceedings in **your** name
- b) ask **us** to settle a claim by paying the amount in dispute
- c) appoint the **legal representative**, in **your** name, and on **your** behalf
- d) have any legal bill audited or assessed
- e) contact the **legal representative** at any time, and have access to all statements, opinions, reports and any other information to do with **your** claim
- f) end **your** cover if, during the course of the claim, **Lawclub** think there is no longer a reasonable chance of success. If **you** continue the claim and get a better settlement than **we** expected, **we** will pay **your** reasonable **costs** which **you** cannot get back from anywhere else
- g) settle the **costs** covered by this Part 4 of Section 5 – Road Risks at the end of the claim
- h) end **your** claim and get any **costs** back from **you** that **we** have paid or agreed to pay if
  - i) the **legal representative** reasonably refuses to go on acting for **you** because of any unreasonable act or failure to act by **you** or
  - ii) **you** unreasonably withdraw **your** claim from the **legal representative** without the agreement of **Lawclub** and
  - iii) **Lawclub** do not agree to appoint another **legal representative** to continue **your** claim.

### 4. Your agreements with others

**We** or **Lawclub** will not be bound to any agreement between **you** and the **legal representative** or **you** and any other person or organisation.

### 5. Choosing the legal representative

At any time before **Lawclub** agree that legal proceedings need to be issued or defended, they will choose the **legal representative**. **You** can only choose the **legal representative** if **Lawclub** agree that legal proceedings need to be issued or defended or if a conflict of interest arises which means that the **legal representative** cannot act for **you**. **You** must send his or her name and address to **Lawclub**.

If **Lawclub** agree to appoint a **legal representative** that **you** choose, he or she will be appointed on the same terms as they would have appointed their chosen **legal representative**. **Lawclub** may decide not to accept **your** choice of **legal representative**. If **Lawclub** do not agree with **your** choice, the matter will be settled using the procedure as set out under condition 6.

When choosing the **legal representative**, **you** must remember **your** duty to keep the cost of any legal proceedings as low as possible.

### 6. Disputes

If there is a dispute between **you** and **Lawclub**, the matter may be referred to an arbitrator. If **you** and **Lawclub** cannot agree on an arbitrator, the President of the Law Society or the Chairman of the Bar Council will choose one.

The loser of the arbitration must pay all the costs involved. If the decision is not clearly made against either **you** or **Lawclub**, the arbitrator will decide how the costs will be shared.

## 7. Notices

Every notice which needs to be given under this Part 4 of Section 5 – Road Risks must be given in writing. If **you** give **us** notice, **you** must send it to **our** address. If **we** give **you** notice, **we** must send it to **your** last known address.

## 8. How to make a claim

**Your** claim will be managed by **Lawclub** on **our** behalf.

If **you** need to make a claim for uninsured loss recovery contact **us** on 0870 9000 860. **We** will pass the details of **your** claim on to a **legal representative**.

If **you** need to make a claim for motor prosecution defence call the Lawphone legal helpline and follow the instructions. A claim form will be sent to **you**, please fill it in and send it to:

The Claims Department  
Lawclub Legal Protection  
Redwood House  
Brotherswood Court  
Great Park Road  
Bradley Stoke  
Bristol  
BS32 4QW  
United Kingdom

**Lawclub** will contact **you** once they have received the claim form. **You** must not appoint a solicitor **yourself**.

If **you** have already seen a solicitor before **Lawclub** have accepted **your** claim, **we** will not pay any fees or other expenses that **you** have incurred. If **your** claim is covered, **Lawclub** will appoint the **legal representative** that they have agreed to in **your** name and on **your** behalf and **we** will only start to cover the **costs** from the time **Lawclub** have accepted the claim and appointed the **legal representative** in **your** name and on **your** behalf.



# Section 6 – Business Interruption and Loss of Licence

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions. There are further definitions in the Loss of Licence extension to this section.

If the same word appears in both the policy and section definitions the section definition will apply.

Note 1: to the extent that you are accountable to the tax authorities for Value Added Tax all terms in this section will be exclusive of such tax.

Note 2: for the purpose of these definitions, any adjustments implemented in current cost accounting will be disregarded.

<b>Accounts receivable</b>	The total amount of the balances debited to <b>customers</b> in <b>your</b> accounts as declared in the last statement given under the provisions of the premium adjustment clause after equitable allowances have been made for bad debts, and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through books at the time of the <b>incident</b> ) to <b>customers</b> accounts in the period between the date of the statement and the date of the <b>incident</b> .
<b>Annual gross rentals</b>	The <b>gross rentals</b> during the twelve months immediately before the date of the <b>incident</b> .
<b>Annual gross revenue</b>	The <b>gross revenue</b> during the twelve months immediately before the date of the <b>incident</b> .
<b>Annual turnover</b>	The <b>turnover</b> during the twelve months immediately before the date of the <b>incident</b> .
<b>Customers</b>	All of <b>your customers</b> who obtain goods or services from <b>you</b> on a credit basis.
<b>Estimated gross profit</b>	The amount declared by <b>you</b> to <b>us</b> as the anticipated <b>gross profit</b> which will be earned by the <b>business</b> during the financial year concurrent with the <b>period of insurance</b> (or a proportionately increased multiple of the anticipated <b>gross profit</b> where the <b>maximum indemnity period</b> exceeds twelve months).
<b>Estimated gross rentals</b>	The amount declared by <b>you</b> to <b>us</b> as the anticipated <b>gross rentals</b> which will be earned by the <b>business</b> during the financial year concurrent with the <b>period of insurance</b> (or proportionately increased multiple of the anticipated <b>gross rentals</b> where the <b>maximum indemnity period</b> exceeds twelve months).

<b>Estimated gross revenue</b>	The amount declared by <b>you</b> to <b>us</b> as the anticipated <b>gross revenue</b> which will be earned by the <b>business</b> during the financial year concurrent with the <b>period of insurance</b> (or proportionately increased multiple of the anticipated <b>gross revenue</b> where the <b>maximum indemnity period</b> exceeds twelve months).
<b>Gross profit</b>	The amount by which the sum of the amount of the <b>turnover</b> and the amounts of the closing stock and work in progress will exceed the sum of the amount of the opening stock and work in progress and the amount of <b>uninsured working expenses</b> . Note: the amounts of the opening and closing stocks (including work in progress) will be calculated in accordance with <b>your</b> usual accounting methods with provision also made for depreciation.
<b>Gross revenue</b>	The money paid or payable to <b>you</b> for services rendered in the course of the <b>business</b> at the <b>premises</b> , less the amount of any <b>uninsured working expenses</b> .
<b>Gross rentals</b>	The money paid or payable to <b>you</b> for tenancies and other charges and for services rendered in the course of the <b>business</b> at the <b>premises</b> .
<b>Incident</b>	Loss, destruction or damage to property used by <b>you</b> at the <b>premises</b> for the purposes of the <b>business</b> or Loss, destruction or damage to <b>your</b> books of account, other business books or records at the <b>premises</b> for any item on <b>accounts receivable</b> .
<b>Indemnity period</b>	The period during which the <b>business</b> will be affected beginning when the <b>incident</b> occurred and ending not later than the <b>maximum indemnity period</b> .
<b>Maximum indemnity period</b>	As stated in the <b>schedule</b>
<b>Rate of gross profit</b>	The rate of <b>gross profit</b> earned on the <b>turnover</b> during the financial year immediately before the date of the <b>incident</b> .
<b>Standard gross rentals</b>	The <b>gross rentals</b> during the period which corresponds with the <b>indemnity period</b> twelve months immediately before the date of the <b>incident</b> .
<b>Standard gross revenue</b>	The <b>gross revenue</b> during the period which corresponds with the <b>indemnity period</b> twelve months immediately before the date of the <b>incident</b> .
<b>Standard turnover</b>	The <b>turnover</b> during the period in the twelve months immediately before the date of the <b>incident</b> which corresponds with the <b>indemnity period</b> .
<b>Turnover</b>	The money paid or payable to <b>you</b> for goods sold and delivered and for services rendered in the course of the <b>business</b> at the <b>premises</b> .
<b>Uninsured working expenses</b>	As stated in the <b>schedule</b> .

## What is covered

### Indemnity Clause A

(Applicable to all items other than items on **accounts receivable** or Loss or Licence)

**We** agree that if any building or other property used by **you** at or from the **premises** or whilst in transit for the purpose of the **business** is accidentally lost, destroyed or damaged by the risks insured against under Section 1 – Material Damage and/or Section 5 – Road Risks and as a consequence the **business** is interrupted or interfered with, then **we** will pay **you** for each item in the **schedule** the amount of the consequential loss resulting from the interruption or interference provided that

1. at the time of the loss, destruction or damage there is an insurance in force covering **your** interest in the property against such loss, destruction or damage and that
  - a) payment has been made or liability admitted under such insurance
  - or
  - b) payment would have been made or liability admitted but for the clauses in the specified insurance, excluding liability for losses below a specified amount.
2. **our** liability under this **section** will not exceed
  - a) the total sum insured or for any item its sum insured, at the time of the loss, destruction or damage
  - b) the sum insured remaining after deduction for any other interruption or interference as a consequence of a claim following loss, destruction or damage occurring during the same **period of insurance**, unless **we** have agreed to reinstate the sum insured

adjusted in accordance with the Inflation Protection Clause if applicable.

Adjustments will be made as necessary to allow for the trends of the **business** and variations and other 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 as closely as possible, the results which would have been obtained during the relative period after the **incident**.

### Indemnity Clause B – Accounts receivable

(Applicable to any item on **accounts receivable**)

**We** agree that if any of **your** books of account or other books or records of the **business** at the **premises** are destroyed or damaged by the risks insured under Section 1 – Material Damage and it is impossible for **you** to obtain from **customers** all amounts due to **you** and outstanding at the date of the damage, then **we** will pay **you** the amount **you** may be entitled to recover under the provisions of this **section** provided **our** liability does not exceed

- a) the total sum insured or for any item its sum insured at the time of the loss, destruction or damage
- b) the sum insured remaining after deduction for any other interruption or interference as a consequence of a claim following loss, destruction or damage occurring during the same **period of insurance**, unless **we** have agreed to reinstate **the** sum insured

adjusted in accordance with the Inflation Protection Clause if applicable.

Adjustments will be made as necessary to allow for the trends of the **business** and variations and other 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 as closely as possible, the results which would have been obtained during the relative period after the **incident**.

## Basis of loss settlement

These terms of settlement apply only if the paragraph title appears in the **schedule** for this **section**.

### 1. Gross profit / Estimated gross profit

The insurance under this item is limited to loss of **gross profit** due to a) reduction in **turnover** and b) increase in cost of working and the amount payable will be

- a) for reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover**, during the **indemnity period**, will fall short of the **standard turnover** as a consequence of the **incident**
- b) for increase in cost of working: the additional cost (subject to the provisions of the **uninsured working expenses** clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in **turnover** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of the **business**, payable out of **gross profit** that may stop or be reduced as a consequence of the **incident**.

Provided that if the sum insured by the item on **gross profit** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

### 2. Gross revenue/Estimated gross revenue

The insurance under this item is limited to a) loss of **gross revenue** and b) increase in cost of working and the amount payable will be

- a) for loss of **gross revenue**: the amount by which the **gross revenue**, during the **indemnity period**, will fall short of the **standard gross revenue** as a consequence of the **incident**
- b) for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in **gross revenue** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the amount of the reduction in **gross revenue** which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges or expenses of the **business**, payable out of **gross revenue** that may stop or be reduced as a consequence of the **incident**.

Provided that if the sum insured by the item on **gross revenue** is less than the **annual gross revenue** (or a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

### 3. Additional increased cost of working

The insurance under this item is limited to further additional costs beyond those recoverable under paragraphs 1b), 2b) or 5b) that **you** necessarily and reasonably incur during the **indemnity period** as a consequence of the **incident**, for the sole purpose of avoiding or diminishing a reduction in **turnover, gross revenue or gross rentals**.

### 4. Increase in cost of working

The insurance under this item is limited to increased cost of working and the amount payable will be the additional expenditure necessarily and reasonably incurred by **you** as a consequence of the **incident** in order to prevent or minimise the interruption of the **business** during the **indemnity period**. **We** will not be liable for more than 50% of the sum insured during the first 3 months of the **indemnity period** and the balance will follow in equal monthly proportions.

### 5. Gross rentals/Estimated gross rentals

The insurance under this item is limited to a) loss of **gross rentals** and b) increase in cost of working and the amount payable will be

- a) for loss of **gross rentals**: the amount by which the **gross rentals** will fall short of the **standard gross rentals** as a consequence of the **incident** during the **indemnity period**
- b) for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a loss of **gross rentals** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the amount of the reduction in **gross rentals** which had been avoided by this additional cost

less any amount saved during the **indemnity period** for the expenses and charges payable out of **gross rentals** that may stop or be reduced as a consequence of the **incident** provided that, if the sum insured by the item on **gross rentals** is less than the **annual gross rentals** (or a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months) the amount payable will be proportionately reduced.

### 6. Accounts receivable

The insurance under this item is limited to a) loss of **accounts receivable**, and b) additional cost and the amount payable will be

- a) for loss of **accounts receivable**: the difference, solely due to the **incident**, between the amount of the **accounts receivable** at the date of the **incident** and the total amount received in payment of them during the twelve months after the **incident**
- b) for additional cost: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a loss of **accounts receivable** which would have taken place as a consequence of the **incident**, but not exceeding the amount which would otherwise have been payable under a) above by this additional cost.

Provided that if at the time of the **incident** the sum insured by this item is less than the total amount of the **accounts receivable**, the amount payable will be proportionately reduced.

## New Business Clause

For the purpose of any claim for an **incident** occurring before the first years trading of the **business** at the **premises** is completed. The following terms will have these meanings and not as otherwise stated.

<b>Rate of gross profit</b>	The rate of <b>gross profit</b> earned on the <b>turnover</b> during the period between the date of the start of the <b>business</b> and the date of the <b>incident</b> .
<b>Annual turnover</b>	The proportional equivalent for a twelve month period, of the <b>turnover</b> produced during the period between the start of the <b>business</b> and the date of the <b>incident</b> .
<b>Standard turnover</b>	The proportional equivalent for a period equal to the <b>indemnity period</b> , of the <b>turnover</b> produced during the period between the start of the <b>business</b> , and the date of the <b>incident</b> .
<b>Annual gross revenue</b>	The proportional equivalent for a twelve month period of the <b>gross revenue</b> gained during the period between the start of the <b>business</b> and the date of the <b>incident</b> .
<b>Standard gross revenue</b>	The proportional equivalent for a period equal to the <b>indemnity period</b> of the <b>gross revenue</b> gained during the period between the start of the <b>business</b> and the date of the <b>incident</b> .
<b>Annual gross rentals</b>	The proportional equivalent for a twelve month period of the <b>gross rentals</b> gained during the period between the start of the <b>business</b> and the date of the <b>incident</b> .
<b>Standard Gross Rentals</b>	The proportional equivalent for a period equal to the <b>indemnity period</b> of the <b>gross rentals</b> gained during the period between the start of the <b>business</b> and the date of the <b>incident</b> .

Adjustments will be made as necessary for trends of the **business** and variations and other 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 as closely as possible, the results which would have been obtained during the relative period after the **incident**.

## Extensions

Any loss insured by this **section**, resulting from interruption of or interference with the **business** as a consequence of loss, destruction or damage at the premises or situations specified within items 1 to 6 below will be deemed to be an **incident**.

Provided that after the application of all other terms, conditions and provisions of the **policy**, the liability under this extension does not exceed for any one loss the percentage of the total of the sums insured or the specified monetary amount (or 133 1/3% of the sum insured by any item on **estimated gross profit, estimated gross revenue or estimated gross rentals**) or the specified monetary amount shown below as the limit.

## 1. Property stored

**Your** property whilst stored anywhere within the **policy territories** other than at the **premises** in **your** occupation provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

## 2. Customers

The premises of any of **your** customers anywhere within the **policy territories** who, at the time of the loss, destruction or damage **you** have agreed to supply goods or services provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

## 3. Exhibition sites

Any site within the **policy territories** not in **your** occupation where **you** are exhibiting **your** goods for sale provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

## 4. Suppliers

The premises of any of **your** suppliers, including any motor vehicle manufacturer or any manufacturer supplying them with components or materials provided that **our** liability does not exceed 25% of the sum insured or

- a) £2,500,000 whichever is the less for any of **your** suppliers situated within the **policy territories**
- b) £1,000,000 whichever is the less for any of **your** suppliers situated within any other member country of the European Union
- c) £250,000 whichever is the less for any of **your** suppliers situated anywhere in the world within territories situated outside a) and b) above, but only so far as any loss, destruction or damage is caused following fire, aircraft or explosion.

## 5. Public utilities

Accidental failure of the public supply of

- a) electricity
- b) gas
- c) water

at the terminal ends of **your** suppliers feed to the **premises**

- d) telecommunications services to the incoming line terminals or receivers at the **premises**.

Provided that

- a) **we** will not be liable for any loss or failure lasting for less than 12 hours or which results from
  - i) **your** wilful act or neglect
  - ii) a deliberate act of any supply company or by the exercise of **your** suppliers power, to withhold or restrict supply or services
  - iii) any industrial action, drought or atmospheric weather conditions
  - iv) the failure of any satellite.
- b) **our** liability will not exceed £1,000,000.

## 6. Prevention of access

Property in the vicinity of the **premises** that prevents or hinders access to, or the use of the **premises** whether the **premises** or **your** property is damaged or not (but excluding loss, damage or destruction to property of any supply undertaking from which **you** obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of the services) provided **our maximum liability** will be the **estimated gross profit** sum insured, specified in the **schedule**.

## Clauses

### 1. Fire resisting safes

**Your** books of account, other business books or records in which **customers** accounts are shown must be kept in fire resisting safes or fire resisting cabinets when not in use.

### 2. Premium adjustment

- a) The premium paid may be adjusted by **us** following a declaration of **gross profit, gross revenue** or **gross rentals** earned during the financial year concurrent with the **period of insurance** as reported by **your** auditors.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue** or **gross rentals**, the above declaration will be increased by **us** for the purpose of premium adjustment by the amount by which **gross profit, gross revenue** or **gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If either declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months) is less than the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative **period of insurance**, **we** will allow a pro rata return of premium not exceeding 50% of the **premium** paid.

NB Accountants may be substituted for auditors for companies exempt from credit requirements.

- b) It is a condition precedent to liability where **accounts receivable** are insured by this **section** that **you** will, within thirty days of the end of each month, deposit with **us** a signed statement showing the total amount of the balance in **your** accounts, debited to **customers** and remaining unpaid as at the end of the month in review.

In the event of the average amount of the signed statements, during any annual **period of insurance**, being less than the sum insured by the item on **accounts receivable**, a pro rata return of premium not exceeding 50% of the premium paid on the sum insured for the **period of insurance** will be made in respect of the difference.



### 3. Subrogation rights waiver

In the event of a claim under this **section**, **we** agree to waive any rights, remedies or relief to which **we** may be entitled to subrogation against

- a) Any company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to **you** as defined in Section 736 of the Companies Act 1985.
- b) Any company which is a Subsidiary of the Parent Company of which **you** are a Subsidiary in each case within the meaning of Section 736 of the Companies Act 1985.

### 4. Alternative trading

If during the **indemnity period** goods are sold or services rendered elsewhere other than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf the money paid or payable for these sales or services will be included in arriving at the **turnover** during the **indemnity period**.

### 5. Automatic reinstatement of sum insured

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

### 6. Inflation protection

**We** will adjust the sum insured in line with suitable indices of costs. The renewal premium for this **section** will be based on the adjusted sum insured.

### 7. Professional accountants

Any particulars or details contained in **your** books of account, other business books or documents that are required by **us** for investigating or verifying any claim, may be produced by professional accountants if, at the time they are regularly acting for **you**. Their report will be prima facie evidence of the particulars and details that the report relates to.

**We** will pay **you** the reasonable charges that **you** have to pay for professional accountants in producing the particulars or details or any other proofs, information or evidence as **we** may require and reporting these particulars or details are in accordance with **your** books of account, other business books or documents.

Provided that the sum of the amount payable under this clause, and the amount otherwise payable under the extension does not exceed the sum insured as specified in the **schedule**.

## What is not covered

### 1. Liquidation, receivership or winding-up

**We** will not cover **you** if after the commencement of this insurance, the **business** is wound up or carried on by a liquidator, receiver or is permanently discontinued.

## 2. Steam pressure

The bursting of any vessel, machine or apparatus (not being a boiler or economiser on the **premises** or a boiler used for domestic purposes only) in which internal pressure is due to steam only, belonging to **you** or under **your** control.

## 3. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

## 4. Electronic risks

- a) loss or damage to any computer or other equipment, component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but not limited to any information or programs or software) and whether **your** property or not where the loss or damage is caused by programming, operator error, **virus or similar mechanism** or **hacking**

This will not exclude loss or damage which is excluded as a **defined peril** except for malicious persons other than thieves

- b) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, people taking part in labour disturbances, civil commotion or malicious people
- c) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **defined peril** not otherwise excluded.

## 5. Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Special clauses

Clauses 1-4 apply only if the clause numbers appear in the **schedule**

### 1. Deposit premium

The first and annual premiums are provisional being 75% of the premium which is payable at the start of the **period of insurance** and the balance of 25% to be paid within 6 months of the expiry of that period. Except for any item on **gross profit, gross revenue** or **gross rentals** the premium paid will be adjusted on receipt by **us** of a declaration of **gross profit, gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the year of insurance as reported by **your** auditors.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue** or **gross rentals**, the above declaration will be increased by **us** for the purpose of premium adjustment by the amount by which the **gross profit, gross revenue** or **gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If the declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- a) is less than 75% of the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative period **we** will allow a pro rata return of premium not exceeding 33 1/3% of the provisional premium paid
- b) is greater than 75% of the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative period **you** will pay a pro rata additional premium not exceeding 33 1/3% of the provisional premium paid.

In the event that no declaration is received within 6 months of the expiry of the **period of insurance**, the balance of 25% will be paid.

Part a) of the Premium Adjustment Clause is deleted.

### 2. Declaration linked

- a) Prior to each renewal **you** must furnish **us** with the **estimated gross profit, estimated gross revenue** or **estimated gross rentals** for the financial year most closely concurrent with the ensuing year of insurance.
- b) The first and annual premiums for each item on **estimated gross profit, estimated gross revenue** and **estimated gross rentals** are provisional and are based on the **estimated gross profit, estimated gross revenue** or **estimated gross rentals**.

Not later than six months after the expiry of the **period of insurance** **you** must provide **us** with a declaration confirmed by **your** auditors, of the **gross profit, gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the **period of insurance**.

Accountants may be substituted for auditors for companies exempt from audit requirements.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue** or **gross rentals**, the above declaration will be increased by **us**, for the purpose of premium adjustment by the amount

which the **gross profit, gross revenue** or **gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If the declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- i) is less than the **estimated gross profit, estimated gross revenue** or **estimate gross rentals** for the relative **period of insurance we** will allow a pro rata return of the premium paid on the **estimated gross profit, estimated gross revenue** or **estimated gross rentals** but not exceeding 50% of such premium.
- ii) is greater than the **estimated gross profit, estimated gross revenue** or **estimated gross rentals** for the relative **period of insurance you** shall pay a pro rata addition to the premium paid on the **estimated gross profit, estimated gross revenue** or **estimated gross rentals**.
- c) Despite proviso 2 in Indemnity Clause A under 'What is covered', **our** liability will not exceed for **gross profit, gross revenue** or **gross rentals** 133 1/3% of the **estimated gross profit, estimated gross revenue** or **estimated gross rentals** stated and for each other item 100% of the sums insured by the items or other amounts, as may be substituted by memorandum signed by or on **our** behalf.

Part a) of the Premium Adjustment Clause is deleted.

### 3. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

### 4. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) the sum insured may be reduced at any time to correspond with any reduction in **business**.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

## Loss of Licence Extension

Your **schedule** will show **you** if this extension is in force.

## Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this extension.

These definitions are in addition to the **policy** definitions and the definitions for this **section**.

If the same word appears in either the **policy** or **section** definitions the definition given below will apply.

Note 1: to the extent that **you** are accountable to the tax authorities for Value Added Tax all the terms in this extension will be exclusive of such tax.

Note 2: for these definitions, any adjustments implemented in the current cost accounting will be disregarded.

<b>Annual turnover</b>	The <b>turnover</b> during the period in the twelve months immediately before the date of suspension or withdrawal of the <b>MOT licence</b> .
<b>Gross profit</b>	The amount by which <ul style="list-style-type: none"> <li>a) the sum of the amount of the <b>turnover</b> and the amounts of the closing stock and work in progress will exceed</li> <li>b) the sum of the amount of the opening stock and work in progress, less purchases, discounts received and discounts allowed.</li> </ul> Note: The amounts of the opening and closing stocks (including work in progress) will be calculated in accordance with <b>your</b> usual accounting methods with provision also made for depreciation.
<b>Indemnity period</b>	The period beginning with the suspension or withdrawal of the <b>MOT licence</b> and ending not later than the <b>maximum indemnity period</b> during which the results of <b>the business</b> will be affected as a consequence of the suspension or withdrawal of the <b>MOT licence</b> .
<b>Maximum indemnity period</b>	As stated in the <b>schedule</b> .
<b>MOT licence</b>	The licence granted by the Vehicle and Operator Services Agency or any successor or government agency to carry out tests on <b>motor vehicles</b> under Section 45 of the Road Traffic Act 1988 or subsequent legislation issued to <b>you</b> as an authorised examiner or to a nominated tester, employed by <b>you</b> in connection with <b>the business</b> .
<b>Rate of gross profit</b>	The rate of <b>gross profit</b> earned on the <b>turnover</b> during the financial year immediately before the date of the suspension or withdrawal of the <b>MOT licence</b> .
<b>Standard turnover</b>	The <b>turnover</b> during the period in the twelve months immediately before the suspension or withdrawal of the <b>MOT licence</b> which corresponds with the <b>indemnity period</b> .
<b>The business</b>	Vehicle and Operator Services Agency testing and retesting. Vehicle repair work carried out and or goods supplied directly in connection with such testing conducted solely at or from the <b>premises</b> .

## What is covered

### Indemnity

If during the **period of insurance** the **MOT licence** is suspended or withdrawn and **your business** that is carried on from or at the **premises** is interrupted or interfered with as a consequence **we** will pay **you** the amount of loss resulting from the interruption or interference provided that **our** liability does not exceed the limit shown in the **schedule**.

### Basis of loss settlement

The insurance, under the item on Loss of Licence as shown on **your schedule** is limited to loss of **gross profit** due to

- a) reduction in **turnover** and
- b) increase in cost of working and

the amount payable will be

- a) for reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** will fall short of the **standard turnover** as a consequence of the suspension or withdrawal of the **MOT licence**
- b) for increase in cost of working: the additional cost (subject to the provisions of the uninsured working expenses clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** during the **indemnity period** as a consequence of the suspension or withdrawal of the **MOT licence**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of **the business**, payable out of **gross profit** that may stop or be reduced as a consequence of the suspension or withdrawal of the **MOT licence**.

Provided that, if the sum insured by the item on Loss of Licence as shown on **your schedule** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

Adjustments will be made as necessary for trends of **the business** and variations and other circumstances affecting **the business**, either before or after the suspension or withdrawal of the **MOT licence**, or which would have affected **the business** had the suspension or withdrawal of the **MOT licence** not occurred so that the adjusted figures will represent as closely as possible, the results which would have been obtained during the relative period after the suspension or withdrawal of the **MOT licence**.

## What is not covered

This extension does not cover any loss arising from

1. where **you** or a principal/director has received a final warning for the suspension or withdrawal of the **MOT licence** within the five years prior to the inception of this cover

2. where **you** have a warning for the suspension or withdrawal of the **MOT licence** which is current at the inception of this cover
3. a suspension or warning received during the four weeks immediately following the inception of this cover
4. actual or proposed compulsory purchase of the **premises**
5. any scheme of town or country planning improvement or development
6. any policy by the Vehicle and Operator Services Agency to reduce the number of authorised examiners and nominated testers
7. any alteration after the commencement of cover of any relevant law, unless confirmed in writing by **us** that cover will continue
8. failure to maintain the **premises**, equipment or machinery in good general repair
9. failure to keep accurate and up to date documentation as required by the Vehicle and Operator Services Agency
10. a criminal conviction.

## Conditions

The **policy** conditions apply to this extension and in addition

In the event of the **MOT licence** being suspended or withdrawn **you** will

1. give **us** written notice within 48 hours of being made aware, stating the reason why the **MOT licence** was suspended or withdrawn
2. give **us** all the assistance **we** may require for an appeal against the suspension or withdrawal and allow **us** and **our** solicitors full discretion in the conduct of the proceedings
3. apply if required by **us** for the grant of a new **MOT licence** for the same or alternative **premises** that will enable **you** to continue **the business** in a similar or alternative form
4. provide a statement of **your** loss, if any, together with documents, statements and accounts that **we** may require to verify the loss, and make a statutory declaration as to their truth, accuracy and comprehensiveness, if required by **us**.

## Clauses

### 1. Alternative trading

If during the **indemnity period** goods are sold or services rendered elsewhere other than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf the money paid or payable for these sales or services will be included in arriving at the **turnover** during the **indemnity period**.

### 2. Automatic reinstatement of sum insured

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

**3. Inflation protection**

We will adjust the sum insured in line with suitable indices of costs. The renewal premium for this **section** will be based on the adjusted sum insured.

**4. New Business**

For the purpose of any claim for the suspension or withdrawal of the **MOT licence** occurring before the first years trading of **the business** at the **premises** is completed. The following terms will have these meanings and not as otherwise stated

<b>Rate of gross profit</b>	The rate of <b>gross profit</b> earned on the <b>turnover</b> during the period between the date of the start of the <b>business</b> and the date of the suspension or withdrawal of the <b>MOT licence</b> .
<b>Annual turnover</b>	The proportional equivalent for a twelve month period, of the <b>turnover</b> produced during the period between the start of the <b>business</b> and the date of the suspension or withdrawal of the <b>MOT licence</b> .
<b>Standard turnover</b>	The proportional equivalent for a period equal to the <b>indemnity period</b> , of the <b>turnover</b> produced during the period between the start of the <b>business</b> , and the date of the suspension or withdrawal of the <b>MOT licence</b> .

Adjustments will be made as necessary for trends of **the business**, variations and other 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 as closely as possible, the results which would have been obtained during the relative period after the **incident**.

**5. Professional accountants**

Any particulars or details contained in **your** books of account, other business books or documents that are required by **us** for investigating or verifying any claim, may be produced by professional accountants if, at the time they are regularly acting for **you**. Their report will be prima facie evidence of the particulars and details that the report relates to.

**We** will pay **you** the reasonable charges that **you** have to pay for professional accountants in producing the particulars or details or any other proofs, information or evidence as **we** may require and reporting these particulars or details are in accordance with **your** books of account, other business books or documents.

Provided that the sum of the amount payable under this clause, and the amount otherwise payable under the extension does not exceed the sum insured as specified in the **schedule**.



# Section 7 – Equipment Breakdown

This **section** is automatically included when Section 1 – Material Damage is in force.

## Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions

If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

<p><b>Accident</b></p>	<p>Direct physical loss caused by</p> <ul style="list-style-type: none"> <li>a) electrical or mechanical <b>breakdown</b>, including rupture or bursting caused by centrifugal force</li> <li>b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires</li> <li>c) explosion or collapse of <b>covered equipment</b> operating under steam or other fluid pressure owned or leased by <b>you</b>, or operated under <b>your</b> control</li> <li>d) loss or damage to <b>covered equipment</b> operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded), occurring inside the equipment</li> <li>e) loss or damage to hot water boilers or other water heating equipment and heating oil storage tanks caused by or resulting from any condition or event (not otherwise excluded), occurring inside the equipment</li> <li>f) or due to operator error</li> <li>g) materials being processed.</li> </ul> <p>If an initial <b>accident</b> causes other <b>accidents</b>, all will be considered one <b>accident</b>. All <b>accidents</b> that are the result of the same event will be considered one <b>accident</b>.</p>
<p><b>Breakdown</b></p>	<p>The actual breaking, failure, distortion or burning out of any part of the <b>covered equipment</b> whilst in ordinary use, arising from any defects in the <b>covered equipment</b> causing its sudden stoppage and necessitating repair or replacement before it can resume work.</p> <p>Fracturing of any part of the <b>covered equipment</b> by frost, when the fracture renders the <b>covered equipment</b> inoperative.</p> <p>The actual and complete severance of a rope, but not breakage or abrasion of wires or strands even though replacement may be necessary.</p>
<p><b>Collapse</b></p>	<p>The sudden and dangerous distortion (whether or not attended by rupture) of any part of the <b>covered equipment</b> caused by crushing, stress by force of steam or other fluid pressure (other than pressure of chemical action, or ignited flue or ignition of the contents).</p>
<p><b>Computer equipment</b></p>	<p>Electronic, computer or other data processing equipment, including media and peripherals used in conjunction with such equipment.</p>

<b>Covered equipment</b>	<p>Equipment built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy.</p> <p>Covered equipment excludes the following</p> <ul style="list-style-type: none"> <li>a) supporting structure, foundation, masonry, brickwork, cabinet compartment or air supported structure or building</li> <li>b) insulating or refractory material and safety or protective devices</li> <li>c) sewer, piping, underground tanks, vessels or piping or piping forming a part of a sprinkler system</li> <li>d) water piping other than boiler feedwater piping, boiler condensate, return piping or water piping forming part of a refrigerating or air conditioning system</li> <li>e) vehicles, aircraft, floating vessels or any equipment mounted on these vehicles (other than vehicle recovery cranes or equipment) aircraft or floating vessels</li> <li>f) mobile plant and equipment (other than fork lift trucks used by <b>you</b> at the <b>premises</b>) dragline, excavation or construction equipment</li> <li>g) equipment <b>you</b> manufacture to sell or customers' machinery brought on to <b>your premises</b> for processing, repair or overhaul</li> <li>h) tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands, bulbs, valves, tubes, batteries or any consumable or part that requires periodic renewal</li> <li>i) electronic equipment, other than vehicle diagnostic equipment or <b>computer equipment</b>, which is used for research, diagnostic treatment, experimental or for other medical or scientific purposes</li> <li>j) Domestic, laundry, kitchen, audio visual and home entertainment equipment when the equipment is used in private living quarters</li> <li>k) Equipment owned by <b>your</b> tenants</li> <li>l) Neon signs</li> <li>m) Underground fuel installations or any calibration costs associated with fuel pumps.</li> </ul>
<b>Explosion</b>	<p>The sudden and violent rending of the <b>covered equipment</b> by force of internal steam or other fluid pressure (other than pressure of chemical action, ignited flue gases or ignition of the contents) causing bodily displacement of any part of the <b>covered equipment</b> together with forcible ejection of the contents.</p>
<b>Hazardous substance</b>	<p>Any substance other than ammonia that has been declared as hazardous to health by a governmental agency.</p>
<b>Media</b>	<p>All forms of electronic, magnetic and optical tapes and discs (including hard discs) for use in any electronic computer or electronic data processing equipment including all current and back up computer software and programs.</p>
<b>Verified</b>	<p>Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration.</p>

## What is covered

Cover under this **section** is provided in respect of any **accident to covered equipment** owned by **you** or for which **you** are responsible at the **premises** specified in the **schedule**, subject to the limit of indemnity specified in the **schedule**.

## Extensions and sub limits

The following extensions of cover also apply to loss caused by or resulting from an **accident to covered equipment**. These extensions of cover are within and they do not increase the limit of indemnity shown in the **schedule**.

### 1. Hazardous substance

**We** will be liable for the additional cost to repair or replace **covered equipment** because of contamination by a **hazardous substance** as a result of any **accident**. This includes the additional expenses to clean up or dispose of the property. Additional costs mean those beyond what would have been required had no **hazardous substance** been involved.

**We** will not be liable for more than £10,000 for loss or damage under this extension, including, if shown as covered, any Business Interruption claim sustained where extension 3 – Business Interruption of this **section** applies.

### 2. Computer equipment, reinstatement of data and increased costs of working

#### a) Computer equipment

**We** will be liable under this extension for loss or damage caused by or resulting from an **accident to computer equipment**. **Our** liability in any one **period of insurance** will not exceed £100,000 for damage to **computer equipment**.

#### b) Reinstatement of data

In addition **we** will be liable for costs incurred in reinstating data lost or damaged as a consequence of an **accident to computer equipment**.

Provided that

- i) liability is limited solely to the cost of reinstating data onto **media**
- ii) **we** will not be liable for any losses discovered later than six months after the loss was initiated
- iii) **our** liability will not exceed £25,000 for the costs
- iv) **we** will not be liable for loss or damage to software
- v) **we** will not be liable under this extension for costs more specifically described under c) Increased cost of working below.

#### c) Increased cost of working

In addition **we** will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to **your** computer operations. **Our** total liability in any one **period of insurance** will not exceed £25,000 for these additional costs.

### 3. Business interruption

This extension is only applicable when Section 6 – Business Interruption and Loss of Licence is shown as operative in the **schedule**.

**We** will provide cover as described under the basis of loss settlement detailed within Section 6 – Business Interruption and Loss of Licence that is caused by any **accident to covered equipment and computer equipment** but will not exceed £30,000.

Business interruption losses following damage to own surrounding property (as insured by extension 9. Damage to own surrounding property below) are excluded from this extension.

#### 4. 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 the enforcement of any public authority, ordinance or law at the time of the **accident**, that regulates the construction or repair of buildings, or establishes zoning or land use requirements.

**We** will be liable for the following additional costs to comply with the ordinance or law

- a) **your** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) **your** actual expenditures 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
- c) loss as described under Section 6 – Business Interruption and Loss of Licence of this **policy**, caused by loss covered in (a) or (b) above.

**We** will not cover

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a **hazardous substance** other than specifically granted under extension 1 – Hazardous substance
- d) Increased construction costs until the building is actually repaired or replaced.

#### 5. Expediting expenses

For damaged **covered equipment**, **we** will be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or replacement. **We** will not be liable for more than £20,000 under this extension.

#### 6. Hire of substitute item

If **covered equipment** is damaged as a result of an **accident**, **we** will also indemnify **you** against 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 a permanent replacement of the item lost or damaged. **We** will not be liable for more than £5,000 under this extension.

#### 7. Storage tanks and loss of contents

The insurance under this **section** also includes damage caused by an **accident** to oil storage or water tanks used solely for and forming part of hot water or heating installations. Including connected pipework belonging to **you** or for which **you** are responsible at the **premises**. This also covers loss of the contents of oil from the storage tanks (other than underground tanks) belonging to **you** or for which **you** are responsible at the **premises** 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 the loss.

But excluding

1. loss caused by fire regardless of how the fire may have been caused
2. loss resulting from corrosion, erosion or wasting
3. contamination of the contents resulting from
  - a) the natural settling, separation or accumulation of fluids or materials constituting the normal contents
  - b) the deliberate use of fluids or materials in the oil storage for cleaning, flushing or similar purposes.
4. loss sustained whilst oil storage tanks are in transit between **premises**
5. costs or expenses arising from pollution or contamination of property not covered by this extension

**We** will not be liable for more than £7,500 under this extension for any one **accident** or series of **accidents** arising out of one event.

## 8. Loss avoidance measures

**We** will pay the reasonable costs necessarily incurred by **you** to take exceptional measures to prevent or mitigate impending damage to **covered equipment** as a result of an **accident**.

Provided that

- a) damage would be reasonably expected if the measures were not implemented
- b) **we** are satisfied that damage has been avoided or mitigated by implementing the exceptional measures
- c) the amount payable will be limited to the cost of damage, which would have otherwise occurred
- d) the terms, conditions and exclusions of this **section** and the **policy** apply as if damage has occurred
- e) if damage had occurred, it would have resulted in a claim that would have been accepted by **us** under this **section** of the **policy**.

A limit of £5,000 for any one **period of insurance**.

## 9. Damage to own surrounding property

**We** will be liable for damage to property belonging to or in **your** custody and control for which **you** are responsible, resulting directly from **explosion** or **collapse** of any steam boiler, steam generator, economiser, superheater, and steam pipework or steam vessel.

**We** will not be liable for more than £1,000,000 under this extension.

## 10. Territorial limit

The cover provided by this **section** is restricted to **your premises** as insured in Section 1 – Material Damage other than in respect of **your** own equipment as described below

- i) vehicle recovery cranes / winches (and any other lifting equipment normally used in addition)
- ii) portable Computer equipment insured under Section 8 – Computer Insurance

where the **policy territories** apply.

## Conditions

The **policy** conditions except, **policy** condition 8, apply to this **section** and in addition

### 1. 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 manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage.

### 2. Back-up records

**You** will maintain a minimum of 2 generations of **verified** back up computer records, taken at regular intervals and not less than every 48 hours. One copy, as a minimum, being held off site. All reasonable precautions are taken to store and maintain records in accordance with the maker's recommendations.

## What is not covered

1. **We** will not pay for loss or damage caused by or resulting from
  - a) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment
  - b) any defect, virus, loss of data (other than as specifically provided under extension 2b) or other situation within **media** or
  - c) depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an **accident** results, **we** will be liable for that resulting loss or damage
  - d) loss due to solidification, biological activity or spontaneous chemical reaction
    - i) in the contents of tanks or
    - ii) occurring in the materials being processed.
2. **We** will not be liable for loss or damage recoverable under the maintenance agreement or any warranty or guarantee, which would be recoverable but for breach of **your** obligations under the agreement.
3. For Business Interruption, **we** will not be liable for the delay in resuming operations due to the need to reconstruct or re-input data or programs on **media**, where **you** have not fully complied with **section** condition 2 – back-up records.
4. The **excess** applicable under this **section** is either the **excess** applicable under Section 1 – Material Damage or Section 6 – Business Interruption and Loss of Licence (as appropriate) or £300 whichever is greater.
5. This insurance does not cover any loss or damage which is insured by any other **section** of this **policy**, or other policies except for any excess beyond the amount that would have been payable under those **sections** or policies had the insurance not been effected.
6. Loss or damage arising out of any intentional act or wilful omission by **you** (other than an act or omission which is classed as an exceptional measure to prevent injury, loss or damage) with regard to the nature and circumstances of the act or omission could reasonably be expected to cause, contribute to or exacerbate any loss or damage.

7. Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.
8. Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with
  - a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
  - b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

# Section 8 – Computer Insurance

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions

If the same word appears in both the policy and section definitions, the section definition will apply.

<p><b>Computer equipment</b></p>	<ul style="list-style-type: none"> <li>a) all computer equipment (including interconnecting wiring, fixed disks and telecommunications equipment used for the storage and communication of electronically processed data) but excluding any computer equipment controlling a manufacturing process</li> <li>b) ancillary equipment solely for use with the computer equipment, comprising air conditioning equipment, generating equipment, uninterruptible power supply voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat, smoke and water detection equipment, lightning and transient over voltage protection devices, computer furniture, gas flooding cylinders and pipework and computer room partitioning</li> <li>c) <b>proprietary software programs</b> and other information stored upon fixed disks</li> <li>d) all current and back up computer records (excluding paper records of any description) incorporating stored programs and/or information owned by or on <b>deferred purchase</b>, lease hired or rented to <b>you</b> or whilst on trial with a view to purchase.</li> </ul>
<p><b>Damage</b></p>	<p>Loss, destruction or damage.</p>
<p><b>Deferred purchase</b></p>	<p>Any agreement which entitles <b>you</b> to defer payment for <b>computer equipment</b> for a period exceeding 90 days (or a period in excess of usual trade credit)</p>
<p><b>Indemnity period</b></p>	<p>The period beginning when an <b>insured event</b> occurs and ending not later than the number of months thereafter shown in the <b>schedule</b>, during which the computer operations are affected as a result of the <b>insured event</b>.</p>
<p><b>Insured event</b></p>	<ul style="list-style-type: none"> <li>a) <b>Damage</b> insured under part 1 and/or part 2 of this <b>section</b>.</li> <li>b) Loss, distortion, corruption or erasure of programs and/or information insured under Part 2 of this <b>section</b>.</li> <li>c) <b>Damage</b> to any item of category a) or b) of the <b>computer equipment</b> due to its own derangement where such cost of repair or remedy is recoverable under any guarantee or agreement for maintenance, rental hire or lease, or any provision in an agreement with the supply of the <b>computer equipment</b>.</li> <li>d) The accidental failure or fluctuations of the supply of electricity to categories a) and b) of the <b>computer equipment</b> at the <b>premises</b> where the <b>computer equipment</b> is situated.</li> <li>e) The accidental failure of any telecommunications system (other than satellite systems) used in connection with the <b>computer equipment</b>.</li> <li>f) <b>You</b> being denied access to the <b>computer equipment</b> due to             <ul style="list-style-type: none"> <li>i) <b>Damage</b> to the <b>computer equipment</b> at or in the vicinity of the <b>premises</b></li> <li>ii) Any authority exercising its powers, for the sole purpose of safeguarding life or property.</li> </ul> </li> </ul>



<b>Loss of interest</b>	<ul style="list-style-type: none"> <li>a) Interest payable for loans raised</li> <li>b) Interest foregone on reduction in investment capital, in lieu of loans raised as a direct result of minimising the effect of the interruption or interference.</li> </ul>
<b>Proprietary software programs</b>	The package of software programs purchased by <b>you</b> with the <b>computer equipment</b> at the original date of purchase, plus any subsequent upgrades excluding any bespoke computer software purchased by <b>you</b> without <b>our</b> prior consent.
<b>Reinstatement</b>	<ul style="list-style-type: none"> <li>a) where any item of computer equipment suffers damage to the extent that repair is uneconomic or impractical, its replacement by new computer equipment of equal performance and/or capacity. If this is not possible its replacement will have the nearest higher performance and/or capacity to the computer equipment lost or damaged</li> <li>b) where the computer equipment suffers damage, the repair of the damage and the restoration of the damaged portion, will be made to a working condition the same as, but not better or more extensive than its condition when new.</li> </ul>

## Part 1 – Computer equipment

### What is covered under Part 1

If any **computer equipment** described in the **schedule** is damaged at the **premises we** will pay **you** the amount of the **damage**, or at **our** option replace or repair the **computer equipment** or any part of it.

### What is not covered under Part 1

#### 1. Breakdown

Any **damage** to the property described in paragraphs a) and b) of the definition **computer equipment** due to its own breakdown.

#### 2. Derangement

Derangement, unless **you** have in force, a maintenance agreement with the manufacturers or other approved company for the **computer equipment** covering

- a) free repairs to, or replacement of the **computer equipment** following breakdown or stoppage from any internal cause other than **your** negligence
- b) preventative maintenance or adjustment of mechanical moving parts.

#### 3. Excluded perils

**Damage** (other than whilst in transit) caused by fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, people taking part in labour disturbances, malicious people, theft, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

## Conditions applicable to Part 1

### Declaration of values

Prior to each renewal **you** will supply **us** with declarations of the replacement value of the property as new for each of the categories of **computer equipment** insured.

## Part 2 – Reinstatement of data

### What is covered under Part 2

**We** will cover **you** in the event of loss, distortion, corruption or erasure of programs and/or information from any cause, not otherwise excluded to property described in paragraphs c) and d) of the definition **computer equipment** whilst at the **premises**.

Provided that

- a) **our** liability is limited solely to the cost of reinstating data
- b) **we** will not be liable for damage to **proprietary software programs** insured under Part 1.

### What is not covered under Parts 1 and 2

#### 1. Excess

The first £100 of each and every claim.

#### 2. Maintenance agreement

**Damage** recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for the breach of **your** obligations under the agreement.

#### 3. Consequential loss

Financial loss, loss of profits, loss due to delay and or any kind of consequential loss not specifically insured by this **section**.

#### 4. Lease, hire, rent, loan or sale

**Damage** or loss resulting from **damage** to any **computer equipment** which is

- a) offered, or to be offered for lease, hire, rent or loan by **you** or leased, hired, rented or lent by **you** to others
- b) offered, or to be offered for sale or sold by **you**, where the sale of the **computer equipment** is in the course of **your business**.

## 5. Property of others

**Damage** or loss resulting from **damage** to any **computer equipment** which is not owned, leased, rented, hired or loaned to **you**, whilst in **your** custody or control for programming, repair, service, adjustment, alteration, storage or transit purposes.

## Clauses applicable to Parts 1 and 2

### 1. Reinstatement

In the event of the property insured by Parts 1 and 2 being destroyed or **damaged**, the amount payable will be the **reinstatement** of the property.

Provided that

- i) **our** liability for loss of, or **damage** to **computer equipment** will not exceed the sum insured stated in the **schedule**, or additionally provided under extension 4 Automatic cover
- ii) the work of **reinstatement** commences and is carried out, without unreasonable delay
- iii) **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated until the cost of **reinstatement** has been incurred
- iv) **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated, if at the time of any **damage** to the **computer equipment** insured it is covered by any other insurance effected by or on **your** behalf which is not on a **reinstatement** basis
- v) each item insured, is declared to be separately subject to the following condition of average:  

If at any time of **reinstatement**, the sum representing 85% of the cost which would have been incurred in **reinstatement** if there had been a total loss, exceeds the sum insured or any further increase allowed, under the provision of extension 4 Automatic Cover at the time of **damage** to the **computer equipment you** will be considered as being **your** own insurer for the difference and will be responsible for a proportionate share of the **damage**.
- vi) Whereby reason of the above provisions **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated. The rights and liability of **us** and **you** in respect of **damage** will be subject to the terms and conditions of this **policy** as if this clause had not been incorporated.

### 2. Transit or abroad

The insurance covers the property insured whilst at any other site or whilst in transit anywhere in the world. **Our** liability will not exceed 10% of the sum insured under Part 1 or £100,000 for any one loss, whichever is the less, whilst the **computer equipment** is in transit or located outside the United Kingdom or Republic of Ireland.

### 3. Theft from unattended vehicles

**Our** liability will not exceed £5,000 for any one loss for theft from unattended vehicles.

#### 4. Limit of liability

**Our** liability under Parts 1 and 2 will not exceed

- a) the total sum insured for any item, at the time of the **damage**
- b) The sum insured remaining after deduction for any other **claim** as a consequence of **damage** occurring during the same **period of insurance**, unless **we** have agreed to reinstate any sum insured.

### Extensions applicable to Parts 1 and 2

This cover also includes

#### 1. Debris removal costs

Costs necessarily and reasonably incurred with **our** consent in the removal of debris and the protection of the equipment as a consequence of the **damage** insured by this **section**, provided **our** liability under this extension does not exceed 10% of the sum insured under Part 1 or £50,000 whichever is the less.

#### 2. Consulting engineers fees and investigation costs

Costs (including consulting engineers fees) incurred with **our** prior consent while conducting investigations and/or tests into the possible repair, replacement or **reinstatement** of the damaged **computer equipment** regardless of whether the investigations and/or tests are successful or not.

#### 3. Expediting costs

Costs necessarily and reasonably incurred in making temporary repairs and/or expediting the repair, **reinstatement** or replacement of insured items as a result of **damage** (excluding costs recoverable under Part 3). Provided that **our** liability will not exceed 10% of the cost of **damage** or £50,000 whichever is the less.

#### 4. Automatic cover

Additional **computer equipment** purchased by **you** during the **period of insurance** or for which **you** are responsible at any existing **premises** shown in the **schedule** until the next renewal date at no additional charge. Provided that **our** liability does not exceed £250,000 at any one **premises** or 10% of the sum insured under Part 1, whichever is the less.

#### 5. Incompatibility of records

Where reinstatement of data is insured **we** will cover **you** for

- a) the cost of modifying the **computer equipment** insured under Part 1
- or
- b) the cost of replacing the data carrying materials together with reinstatement of data, whichever is the less as a result of an indemnifiable loss in order to achieve equivalent compatibility to that existing immediately prior to the loss, due to undamaged data carrying materials being incompatible with the replacement **computer equipment** provided that

- i) the replacement **computer equipment** is the nearest equivalent to that damaged
- ii) the amount payable under this extension does not exceed 50% of the sum insured under Part 2 or £50,000 whichever is the less.

## 6. Loss avoidance measures

Reasonable costs incurred in taking exceptional measures to prevent or mitigate impending **damage** for which indemnity is provided by Parts 1 and 2 provided that

- a) **damage** would be reasonably expected if these measures were not implemented
- b) **we** are satisfied that **damage** has been avoided or mitigated by implementing the exceptional measures
- c) the amount payable will be limited to the cost of **damage** which would have otherwise occurred
- d) the terms and conditions of this **policy** apply as if **damage** had occurred
- e) **our** liability does not exceed 10% of the sum insured under Parts 1 and 2 or £50,000 whichever is the less.

## 7. Accidental discharge of gas flooding systems

The cost of recharging gas flooding systems installed solely for the protection of the **computer equipment** following accidental discharge provided that

- a) **we** will not be liable for any loss as a result of gradual leakage, discharge or drop in pressure
- b) **you** will maintain at **your** own expense, the gas flooding system in accordance with the suppliers and/or makers recommendations
- c) **our** liability will not exceed £10,000 for any one loss or 10% of the sum insured under Part 1 whichever is the less.

## 8. Virus seek and destroy costs

Costs necessarily and reasonably incurred with **our** consent in locating and removing a detected computer virus infecting any insured host program or disk. Provided that the amount payable does not exceed 10% of the sum insured under Part 1 or £5,000 whichever is the less.

## 9. Research and development costs

Costs of rewriting any data processing research or development projects to the stage they had reached prior to the **damage**, but excluding any benefit which **you** would have obtained from the completion of the projects had the **damage** not occurred provided that

- a) part 2 is insured
- b) the amount payable for any one claim will not exceed the sum insured under Part 2 or £5,000 whichever is the less
- c) **you** have fully complied with paragraphs d) and e) of condition 3 Precautions of the conditions applicable to all Parts 1, 2 and 3 of this **section**.

## Conditions applicable to Parts 1 and 2

### Unattended vehicle security

It is a condition precedent to liability under Parts 1 and 2, that whilst any item of **computer equipment** is being carried in a vehicle which is left unattended

- a) the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened
- b) the vehicle must be in a locked garage or locked parking area if left overnight
- c) the **computer equipment** must be concealed from view in a locked boot, or concealed from view by other secure means where such facilities are unavailable (secure means security devices which have been approved by **us**).

## Part 3 – Increase in cost of working

### What is covered under Part 3

If the computer operations of the **business** are interrupted or interfered with due to an **insured event** during the **period of insurance**, **we** will pay as increase in cost of working the additional cost necessarily and reasonably incurred by **you** (including loss of interest) during the **indemnity period** as a consequence of an interruption or interference.

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

- a) the sum insured stated in the **schedule** and/or
- b) for any **loss of interest**, 10% of the sum insured as stated in the **schedule**.

### Clauses applicable to Part 3

#### 1. Additional rental

In addition to the limit of **our** liability under this part, **we** will pay for additional lease or rental charges up to £15,000 arising from the replacement of a lease or hire agreement for the **computer equipment** by a new contract for similar **computer equipment** as a consequence of **damage** insured under Part 1 of this **section**.

#### 2. Professional accountants charges

Any particulars or details contained in **your** books of accounts or other business books or documents which may be required under condition 2 of Part 3. For the purpose of investigating or verifying any claim

they may be produced by professional accountants if, at the time they are regularly acting for **you** and their report will be prima facie evidence of the particulars and details to which the report relates.

**We** will pay **you** the reasonable charges, payable by **you** to **your** professional accountants for producing particulars or details of any other proofs, information or evidence as may be required by **us** under the terms of condition 2 of part 3, and reporting that the particulars or details are in accordance with **your** books of account or other business books or documents.

Provided that the sum of the amount payable under this clause and the amount payable under this Part 3 does not exceed **our** liability as stated.

### **3. Current cost accounting**

For the purpose of this Part 3 any adjustment implemented in current cost accounting will be disregarded.

### **4. Value Added Tax**

To the extent that **you** are accountable to the tax authorities for Value Added Tax, all terms in this Part are exclusive of tax.

## **What is not covered under Part 3**

### **1. Costs of reinstatement of information**

Costs of **reinstatement** of programs and/or information onto computer records and/or fixed disks.

### **2. Exclusion Period**

Increase in cost of working incurred during

- a) the first 24 hours following derangement of any item of category a) of the definition **computer equipment**, if a maintenance, rental, hire or lease agreement is not in force on the item
- b) the first 30 minutes for a failure of the supply of electricity
- c) the first 4 hours for a failure of telecommunications equipment.

### **3. Deliberate supply and service withdrawal**

The deliberate act of **you** or any supply authority to withhold or restrict operation of the supply or system, or the inability of **you** or any authority to maintain the supply or system due to industrial action by any of its employees.

### **4. Acts of telecommunications authorities**

The failure of any telecommunications system directly or indirectly due to

- a) the deliberate act of any telecommunications authority to withhold or restrict operation of the system, or the inability of the authority to maintain the system due to industrial action by its employees
- b) the use by **you** of any equipment which is not approved by the telecommunications authority as properly installed and compatible.

## Conditions applicable to Part 3

### 1. Alteration

This part will be avoided if after the commencement of this insurance the **business** is wound up or carried on by a liquidator, receiver or permanently discontinued.

### 2. Claims conditions

- a) In the event of any **damage** and as a consequence a claim is, or may be made under this Part **you** will
  - i) notify **us** immediately
  - ii) deliver to **us** at **your** expense within 7 days, full details of the **damage** caused by riot, civil commotion, strikers, locked out workers, people taking part in labour disturbances or malicious people
  - iii) With due diligence carry out any action which may be reasonably practical, to minimise, avoid or dismiss the loss or any interruption of, or interference with the **business**.
- b) In the event of a claim being made under this Part, at **your** expense **you** will
  - i) within 30 days after the **indemnity period** has expired (or further time if **we** agree in writing) provide **us** with written details of **your** claim, together with details of all other insurances covering property used by **you** at the **premises** for the purpose of the **business**, or any part of it or any resulting and consequential loss
  - ii) deliver to **us** **your** books of accounts and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence that **we** may require for the purpose of investigating or verifying the claim. Together with a statutory declaration of the truth of the claim and of any matters connected with it if requested.
- c) If the terms of this condition have not been complied with
  - i) no claims under this Part will be payable and
  - ii) any payment already made on account of the claim will be repaid to **us** at once.

## Clauses applicable to Parts 1, 2 and 3

### 1. Payments on account

In the event of loss, if **you** want, **we** will make monthly payments on account to **you**.

### 2. Waiver of subrogation rights

The cover provided by this **section** is extended to indemnify the categories of users shown below, and **we** waive rights of recovery or subrogation against

- a) any parent company of **you**



- b) any subsidiary company of **you**
- c) any subsidiary company of a parent company, of whom **you** are a subsidiary
- d) any user of the **computer equipment** explicitly authorised by **you** provided that
  - i) any users included observe and fulfil the terms and conditions of this **policy** as if they were **you**
  - ii) **you** do not receive any form of indemnity or damages from these users.

### 3. Automatic reinstatement

Sums insured or limits of indemnity will be reinstated from the date of when the claim occurred. **We** will waive the additional premium if the cost of the claim does not exceed £25,000.

### 4. Misuse or contamination of computer systems

This **section** covers **damage** and/or reinstatement of data resulting from misuse of the **computer equipment**. **Our** liability for **damage** and/or reinstatement of data will not exceed £100,000 (or the sum insured or any other stated limit of liability if less) after the application of all the provisions of the **section**, including any **excess**. Misuse of the **computer equipment** means the deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a) any act carried out through accessing the system
- b) any infection of any kind within the system.

## What is not covered under Parts 1, 2 and 3

### 1. Pollution or contamination

**Damage** caused by pollution or contamination (unless otherwise excluded) except **damage** caused by

- a) pollution or contamination which results from any **damage** insured
- b) any **damage** insured which results from pollution or contamination.

### 2. Intentional acts

**Damage** caused by

- a) **your** intentional act or wilful neglect
- b) intentional overloading
- c) testing or experiments involving the imposition of any abnormal conditions.

### 3. Wear and tear

**Damage** solely due to

- a) wear and tear, gradual deterioration or rust
- b) gradually developing defects
- c) scratching or chipping of painted or polished surfaces
- d) erosion or corrosion

but this does not exclude subsequent **damage** not otherwise excluded.

#### 4. Guarantees of performance

Penalties for delay or detention, or in connection with guarantees of performance or efficiency.

#### 5. Excluded parts

**Damage** to safety or protective devices as a result of their operation.

#### 6. Error, virus or similar mechanism or hacking

This **section** does not cover

- a) for Part 1 – computer equipment

**Damage** to **computer equipment** or other equipment, component, system or item which processes, stores, transmits or retrieves data or any part thereof, whether tangible or not (including any information or programs or software) directly or indirectly caused by or arising from programming or operator error, **virus or similar mechanism** or **hacking**

- b) for Part 2 – reinstatement of data

loss directly or indirectly caused by or arising from programming or operator error, **virus or similar mechanism** or **hacking**

- c) for Part 3 – increase in cost of working

loss as a consequence, directly or indirectly of programming or operator error, **virus or similar mechanism** or **hacking**.

#### 7. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

#### 8. Terrorism

**Damage**, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Conditions applicable to Parts 1, 2 and 3 of this section

### 1. Claims notification and requirements

If **you** make a claim for **damage** under this **section you** must retain any damaged machinery or parts for inspection.

### 2. Claims settlement

**We** will be entitled to take over, defend or settle any claim in **your** name.

### 3. Precautions

**You** will

- a) exercise diligence in complying with any statute or order
- b) maintain the **computer equipment** in good order and efficient operating condition
- c) observe the manufacturers and/or suppliers instructions for use, operation, storage, transit and inspection of the **computer equipment**
- d) back up information (other than software programs) at least once every forty eight hours, verify and store, taking all reasonable precautions for their safe storage, and separately maintain one verified back up copy in a location away from the **premises**
- e) maintain one verified and up to date set of back up software programs, in a separate location away from the **premises**
- f) obtain, keep in force and effect a proper and valid licence for any software programs in **your** possession.

### 4. Access

**We** or **our** representatives will have right of access to the equipment at reasonable times.

### 5. Alteration or modification

**You** will notify **us** of any proposed alterations or modifications to the insured **computer equipment**.

### 6. Suspension of cover

**We** may suspend cover at any time by giving written notice to **you**, until any requirement stipulated by **us** has been completed by **you**. Cover will only be reinstated following written notice by **us**.

If cover is suspended by **us**, **we** will refund a proportionate part of the premium.

## Special clauses applicable to Parts 1, 2 and 3 of this section

Clauses 1 and 2 are only applicable if the clause number appears in the **schedule**.

### 1. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

### 2. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated on the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance**, and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this clause.

## Section 9 – Public and Products Liability

Your **schedule** will show **you** if this **section** is in force.

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions

If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

<b>Costs and expenses</b>	<ul style="list-style-type: none"> <li>a) Legal costs of any claimant for which <b>you</b> are legally liable.</li> <li>b) All solicitors fees, incurred with <b>our</b> written consent for <b>your</b> legal representation <ul style="list-style-type: none"> <li>i) at any Coroners inquest or Fatal Accident Inquiry</li> <li>ii) at proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty, resulting in <b>injury</b> or <b>damage</b> to <b>property</b>.</li> </ul> </li> <li>c) All costs and expenses incurred, with <b>our</b> written consent for a claim against <b>you</b>, where indemnity is provided and applies under this <b>section</b>.</li> </ul>
<b>Damage</b>	Physical loss, destruction or damage.
<b>Employee(s)</b>	<p>Anyone who is</p> <ul style="list-style-type: none"> <li>• under a contract of service or apprenticeship with <b>you</b></li> <li>• under a work experience training scheme</li> <li>• a labour master or labour only subcontractor or anyone supplied or employed by them</li> <li>• self employed working on a labour only basis</li> <li>• hired to or borrowed by <b>you</b></li> <li>• a prospective employee who is being assessed by <b>you</b> on his or her suitability for employment</li> <li>• a voluntary helper</li> </ul> <p>working under <b>your</b> supervision and control</p>
<b>Injury</b>	<ul style="list-style-type: none"> <li>a) Bodily injury, death, disease, illness or nervous shock.</li> <li>b) Wrongful arrest, detention, eviction, wrongful accusation of shoplifting or false imprisonment.</li> </ul>
<b>Limit of Indemnity</b>	<ul style="list-style-type: none"> <li>a) The maximum amount specified in the <b>schedule</b> which <b>we</b> will pay for any one claim or series of claims, as a consequence of and attributable to one source or original cause.</li> <li>b) For <b>pollution or contamination</b> the limit of indemnity will apply to the total of all events happening during any one <b>period of insurance</b></li> <li>c) For <b>products supplied</b> the limit of indemnity will apply to all events in any one <b>period of insurance</b></li> <li>d) For any claim or claims arising directly or indirectly out of a <b>terrorist act</b> the limit of indemnity will apply to the total of all events happening during any one <b>period of insurance</b> and will not exceed £5,000,000 or the amount specified in the <b>schedule</b> whichever is the less.</li> </ul>
<b>Offshore</b>	On or working from or travelling by sea or air to from or between an offshore rig, platform or similar offshore installation.

<b>Pollution or contamination</b>	<p>a) All pollution or contamination of buildings or other structures, or of water, land or the atmosphere and</p> <p>b) all loss, <b>damage</b> or <b>injury</b> directly or indirectly caused by pollution or contamination.</p> <p>All pollution or contamination which arises out of one incident will be deemed to have occurred at the time the incident takes place.</p>
<b>Products supplied</b>	<p>Products including containers, packaging, labels and instructions for use which have been sold, supplied, processed, delivered or transported by <b>you</b> or on <b>your</b> behalf in connection with the <b>business</b> and are no longer in <b>your</b> custody or control.</p>
<b>Property</b>	<p>Material property.</p>
<b>Servicing</b>	<p>Repair, testing, servicing, maintenance, alteration, cleaning, installation, erection, treatment or inspection of any <b>motor vehicle</b>.</p>
<b>Territorial limits</b>	<p>a) Anywhere within the <b>policy territories</b> other than <b>offshore</b>.</p> <p>b) Elsewhere in the world (other than <b>offshore</b>) in the course of the <b>business</b> conducted by <b>you</b> in the territories described in a) above.</p>

## What is covered

**We** will indemnify **you** against legal liability to pay damages **costs and expenses** for accidental

1. **injury** to anyone
2. loss of or **damage** to **property**
3. obstruction, trespass, nuisance or interference with any right of way or air light or water occurring within the **territorial limits** during the **period of insurance** and in connection with the **business**.

The maximum **we** will pay is the **limit of indemnity** and any **costs and expenses**.

However for any claims against **you**, made within the legal jurisdiction of the United States of America or Canada, the **limit of indemnity** will be inclusive of the amount of all **costs and expenses** incurred in connection with the defence of such claims.

## People insured

**We** will indemnify **your** legal representatives for legal liability incurred by **you**.

**We** will also cover at **your** request

1. any director, partner or **employee** of **yours**
  2. any principal for whom **you** are carrying out a contract for the performance of work but only to the extent required by the conditions of such contract
  3. the owners of plant hired in by **you**, but only to the extent required by the conditions of hire
- against legal liability for which **you** would have been entitled to indemnity if the claim had been made against **you**

4. any officer or member of **your** canteen, sports, social, educational or welfare organisation established for the benefit of **employees**
  5. anyone who provides first aid, medical, ambulance, fire or security services in connection with **premises** occupied by **you**
  6. any director, partner or senior official of **yours** for whom an **employee** is undertaking private work, with **your** consent
  7. anyone driving or using a **motor vehicle** with **your** permission
  8. any passenger being carried in or upon, or entering or alighting from a **motor vehicle**
- against legal liability arising from the provision of such services facilities or work.

Provided that

- a) each of the parties indemnified under this **section** will, as though they were **you**, observe, fulfil and be subject to the terms, exclusions and conditions of the **policy** in so far as they can apply
- b) **we** will have the control and conduct of all claims
- c) if **we** are required to indemnify more than one party for any event, **our** liability will not exceed the **limit of indemnity**.

## Extensions

### 1. Financial loss (products supplied)

Where **you** are legally liable to pay damages to the retail purchaser for any **products supplied by you** during the **period of insurance**, at or from the **premises** in connection with the **business**, which are not of merchantable quality or fit for the intended purpose, **we** will provide indemnity against such legal liability.

This indemnity will not apply to

- a) any amount exceeding £250,000 for all claims or events during any one **period of insurance**
- b) the first 10% of each and every claim or event subject to a minimum of £500
- c) the cost of replacing, reinstating, repairing or recalling any goods sold
- d) legal liability for **injury** or loss of or **damage to property**.

### 2. Health and safety at work including manslaughter – legal defence costs

**We** will indemnify **you** and at **your** request any director, partner or **employee** of **yours** for

- a) **costs and expenses** incurred with **our** written consent for defending proceedings including appeals
- b) **costs and expenses** of prosecution awarded against **you**

arising in connection with any health and safety inquiry or criminal proceedings against any offence under the

- a) Health and Safety at Work etc Act 1974
- b) Health and Safety at Work (Northern Ireland) Order 1978
- c) Corporate Manslaughter and Corporate Homicide Act 2007

in connection with the **business** and **where** injury is caused during the **period of insurance** within the **policy territories**

Provided that

- a) the maximum amount payable in respect of c) above, does not exceed £1,000,000 in total during any one **period of insurance**
- b) the proceedings relate to Health and Safety, Welfare and/or death of people other than employees
- c) **we** will not be liable to pay for
  - i) fines or penalties
  - ii) an appeal against any fine, penalty or remedial or publicity order
  - iii) an appeal, unless advice has been obtained from a Queen's Counsel that the appeal has a strong prospect of success
  - iv) the fees of any solicitor or counsel appointed by, or on behalf of anyone entitled to indemnity, unless **we** have agreed the appointment
  - v) costs incurred as a result of the failure to comply with any remedial or publicity order
  - vi) prosecutions which arise out of any activity or risk excluded from this **section**
  - vii) prosecutions as a consequence of any deliberate act or omission
  - viii) **costs and expenses** insured by any other policy.

### 3. Cross liabilities

**We** will indemnify each party named in the **schedule** as **you**, as if a separate policy had been issued to each. Provided that **our** total liability to all parties in respect of any event indemnified does not exceed the **limit of indemnity**.

### 4. Tenants liability for hired or rented premises

Exclusion 1 – Property under 'what is not covered' will not apply buildings (including fixtures and fittings) within the territories specified in part a) of the **territorial limits** definition which are leased, hired, rented or loaned by **you** for the purpose of occupancy by **you** in connection with the **business**.

Provided that **we** will not be liable for

- a) the first £250 of damages, **costs and expenses** for **damage** caused other than by fire or explosion
- b) **damage** caused by fire or any other peril, against which a tenancy or other agreement stipulates that insurance will be effected by or on behalf of **you**
- c) liability imposed on **you** under any tenancy or other agreement, unless liability is applicable in the absence of such agreement.



## 5. Defective Premises Act liability

Where **you** are legally liable for **injury** or **damage** to **property** by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975, in connection with any **premises** which have been disposed of by **you**, and that prior to disposal were owned by **you**, **we** will indemnify **you** for legal liability provided that **we** will not be liable for the cost of rectifying any defect or alleged defect, or faulty workmanship in the **premises**.

## 6. Personal liability

**We** will indemnify **you** and at **your** request, any director, partner or **employee** of **yours** and any accompanying spouse or civil partner or children for legal liability incurred in a personal capacity for **injury** or **damage** to **property** whilst away from **your business premises** in connection with the **business**

**We** will not provide indemnity for legal liability arising from

- a) any agreement or contract, unless such liability would have existed otherwise
- b) ownership or occupation of land or buildings
- c) the carrying on of any trade or profession
- d) where indemnity is provided by any other insurance
- e) ownership, possession or use of wild animals, firearms (other than sporting guns) mechanically propelled vehicles, aircraft or watercraft.

## 7. Data protection

**We** will indemnify **you** for legal liability to pay compensation for damages or distress resulting from failure to comply with Data Protection legislation, caused in connection with the **business** during the **period of insurance** provided that **you** are

- a) a data controller with a current and appropriate registration in accordance with the terms of the legislation
- b) not operating as a data processor

The maximum payable including all **costs and expenses** under this extension will not exceed £250,000 in total during any one **period of insurance**.

**We** will not be liable to make any payment under this extension for

- a) the recording or provision of data for reward or for determining the financial status of anyone
- b) any liability which arises as a result of a deliberate act or omission by **you** and which could reasonably have been expected by **you** due to **you** being aware of the nature and circumstances of the act or omission
- c) any **damage** or distress caused by any act of fraud or dishonesty
- d) the **cost and expenses** of rectifying, rewriting or erasing data
- e) fines or penalties.

## 8. Consumer Protection and Food Safety Acts

**We** will indemnify **you** and if **you** request any director, partner or **employee** of **yours** for **costs and expenses** incurred with **our** consent in the defence of any criminal proceedings brought or an appeal against conviction, arising from the proceedings for a breach of

- a) Part II of the Consumer Protection Act 1987
- or
- b) Part II of the Food Safety Act 1990

being committed or alleged to have been committed, during the **period of insurance** within the territories specified in part a) of the **territorial limits** definition and in connection with the **business**.

**We** will not make any payment under this extension

- i) for fines or penalties
- ii) where indemnity is provided by any other policy
- iii) for proceedings or appeals for any deliberate act or omission.

## 9. Defective workmanship to vehicles

**We** will indemnify **you** against legal liability to pay damages up to the **limit of indemnity** and any **costs and expenses** in respect of **damage** to any **motor vehicle** which is or has been in **your** custody or control for **servicing**, occurring during the **period of insurance** and in connection with the **business**.

Provided that

**we** will not pay for the cost of rectification of faulty or defective **servicing**.

## 10. Loss of use (customers motor vehicles)

Exclusion 1b) – Property under ‘what is not covered’ will not apply for **your** legal liability for any consequential loss arising from the loss of use following **damage** to any customers **motor vehicle**, whilst temporarily in **your** custody and/or control, arising from its **servicing**.

Provided that

- a) repairs or replacement of the vehicle is undertaken as quickly as possible
- b) **our** liability is limited to £50,000 for any one loss.

**We** will not make any payment under this extension for

- i) any reduction in value
- ii) any fines or penalties
- iii) liability arising from any agreement or contract, unless liability would have existed otherwise.

## 11. Compensation for Court Attendance

We will compensate **you** whilst any of the people mentioned below attend court as a witness, at **our** request in connection with a claim for which **you** are entitled to indemnity under this **section**. The following rates are payable per day for each day that attendance is required

- a) **you** or any director or partner     £250
- b) any **employee**                             £150

## What is not covered

We will not pay for

### 1. Property

**Damage** to any **property** including **motor vehicles**

- a) belonging to or hired, loaned, leased or rented by **you**
- b) held in trust by or in **your** custody or control other than
  - i) directors or **employees** personal effects, including vehicles or their contents
  - ii) visitors **property**, including **motor vehicles** or their contents, whilst temporarily on or about the **premises**, other than for **servicing** or being stored for a fee or other consideration
  - iii) **damage** caused by faulty or defective **servicing** in accordance with extension 9 – Defective workmanship to vehicles.

### 2. Liquidated damages and penalties

- a) Liquidated damages, penalties or fines.
- b) Aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication or compensatory damages or other non-compensatory damages.

### 3. Vehicles and other craft

Liability caused by or arising out of the ownership, possession or use by or on behalf of **you** of any

- a) mechanically propelled vehicle or attached trailer
  - i) elsewhere than in or on the **premises**
  - ii) whilst on any road or public highway within the meaning of the Road Traffic Acts or other road traffic legislation, other than liability caused by or arising from the use of any plant or equipment as a tool of trade
  - iii) if liability is insured by any other policy or where compulsory insurance or other security is required by any road traffic legislation.
- b) craft designed to travel through water, air or space other than hand propelled watercraft.

### 4. Employees

**Injury** to any **employee** of **yours** arising out of and in the course of employment by **you** in connection with the **business**.

## 5. Guarantee warranty or contract

Liability which arises solely by virtue of an express guarantee, warranty, condition or indemnity, given or accepted by **you** in connection with **products supplied**.

## 6. Products to the United States of America or Canada

Liability arising in connection with **products supplied** by **you** or with **your** knowledge, for use in the United States of America or Canada.

## 7. Damage to products supplied

The cost of

- a) removing, replacing, reinstating or repairing **products supplied**, other than **motor vehicles** sold or supplied by **you**, where loss or **damage** to the **motor vehicle** is a direct result of work undertaken by **you** or on **your** behalf
- b) recalling, altering or making refunds for **products supplied**.

## 8. Design and advice

Liability arising from advice, instruction, consultancy, design, formula or specification provided or performed separately for a fee, or under a separate contract.

## 9. Products supplied and installed

Any work or any **products supplied** for and which, to **your** knowledge (or **you** could be reasonably expected to know), was intended to be installed or incorporated in any

- a) aircraft or other aerial device
- b) nuclear or petrochemical installation or structure.

## 10. Airside

Any work in or on any aircraft, airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access.

## 11. Pollution or contamination

**Pollution or contamination** other than caused by a sudden identifiable unintended and unexpected incident, which takes place in its entirety at a specific time and place during the **period of insurance**.

## 12. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

## Conditions

### Fire precautions

It is a condition precedent to **our** liability that the following precautions are complied with by **you, your employees** or by any sub contractors acting on **your** behalf for any work involving the use of any process for heat application or angle grinders away from **your premises**.

1. A thorough examination of the area where the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition) will be checked to see whether any combustible **property** (other than the **property** to be worked on) is in danger of ignition either directly or by conduction of heat, or by use of angle grinders.
2. All moveable and combustible **property** (other than unharvested crops) to be removed to a distance of not less than 6 metres from the vicinity of the work. **Property** which cannot be moved will be covered and fully protected by overlapping sheets or screens of non-combustible and non-heat conducting material or other equivalent protection.
3. If it is necessary to carry out work in an area of unharvested crops
  - a) so far as it is possible
    - i) crops in the immediate vicinity of the work will be removed to a distance of not less than 2 metres radiating from the point of heat application or use of angle grinders.
    - ii) a wind break of not less than 1.5 metres high, enclosing the area of the heat application or use of angle grinders will be erected.
  - b) the total area radiating 2 metres from the point of heat application or use of angle grinders will be saturated with water to prevent the ignition of any residual combustible material.
4. Suitable fire extinguishing appliances are to be kept available for immediate use at the point of work or as near as is practical.
5. All equipment, tools and appliances that are used for the process of heat application must not be lit under power or otherwise operational, until required for use, and extinguished and switched off immediately after use or when unattended.
6. The battery of any vehicle, machine or equipment being worked on will be disconnected and removed.
7. If any welding or heat application work is carried out on any vehicle within 1 metre of any fuel tank, pipe or line, the fuel must be drained from the vehicle using a proprietary fuel retriever pump into a suitable metal canister. This must be sealed and removed to a distance of not less than 6 metres from the vicinity of the work and fully protected by overlapping sheets or screens or non-combustible and non-heat conducting material or other equivalent.
8. Gas cylinders not in use will be kept outside the building where the work is taking place at least 15 metres from the point of application of the heat.
9. The use of all equipment for heat application, cutting or angle grinding will be strictly in accordance with the manufacturers instructions.
10. **You** will arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment, tools or appliances to act as a firewatcher and to remain in attendance at all times until the lighted flame, tool, equipment or appliance is extinguished and switched off.
11. Upon completion of each period of work, a thorough fire safety check will be made of the vicinity of the work.

The fire safety check must be undertaken at regular intervals, for at least one hour after completion, to ensure nothing has been damaged or left smouldering and there is no risk of fire.

## Section 10 – Employers Liability

Your **schedule** will show **you** if this **section** is in force.

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions

If the same word appears in both the **policy** and **section** definitions the **section** definition will apply.

<b>Costs and expenses</b>	<p>a) Legal costs of any claimant for which <b>you</b> are legally liable.</p> <p>b) All solicitors fees, incurred with <b>our</b> written consent for legal representation of <b>you</b></p> <p>i) at any Coroners inquest or Fatal Accident Inquiry</p> <p>ii) at proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty, resulting in <b>injury</b>.</p> <p>c) All costs and expenses incurred, with <b>our</b> written consent for a claim against <b>you</b>, where indemnity is provided and applies under this <b>section</b>.</p>
<b>Employee(s)</b>	<p>Anyone who is</p> <ul style="list-style-type: none"> <li>• under a contract of service or apprenticeship with <b>you</b></li> <li>• under a work experience training scheme</li> <li>• a labour master or labour only subcontractor or anyone supplied or employed by them</li> <li>• self employed working on a labour only basis</li> <li>• hired to or borrowed by <b>you</b></li> <li>• a prospective employee who is being assessed by <b>you</b> on his or her suitability for employment</li> <li>• a voluntary helper</li> </ul> <p>working under <b>your</b> supervision and control</p>
<b>Injury</b>	Bodily injury, death, disease, illness or nervous shock.
<b>Limit of Indemnity</b>	<p>The maximum <b>we</b> will pay for all damages, <b>costs and expenses</b> for any one claim or series of claims arising out of one event is the amount stated as the limit of indemnity in <b>your schedule</b>.</p> <p>For any claim or claims arising directly or indirectly from a <b>terrorist act</b> the limit of indemnity will not exceed £5,000,000 for any one claim or series of claims arising out of one event and will apply in place of and not in addition to the limit of indemnity specified in the <b>schedule</b>.</p>
<b>Offshore</b>	On or working from or travelling by sea or air to from or between an offshore rig, platform or similar offshore installation.
<b>Territorial limits</b>	<p>a) Anywhere within the <b>policy territories</b> other than <b>offshore</b>.</p> <p>b) Elsewhere in the world (other than <b>offshore</b>) in the course of the <b>business</b> conducted by <b>you</b> in the territories described in a) above.</p>

### What is covered

**We** will indemnify **you** against all sums that **you** become legally liable to pay as damages, together with **costs and expenses** for **injury** caused to any **employee** during the **period of insurance** within the **territorial limits** arising out of and in the course of employment by **you** in the course of the **business**.

## People insured

1. In the event of the death of anyone entitled to indemnity under this **section, we** will indemnify the deceased's legal personal representatives, but only for liability incurred by the deceased person.
2. **We** will also cover at **your** request
  - a) any director, partner or **employee** of **yours**
  - b) any principal for whom **you** are carrying out a contract for the performance of work but only to the extent required by the conditions of such contract
  - c) the owners of plant hired in by **you**, but only to the extent required by the conditions of hire

against legal liability provided that **you** would have been entitled to indemnity under this **section** if the claim had been made against **you**.

- d) any officer or member of **your** canteen, sports, social, educational or welfare organisations established for the benefit of **employees**
  - e) anyone who provides first aid, medical, ambulance, fire or security services in connection with **premises** occupied by **you**
  - f) any director, partner or senior official of **yours** for private work undertaken by any **employee** for such director or senior official
- against legal liability arising from the provision of such services, facilities or work provided that
- i) everyone will observe, fulfil and be subject to the terms of this **section** so far as they apply, as though they were **you**
  - ii) **we** will have the control and conduct of all claims
  - iii) if **we** are required to indemnify more than one party for any event, **our** liability will not exceed the **limit of indemnity**.

## Extensions

### 1. Health and safety at work including manslaughter – legal defence costs

At **your** request **we** will indemnify **you**, any director, partner or **employee** of **yours** for

- a) **costs and expenses** incurred with **our** written consent for defending proceedings including appeals
- b) **costs and expenses** of prosecution awarded against **you**

arising in connection with any health and safety inquiry or criminal proceedings against any offence under the

- a) Health and Safety at Work etc Act 1974
- b) Health and Safety at Work (Northern Ireland) Order 1978
- c) Corporate Manslaughter and Corporate Homicide Act 2007

in connection with the **business** where **injury** is caused during the **period of insurance** within the territories specified in part a) of the **territorial limits** definition.

Provided that

- a) the maximum amount payable in respect of c) above will not exceed £1,000,000 in total during any one **period of insurance**
- b) the proceedings relate to the Health and Safety, Welfare and/or death of any employee
- c) **we** will not be liable to pay for
  - i) fines or penalties
  - ii) an appeal against any fine, penalty, remedial or publicity order
  - iii) an appeal, unless advice has been obtained from a Queen's Counsel that such an appeal has a strong prospect of success
  - iv) the fees of any solicitor or counsel appointed by, or on behalf of anyone entitled to indemnity unless **we** have agreed the appointment
  - v) costs incurred as a result of the failure to comply with any remedial or publicity order
  - vi) prosecutions which arise out of any activity or risk excluded from this **section**
  - vii) prosecutions as a consequence of any deliberate act or omission
  - viii) **costs and expenses** insured by any other policy.

## 2. Compensation for Court Attendance

**We** will compensate **you** whilst any of the people mentioned below attend court as a witness, at **our** request in connection with a claim for which **you** are entitled to indemnity under this **section**.

The following rates are payable per day for each day that attendance is required

- a) **you** or any director or partner     £250
- b) any **employee**                             £150

## 3. Unsatisfied Court Judgements

In the event of **injury** to an **employee**, sustained during the **period of insurance** and arising out of and in the course of employment by **you** in connection with the **business**, which results in the judgement for damages being given to the **employee** or their legal personal representative, which remains unsatisfied in whole or in part, six months after the date of the judgement, **we** will at **your** request pay the **employee** or their legal personal representatives the amount of any damages and any costs awarded that remain unsatisfied, provided that

- a) the judgement for damages is obtained
  - i) in a court of law within the territories specified in part a) of the **territorial limits** definition
  - ii) against a company partnership or individual other than **you** conducting a business at or from premises within the territories specified in part a) of the **territorial limits** definition
- b) there is no appeal outstanding
- c) if any payment is made under the terms of this extension, the **employee** or their legal personal representatives will assign the judgement to **us**.



## 4. Injury to working partners

If **you** are a working partner the cover will apply as though **you** were an **employee** as long as

- a) **injury** is sustained while **you** are working in connection with the **business**
- b) **injury** is caused by another partner or **employee** while working in connection with the **business**
- c) **you** have a valid right of action for negligence against the other partner or **employee**

## What is not covered

### 1. Vehicles

**We** will not pay for legal liability for **injury** to any **employee** when they are carried in, or on, or getting into or out of a mechanically propelled vehicle where compulsory insurance or security is required by any road traffic legislation.

## Conditions

### 1. Right of recovery

The cover under this **section** is in line with any law relating to the compulsory insurance of liability to **employees** in the territories specified in part a) of the **territorial limits** definition. **You** must repay **us** all amounts **we** pay which **we** would not have been liable to pay but for the law.

### 2. Certificate of Employers Liability

If this **policy** or **section** is cancelled, any certificate of Employers Liability insurance will be cancelled from the same date.

# Section 11 – Terrorism

Your schedule will show you if this section is in force.

## Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions

If the same word appears in both the policy and section definitions the section definition will apply.

<b>Consequential loss</b>	Loss resulting from interruption of or interference with the <b>business</b> carried on by <b>you</b> at the <b>premises</b> as a consequence of <b>damage</b> to property used by <b>you</b> at the <b>premises</b> for the <b>business</b> .
<b>Damage</b>	Loss, destruction or damage to property insured.
<b>Denial of service attack</b>	Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, and network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess traffic between and amongst networks.
<b>Territorial limits</b>	England, Wales and Scotland but not the adjacent territorial seas as defined by the Territorial Sea Act 1987.
<b>Terrorism</b>	An act of any person(s) 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 any government de jure or de facto as certified by Her Majesty’s Government or HM Treasury or any relevant successor authority.

## What is covered

The cover provided under the **section(s)** applicable shown in the Terrorism **section** of the **schedule** will extend to include **damage** or **consequential loss** where covered, caused by, through or as a consequence of **terrorism** within the **territorial limits**.

## What is not covered

We will not pay for

### 1. War and allied risks

**Damage** caused by riot, civil commotion, war, invasion, act of foreign enemy hostilities (whether war is declared or not) civil war, rebellion, revolution, insurrection or military or usurped power or nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.

## 2. Electronic risks

Any losses, directly or indirectly caused by or resulting from

**Damage** to any computer equipment, component, system or item which processes, stores or transmits or retrieves data or any part of whether tangible or intangible (including any information, programs or software) and whether **your** property or not, where **damage** is caused by **virus or similar mechanism, hacking or denial of service attack**.

## 3. Excluded property

Any losses, directly or indirectly caused by or resulting from **damage**

- a) to any property located outside England, Wales and Scotland
- b) by any nuclear installation or nuclear reactor
- c) to any property which is specifically excluded elsewhere in this **policy**
- d) to any property which is insured by or would be but for the existence of this **policy**, be insured by any other form of transit, aviation or marine **policy**.

## 4. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

# Conditions

The **policy** conditions apply to this **section** and in addition

## 1. Proof of cover

In any action or other proceedings where **we** allege that any **damage** or **consequential loss** is not covered by this **section**, it will be **your** responsibility to prove that the **damage** or **consequential loss** is covered.

## 2. Limitation of liability

**Our** liability for all losses from any one event and in total in any one **period of insurance** will not exceed

- a) the total sum insured or
- b) for each item its individual sum insured, or
- c) any other limit of liability

where covered in the **sections** of this **policy**, whichever is the less.

## Section 12 – Legal Expenses

Your schedule will show **you** if this **section** is in force.

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions

If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

<b>Acts of Parliament</b>	All Acts of Parliament referred to in the <b>section</b> will include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the <b>policy territories</b> .
<b>Any one claim</b>	All claims as a consequence of the same original cause, event or circumstance arising during the <b>period of insurance</b> . For a claim under 6 Tax Protection within 'What is covered', an HM Revenue & Customs (HMRC) investigation into a later year's self assessment return, where a previous year's self assessment return is still subject to an open enquiry will be deemed as any one claim.
<b>Appointed representative</b>	A consultant, solicitor, barrister or other appropriately qualified person appointed to act for <b>you</b> by <b>us</b> in accordance with the terms of this <b>section</b> .
<b>Awards of compensation</b>	Basic and compensatory awards and compensation for unlawful discrimination made against <b>you</b> by an employment tribunal or settlement, subject to <b>our</b> consent but not including additional awards, protective awards, interim relief, and arrears of pay or awards of damages under the Equal Pay Act, or arising out of failure to comply with awards for reinstatement or re-engagement. <b>We</b> will not pay any fine, award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. <b>We</b> will not pay any redundancy payment or any monies due or properly payable arising from a contract of employment, service agreement or related document, or from any related, implied or incorporated terms of a contract of service.
<b>Company / our / us / we</b>	AXA Insurance UK plc as the insurer. For the purpose of managing claims its appointed agent, Abbey Legal Protection which is a trading division of Abbey Protection Group Limited.
<b>Claim</b>	A claim under this <b>section</b> for <b>legal expenses, professional expenses, awards of compensation</b> or <b>jury service allowance</b> .
<b>Contracting party</b>	A person, firm or company operating within the <b>policy territories</b> with whom <b>you</b> have a direct contractual relationship.
<b>Debt collection service</b>	The debt collection service nominated by <b>us</b> .
<b>Due date</b>	The date monies owed to <b>you</b> , first becomes due and payable.
<b>Employee(s)</b>	Anyone under a contract of service with <b>you</b> .

<b>HMRC investigation</b>	<b>Inland Revenue investigation</b> and <b>VAT dispute</b> .
<b>Injury</b>	Physical, bodily injury or death.
<b>Inland Revenue Investigation(s)</b>	<p>a) <b>Business self assessment full enquiry</b> The investigation which takes place when an officer of HM Revenue &amp; Customs (HMRC) makes a request to examine all of your business books and records and issues a formal notice under S9A of S12AC of the Taxes Management Act 1970 or under paragraph 24(1) Schedule 18 Finance Act 1998.</p> <p>b) <b>Employer compliance dispute</b> The enquiries which takes place following an expression of dissatisfaction with <b>your</b> Pay As You Earn and/or National Insurance Contribution affairs, following an employer compliance visit by HMRC or following an expression of dissatisfaction with <b>your</b> P11Ds or P9Ds.</p> <p>c) <b>Business self assessment aspect enquiry</b> The enquiry which takes place when an officer of HMRC issues a formal notice under paragraph 24 (1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an aspect enquiry into only certain boxes on <b>your</b> self assessment return.</p>
<b>Jury service allowance</b>	The amount of money <b>you</b> are liable to pay the <b>employee</b> each day they attend on jury service less any recovery from the Court.
<b>Legal advice line</b>	If <b>you</b> have a legal or tax issue <b>you</b> can obtain free advice by telephoning 0870 241 8178.
<b>Legal expenses</b>	<p>a) Fees</p> <p>i) Any professional fees, expenses and other outlay reasonably incurred by the <b>appointed representative</b> with <b>our</b> consent and</p> <p>ii) Any costs incurred by other parties where <b>you</b> have been held liable in court or arbitration or tribunal proceedings to pay costs, or become liable to pay costs under a settlement made with another party with <b>our</b> consent, but excluding any costs which <b>you</b> may be ordered to pay by a court of criminal jurisdiction.</p> <p>b) Witness attendance allowance The amount of money <b>you</b> are liable to pay the <b>employee</b> each day they are required by the <b>appointed representative</b> to attend as a witness at a court or tribunal hearing. Indemnity is limited to £100 per day and a maximum of £1,000 in <b>any one claim</b>.</p>
<b>Professional expenses</b>	Any fees, expenses and other outlay reasonably incurred by the <b>appointed representative</b> with <b>our</b> consent. Excluding any tax or VAT, additional tax or VAT, interest or penalties demanded, assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction.
<b>VAT disputes</b>	The enquiries which take place following a written decision, assessment or statement of alleged arrears made by HMRC into <b>your</b> Value Added Tax return and/or any related Value Added Tax default, surcharges and misdeclaration penalties.

## What is covered

We will cover **you** against **legal expenses, professional expenses, awards of compensation** and **jury service allowance** as specified in this **section**.

We will only cover **you** for claims where the dispute, legal proceedings and **HMRC investigations** are in respect of activities within the scope and extent of **your business** and brought within the **policy territories** and the claim is notified during the **period of insurance**. We will not cover **you** for claims relating to the exclusions specified in this **section**.

This is a 'claims made' **section** of the **policy**. It only covers claims notified to **us** during the **period of insurance**.

Unless expressly stated, nothing in this **section** will create rights under the Contracts (Right of Third Parties) Act 1999.

## Limits of liability

**Our** maximum liability under this **section** is limited to

- a) Subsections 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 – £50,000 **any one claim**
- b) Subsection 10 – £1,000 **any one claim**
- c) £500,000 all claims notified during the **period of insurance**

### 1. Contract disputes

**Legal expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against **you** in a contractual dispute with a **contracting party** over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service with the meaning laid down in the Sale of Goods Act 1979, and/or the Supply of Goods and Services Act 1982 provided that

- a) **legal expenses** incurred in the pursuit of any dispute or legal proceedings will be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds £1,000
- c) where the contract is a construction contract, as defined by the Housing Grants Construction and Regeneration Act 1996, the construction operations are carried out by the **contracting party** on the property owned by **you**, and the contract is incidental to **your business**
- d) Where the dispute relates to monies owed to **you** and
  - i) liability is not contested and
  - ii) **you** refer the debt to the **debt collection service**, within 30 days of the **due date**

this will be paid for by **you** and will not be indemnified by **us**. If the **debt collection service** exhausts its normal recovery procedure and recommends to **us** that legal proceedings are necessary, **you** must immediately notify a **claim** under this **section**.

## 2. Employment disputes

**Legal expenses** and **awards of compensation** incurred by **you** in defending legal proceedings brought against **you** by an **employee**, **ex-employee** or prospective **employee** in respect of their contract of employment with **you**, or a breach of employment related legislation, provided that **you** have sought and followed all the advice from the **legal advice line** as to the procedure to be adopted, and **you** have received specific authorisation from the **legal advice line**

- a) prior to carrying out any disciplinary procedure or action or suspension of any **employee**
- b) prior to dismissal of any **employee**
- c) prior to notifying an **employee** of their intended retirement date or retiring an **employee**
- d) prior to instituting a redundancy programme and prior to making an **employee** redundant
- e) upon notification formally or informally of a grievance from an **employee** or **ex-employee**
- f) upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation
- g) prior to any adverse variation or proposed variation of the terms and conditions of employment (including altering the hours, time or place worked, demotion or deduction from or reduction in an **employees** remuneration)
- h) immediately an **employee** walks out, with or without written notice
- i) upon receipt of an appeal from an **employee** or **ex-employee**, against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss.

## 3. Criminal prosecution

**Legal expenses** incurred in

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

## 4. Property disputes

**Legal expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against **you**

- a) over the physical possession of the **premises**, provided that all statutory and contractual notices have been correctly served by **you**
  - b) over the terms of a tenancy agreement between **you** and a **contracting party** relating to the use or maintenance of the **premises** including dilapidations
  - c) other than with a tenant, over the actual or alleged negligence, damage or nuisance to the **premises**
- provided that **you** will suffer financial loss if **you** fail to pursue or defend the dispute or legal proceedings.

## 5. Data protection

**Legal expenses** incurred in defending any dispute or legal proceedings brought against **you** under the Data Protection Act 1998, including an appeal by **you** against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement, Deregistration or Transfer Prohibition Notice. **We** will also agree to indemnify **you** against compensation awards which **you** are ordered to pay under Section 13 of the Data Protection Act 1998, upon the holding loss or unauthorised disclosure of data provided that any compensation follows **your** unsuccessful defence of an action under the Data Protection Act 1998 to which **our** consent had been granted and has not been withdrawn.

## 6. Tax Protection

### 6A) Inland Revenue Investigations

**Professional expenses** incurred in representing **you** at an **Inland Revenue investigation**, including representation at an HMRC tribunal or Commissioners' hearing and at an appeal against a decision following the hearing or tribunal, provided that in the case of an employer compliance dispute there is a reasonable prospect of reducing the liabilities alleged by HMRC.

### 6B) VAT disputes

**Professional expenses** incurred in representing **you** at a **VAT dispute** for

- a) the local review procedure in order to reach agreement with HMRC
- b) a VAT and duties tribunal or other HMRC hearing or tribunal, including an appeal provided that there is reasonable prospect of reducing the liabilities alleged by the HMRC.

## 7. Statutory licence

**Legal expenses** incurred in an appeal by **you** against the suspension, revocation, imposed alteration of or refusal to renew a licence or certificate of registration, issued under statute or statutory instrument or by government or local authority to **you**, provided that

- a) the licence or certificate of registration is necessary for **you** to engage in **your business** and has been declared to **us** in the **proposal**
- b) **you** have sought the advice of the **legal advice line** as to the procedure to be adopted immediately upon receipt of any verbal or written warning, from a person in authority, which in any way either directly or indirectly affects or may affect **your** licence or certificate of registration and have acted on all the advice with due diligence.

## 8. Personal injury

**Legal expenses** incurred in the pursuit of any dispute or legal proceedings or damages for injury to **you** caused by the actual or alleged act or omission of a third party.

## 9. Wrongful arrest defence

**Legal expenses** incurred in the defence of civil legal proceedings brought against **you** in respect of allegations of wrongful arrest or malicious prosecution.



## 10. Jury service allowance

**Jury service allowance** with the indemnity being limited to £100 per day and a maximum of £1,000 in **any one claim**.

## 11. Pension trustee defence

**Legal expenses** incurred in defending civil proceedings brought against **you**, in **your** capacity as a trustee of a pension fund set up for the benefit of **your employees**.

## What is not covered

1. In respect of contract disputes **you** do not have cover for
  - a) the first £250 of **legal expenses** incurred in **any one claim**
  - b) contracts that provide or arrange credit insurance, securities or guarantees
  - c) contracts where **your** liability or right of recovery is incurred through their agent or by assignment
  - d) franchise contracts
  - e) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
  - f) contracts of employment
  - g) contracts for the use of property
2. In respect of criminal prosecution **you** do not have cover for
  - a) any prosecution relating to or arising from investigations by HMRC
  - b) any prosecution for offences against the person, including offences of a sexual nature other than charges under the Corporate Manslaughter and Corporate Homicide Act 2007
  - c) any prosecution for criminal damage
  - d) any prosecution alleging dishonesty
  - e) any prosecution which relates to the ownership, possession, hiring, driving or use of **motor vehicles**
3. In respect of property disputes **you** do not have cover for
  - a) the payment or non payment or review of any tax, rent or service charge
  - b) a dispute relating to planning or building regulations, decisions, compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
  - c) any dispute arising from the negotiation, review or renewal of a tenancy agreement or the subsequent purchase of the **premises** whether or not the purchase is completed
  - d) any dispute where **you** have failed to maintain in full force and effect during a tenancy agreement, buildings insurance covering the standard range of perils if **you** were contractually obliged to have the insurance in force
  - e) a dispute over subsidence or heave however caused
  - f) a contract dispute, other than where the contract is a tenancy agreement with a **contracting party**

4. In respect of tax protection **you** do not have cover for
  - a) technical or routine treatment of matters, not connected with nor arising out of an expression of dissatisfaction with **your** affairs
  - b) the defence of any criminal prosecution
  - c) taxation proceedings which arise out of negligent misstatements or omissions made by or on **your** behalf for returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
  - d) any **HMRC investigation** which results solely from investigation of earlier accounts or records
  - e) any **claim** where the Tax Return is submitted outside the statutory time limits and/or in a penalty position
  - f) the preparation and/or correction of Self Assessment Returns, P11D's, P35's, VAT returns and any other statutory returns
  - g) any investigation undertaken by the Special Civil Investigations or Criminal Investigations offices of HMRC or where a Notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC
  - h) an enquiry into the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an employer
  - i) any dispute in connection with the payment of the National Minimum Wage
  - j) a dispute or enquiry in respect of IR35 legislation
  - k) any **claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
  - l) an investigation arising out of a voluntary disclosure made to the HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of **your** deliberate act
  - m) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return
5. In respect of statutory licence **you** do not have cover for
  - a) the first £250 of **legal expenses** incurred in **any one claim**
  - b) any disciplinary or internal procedures conducted by authorities, charged with **your** regulation in the performance of their **business** or for any appeal following such procedures
  - c) a suspension, revocation, alteration or refusal to renew a Statutory Licence which is imposed by Act of Parliament
  - d) any costs incurred to comply with a notice or order
  - e) driving licences
6. In respect of wrongful arrest defence **you** do not have cover for allegations made by or against, or on behalf of an **employee** or former **employee** or any other person working for **you** whether or not an **employee**.

In respect of all claims **you** do not have cover for

1. **Your** defence in civil legal proceedings arising from
  - a) injury or disease including psychiatric injury and stress
  - b) loss, destruction or damage of or to property
  - c) alleged breach of any professional duty
  - d) any tortious liability (other than as specified in 4 – property disputes and 11 – pension trustee defence within ‘What is covered’)
2. any dispute, legal proceedings or **HMRC investigation**, made, brought or started outside the **policy territories**
3. **legal expenses** or **professional expenses** incurred without the **our** prior written consent
4. **awards of compensation** where **our** consent to incur **legal expenses** has not been granted or has been withdrawn
5. any **claim** relating to or arising from any cause, event or circumstance occurring prior to, or existing at the inception of this **policy**, and which has or which **you** knew, or ought to have known may give rise to a dispute, legal proceedings or **HMRC investigation** by or against **you**
6. fines or other penalties imposed by a court or tribunal
7. any dispute, legal proceedings or **HMRC investigation** for which **you** are or but for the existence of this **policy** would be, entitled to indemnity under any insurance policy whether a legal expenses insurance or not, or under a legal aid certificate or representation order
8. any **claim** arising out of the deliberate, conscious, intentional or negligent disregard by **you** of the need to take all reasonable steps to avoid and prevent claims disputes, legal proceedings or **HMRC investigations**
9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
10. disputes or legal proceedings between **you** and/or each party named in the **schedule** or any **endorsement**, with any parent company, subsidiary company or associated company or partner
11. any dispute between **you** and **us**, the **appointed representative** or **your** insurance adviser
12. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off, whether related to intellectual property or not
13. any dispute or legal proceedings arising out of or in connection with the ownership or existence of any intellectual property rights
14. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
15. any **legal expenses** or **professional expenses** incurred in respect of or in connection with a judicial review
16. appeals arising out of legal proceedings or **HMRC investigations** to which we have not granted consent
17. Any **claim**, directly or indirectly caused by or contributed to by seepage, pollution or contamination of any kind
18. any **legal expenses** or **professional expenses** which **you** should or would have had to incur irrespective of any dispute

19. Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with
- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
  - b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

## Conditions for claims settlement

### 1. Claims procedure

**You** must tell **us** in writing immediately **you** become aware of any cause, event, circumstance, dispute or investigation which results in a **claim** or legal proceedings involving **you**.

### 2. Companys consent

It is a condition precedent to **our** liability that **you** must obtain **our** written consent to incur **legal expenses** or **professional expenses**. **We** will grant consent if **you** can satisfy **us** that it is reasonable to incur **legal expenses** or **professional expenses** having regard to the proportionality between the remedy claimed and the **legal expenses** or **professional expenses** to be incurred and

- a) where **you** are pursuing, there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought or
- b) where **you** are defending, the other party does not have reasonable prospects of proving **your** legal liability or
- c) For a criminal prosecution and where **you** plead guilty, there is a reasonable prospect of a significant mitigation of **your** sentence or fine.

If during the course of a **claim you** cease to satisfy **us** in respect of 2. a) or b) above, indemnity will be withdrawn for **legal expenses**, **professional expenses** and **awards of compensation**. The decision to grant consent or to withhold it will be taken on receipt of

- a fully completed insurance claim form
- the information and documentation **we** reasonably request
- a legal opinion for the **appointed representative** as to a) and b) above
- any advice **we** may deem it necessary to take

With **your** agreement **we** may provide assistance in settling disputes, these costs will be covered under this **section**.

At **our** discretion **we** may require **you** to obtain an opinion from Counsel at **your** expense, as to the merits of the **claim**, to cover the same issues that **we** have covered in assessing the merits of any legal action. If based upon such opinion **we** are satisfied in respect of 2a) and b) above **we** will pay the **legal expenses** and **professional expenses** in obtaining that opinion, within the limits of liability.

In granting **our** consent, **we** agree to provide indemnity to **you** subject to the terms and conditions of this **section**, but the consent does not imply that all **legal expenses, professional expenses** or **awards of compensation** will be paid. In particular **legal expenses** or **professional expenses** matters that go beyond the immediate scope of the **claim** will be deemed by **us** to fall outside the indemnity provided by this **section**.

**We** reserve the right to limit **our** consent by time and/or financial amount of **legal expenses** or **professional expenses** and/or stage of proceedings, to allow for a review of **our** continued consent.

If after **we** have granted consent it is shown that the **claim** has not been brought within the terms and conditions of this **section**, **our** consent will be withdrawn and no indemnity will be provided. **We** will be entitled to recover any **legal expenses, professional expenses, awards of compensation** and **Jury Service allowance** previously paid.

If **you** elect to proceed with the pursuit or defence of a dispute or legal proceedings to which **our** consent has been refused through lack of reasonable prospects as required in 2. a) and b) above, and **you** are successful in such pursuit or defence, **we** will pay **legal expenses** or **professional expenses** incurred after such consent had been refused subject to the terms and conditions of this **section**.

### **3. Instruction and choice of appointed representative and counsel**

Where recourse is necessary to a lawyer and proceedings are issued **you** are free to choose an **appointed representative** to act in **your** name and on **your** behalf, in any legal proceedings to which **we** have consented, with **you** paying the first £1,000 of **legal expenses** incurred for **any one claim**.

The name and address of the **appointed representative** **you** propose to instruct must be notified to **us** in writing. **We** will accept the nomination provided that **we** are satisfied the proposed **appointed representative** will cooperate and enable **you** to comply with the terms and conditions of this **policy**, and provided the proposed **appointed representatives** charging rates are fair and reasonable in regard to the particular legal proceedings.

In all other **claims** **we** will choose the **appointed representative** to act on **your** behalf.

A dispute arising from **your** choice may be referred to arbitration in accordance with **policy** condition 14.

**You** must not enter into any agreement with the **appointed representative** as to the basis of calculation of **legal expenses** or **professional expenses** without our written consent. **We** may withdraw consent previously given at any time. In selecting the **appointed representative** **you** will have regard to its duty to minimise the cost of any **claim**. In all cases the **appointed representative** will be appointed in the name of and on behalf of **you**. If in the course of any **claim** the **appointed representative** wishes to instruct Counsel, an expert Counsel's or the expert's name and an explanation of the necessity for such instruction, must be submitted to **us** for consent to the proposed instruction which will not be unreasonably withheld.

### **4. Disclosure**

It is a condition precedent to **our** liability that

- a) **you** must give the **appointed representative** and **us** all the necessary help and information, including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in **your** possession. **You** must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested

- b) **we** are entitled to receive from the **appointed representative** and **you** any information, document or advice in connection with any **claim** and the subject matter of any **claim** even if privileged. In addition **you** must instruct the **appointed representative** to provide **us** with regular updates on the progress of the subject matter of any **claim**, and inform **us** immediately if any or when any circumstances adversely impacts the factors taken into account in granting **our** consent. On request **you** will give to the **appointed representative** any instructions necessary to secure the required access.

Indemnity may be withdrawn if **you** fail to cooperate at all or within a reasonable time, with **our** or the **appointed representatives** requests.

## 5. Payment of legal expenses, professional expenses and awards of compensation

All bills for **legal expenses** or **professional expenses** which **you** receive from the **appointed representative** should be forwarded to **us** without delay. If **we** request **you** must ask the **appointed representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal. **You** are responsible for payment of all **legal expenses, professional expenses** and **awards of compensation**. **We** may settle these direct if requested by **you** to do so. The payment of some **legal expenses** or **professional expenses** does not imply that all **legal expenses, professional expenses** or **awards of compensation** will be paid.

## 6. Offer of settlement

It is a condition precedent to **our** liability that **you** must inform **us** in writing as soon as an offer to settle the subject matter of the **claim** is received, and/or **you** propose to make an offer of settlement. In any settlement **you** must have regard to **legal expenses, professional expenses** or **awards of compensation** incurred or likely to be incurred and their recovery.

No indemnity will be provided if **you** enter into any agreement to settle without **our** prior written consent (such consent not to be unreasonably withheld) and **we** will be entitled to recover any **legal expenses, professional expenses** or **awards of compensation** previously paid. If **you** unreasonably reject an offer of settlement which **we** recommend acceptance of, or make an offer which **we** do not agree with no further indemnity will be provided.

**We** may at **our** absolute discretion decide to pay **you** the amount of damages that **you** are claiming or is being claimed against **you**, instead of indemnifying **you** for **legal expenses, professional expenses** or **awards of compensation**. Where **we** exercise this discretion **we** will cease to be liable for any further **legal expenses, professional expenses** or **awards of compensation**.

## 7. Recovery of costs

Whenever **you** are awarded costs, or under the terms of any settlement where costs are included, those costs are to be repaid to **us**. **You** and **your appointed representative** must make every effort to make a full recovery of costs.

Where a settlement is suggested to be a global or a without costs settlement or where costs are awarded but not recovered, **you** agree that a fair and reasonable proportion of that settlement will be deemed costs and due to **us**. Where such a settlement is paid in instalments all costs to **us** will be paid first.

## 8. Appeal procedure

If following legal proceedings to which **we** have consented, **you** wish to appeal against the judgement or decision of a court or tribunal, the grounds for the appeal must be submitted to **us** through the **appointed representative** immediately or as soon as practical, so that **we** may consider whether to consent to further action.

If an appeal is lodged against a judgement or decision of a court or tribunal made in **your** favour following legal proceedings to which **we** have consented, **you** must notify **us** immediately in order that cover will continue. **We** will inform the **appointed representative** of **our** decision and **you** must cooperate in an appeal against the judgement or decision of a court or tribunal.

## 9. Insolvency or liquidation

If **you** become insolvent or are placed in liquidation, receivership, administration or bankruptcy or enter into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose, **we** have the right to immediately cease to provide indemnity for **legal expenses, awards of compensation** and **professional expenses** even if **we** have previously granted consent.

## 10. Value Added Tax

If **you** are registered for VAT, **we** will not pay the VAT element of any **legal expenses** of **professional expenses**.

## Section 13 – Personal Accident and Sickness

Your **schedule** will show **you** if this **section** is in force

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions.

If the same word appears in both the **policy** and **section** definitions the **section** definition will apply.

<b>Death</b>	Death through <b>injury</b> .
<b>Injury</b>	Bodily injury caused by violent, accidental, external and visible means including <ul style="list-style-type: none"> <li>• exposure to the elements</li> <li>• accidental drowning, gassing or poisoning</li> <li>• lawfully arresting, detaining, assisting to arrest or detain a criminal or suspected criminal</li> </ul>
<b>Insured person(s)</b>	All of your principals, partners, directors or employee(s) unless otherwise specified.
<b>Loss of limb</b>	Total and permanent loss by severance of a hand at or above the wrist, or a foot at or above the ankle or total and permanent loss of use of a hand or foot.
<b>Occupation</b>	The tasks, duties and other functions which <b>you</b> normally pay the <b>insured person(s)</b> to perform in connection with <b>your business</b> described in the <b>schedule</b> .
<b>Partial disablement</b>	Disablement which in the opinion of a doctor prevents the <b>insured person(s)</b> from engaging in or attending to a substantial part of their usual occupation, but is not <b>permanent total disablement</b> .
<b>Permanent total disablement</b>	Permanent disablement (other than <b>loss of limb(s)</b> or <b>loss of sight</b> ) which <ul style="list-style-type: none"> <li>• lasts for more than 24 consecutive months and</li> <li>• in the opinion of a doctor will in all probability continue for the remainder of the <b>insured person(s)</b> lifetime and</li> <li>• wholly prevents the <b>insured person(s)</b> from engaging in or giving attention to their usual <b>occupation</b></li> </ul>
<b>Sickness or disease</b>	Sickness or disease that results in incapacity covered by this <b>section</b> within 24 months of its commencement as described in the <b>schedule</b> and as certified by a doctor.
<b>Total disablement</b>	Disablement which in the opinion of a doctor wholly prevents the <b>insured person(s)</b> from engaging in or attending to all functions of their usual <b>occupation</b> , but is not <b>permanent total disablement</b> .
<b>Weekly wage or earnings</b>	One fifty-second part of the <b>annual earnings</b> .
<b>Annual earnings</b>	The total wages or salaries (excluding overtime, bonus payments and all other allowances) shown in the wages and salaries books as having been paid by <b>you</b> to an <b>insured person(s)</b> in connection with their usual occupation for the 52 weeks immediately preceding the date of the <b>injury</b> .



	If the period of employment with <b>you</b> is less than 52 weeks, the <b>annual earnings</b> paid by <b>you</b> to an <b>insured person(s)</b> is divided by the number of weeks during which the <b>insured person(s)</b> has been employed by <b>you</b> and multiplied by 52.
--	---

## What is covered

**We** will pay **you** (or in the event of **your death**, **your** personal representative(s)) benefit as stated in the **schedule** if during the **period of insurance** an **insured person(s)** sustains **injury**, or if **sickness or disease** becomes evident, resulting directly and independently of any other cause, in **death** or disablement described in the **schedule** within 24 months of the **injury, sickness or disease**.

## Maximum Benefit

The maximum benefit payable by **us** under this **section** will not exceed in total

1. the amount stated in the **schedule** for any one **insured person** or £500,000 whichever is the less
2. £2,000,000 for **insured person(s)** as a result of any one claim or series of claims arising out of one source or original cause

In the event that limitation 2 above applies the benefits payable will be reduced proportionally between the **insured persons(s)**.

## Application of Benefits

1. **We** will not pay benefit under more than one of the items 1 to 4 and 7 or 8 as stated in the **schedule**.
2. Any payment made for benefit items 5, 6 or 9 as stated in the **schedule** will be deducted from any subsequent payment made for items 1 to 4 and 7 or 8 as stated in the **schedule** arising from the same **injury, sickness or disease**.

## Extensions of cover

### 1. Disappearance

If an **insured person(s)** has been missing for a period of 12 months it will be presumed that **death** has occurred if sufficient evidence is produced to confirm that the **insured person(s)** sustained **injury** likely to have caused **death**. However if the **insured person(s)** is found to be alive any amount already paid will be refunded to us.

### 2. Hijack, Kidnap, Unlawful detention

If the **insured person(s)** is subject to a hi-jack, kidnap or unlawful detention anywhere in the world, **we** will pay £50 for each day or any part of a day that the **insured person(s)** is detained up to a maximum period of 30 days for any one claim.

## What is not covered

**We** will not make any payment

1. if the **sickness or disease** of an **insured person(s)** becomes evident in any **period of insurance** which commences after the **insured person(s)** has reached the age of 65
2. if the **injury, sickness or disease** arises from the **insured person(s)** taking a drug which is not lawfully available or is lawfully available on prescription by a doctor or dentist but not prescribed specifically to the **insured person(s)**
3. if the **injury, sickness or disease** results from any existing defect or chronic or recurring disease, disorder or other condition, which you or the **insured person(s)** knew about in the 12 months immediately prior to
  - a) the start of the first **period of insurance** of this **section** or
  - b) the date the **insured person(s)** was included in this insurance
4. if the **injury** arises from, is traceable to, or caused by any gradually developing bodily deterioration, whatever the cause of deterioration
5. if the **injury, sickness or disease** arises from flying or other aerial activities (except as a passenger in an aircraft operating under its own power)
6. if the **injury, sickness or disease** arises from the **insured person(s)** committing or attempting to commit suicide, intentional self-injury or insanity
7. if the **sickness or disease** is contracted outside Europe, United States of America, Canada, Australia or New Zealand
8. for any claims arising directly or indirectly from any nuclear, chemical or biological contamination arising from any **terrorist act** regardless of any other contributory cause or event

## Conditions

The **policy** conditions apply to this **section** and in addition

### 1. Claims notification

Where a claim is to be made you must write to us within 3 months of the **injury, sickness or disease**.

### 2. Claims procedure

- a) The **insured person(s)** will have to undergo regular medical examinations as often as required at **your** expense for any alleged **injury, sickness or disease**.
- b) In the case of **death, we** will be entitled to have a post mortem examination completed, at **our** expense.

## Section 14 – Engineering Inspection

Your **schedule** will show **you** if this **section** is in force.

### Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions

If the same word appears in both the **policy** and **section** definitions the **section** definition will apply.

<b>Company / our / us / we</b>	HSB Houghton Engineering Insurance Services Limited (HSB Houghton).
<b>Competent person</b>	An engineer surveyor employed and authorised by <b>us</b> to perform the <b>thorough examination / inspection service</b> .
<b>Inspection option 1</b>	<p>Boiler &amp; Pressure Plant</p> <ul style="list-style-type: none"> <li>• <b>Thorough examination / inspection</b> service of all pressure systems containing a relevant fluid, which require a Written Scheme of Examination as defined within The Pressure Systems Safety Regulations 2000.</li> <li>• The inspection frequency under this service will be as detailed in the Written Scheme of Examination.</li> </ul> <p>Lifting &amp; Handling Plant</p> <ul style="list-style-type: none"> <li>• <b>Thorough examination / inspection service</b> of equipment used for the purpose of raising or lowering a load (where the load can include persons) as required by The Lifting Operations &amp; Lifting Equipment (LOLER) Regulations 1998.</li> <li>• The inspection frequency will be in accordance with and as detailed in the LOLER Regulations.</li> </ul>
<b>Inspection option 2</b>	<p>Includes <b>inspection option 1</b> plus:</p> <p>Visual inspection of motors and compressors connected to any vessels inspected under <b>inspection option 1</b>.</p> <p>Local Exhaust Ventilation (LEV) Plant</p> <p><b>Thorough examination / inspection</b> and test of all dust and fume LEV systems as required by The Control of Substances Hazardous to Health (COSHH) Regulations 2004.</p> <p>This excludes the initial commissioning evaluation as defined under the Health and Safety Guidance note HSG258.</p>
<b>Normal working hours</b>	8:00 a.m. to 6:00 p.m. Monday to Friday excluding public bank and local holidays.
<b>Thorough examination / inspection service</b>	<p>Thorough examination of machinery in accordance with the requirements of such statutory regulations as apply to the machinery or inspection of machinery in compliance with good established engineering practice.</p> <p>Unless otherwise agreed in writing this term shall not include approval or verification of the fitness for purpose of any design or design features of machinery performing or witnessing tests of a non-routine nature including but not limited to ultrasonic radiographic hydrostatic or other non-destructive examination or in the case of lifting and handling machinery any proof load stability anchorage or similar test.</p>

## What is provided

1. **We** will, during the **period of insurance**
  - a) perform a **thorough examination / inspection service** of machinery within **normal working hours**
  - b) provide a **thorough examination / inspection service** report within 28 days
  - c) comply with **your** safe systems of work provided such systems are notified to **us** in advance of any visit
2. **We** may, during the **period of insurance**
  - a) decline to undertake any **thorough examination / inspection service** if, at **our** sole discretion, to do so would pose a health safety or welfare risk
  - b) appoint sub-contractors to provide services to support the **thorough examination / inspection service**
  - c) make a charge (payable directly to **us**) in addition to the fee shown in the **schedule** if **you**:
    - i) request and **we** agree to perform a **thorough examination / inspection service** outside **normal working hours**
    - ii) require additional copies of reports
    - iii) fail to prepare or make the machinery available at the date and time agreed
    - iv) require additional services
    - v) require the **competent person** to undertake training or particular risk assessment specific to **your premises**, health safety and welfare procedures

## Your responsibilities

### You will

1. be responsible for the care custody and control of the machinery at all times
2. allow **us** access to **your** site or site of operation and machinery at reasonable times as agreed
3. provide **us** with
  - a) a safe working environment on the site on where the machinery is located
  - b) a safe physical means to gain access to perform a **thorough examination / inspection service**
4. have the machinery properly prepared, dismantled and reassembled as necessary, in order to enable **us** to carry out the appropriate **thorough examination / inspection service**
5. cooperate with, and upon request provide **us** with information and data relating to the machinery as required in order to perform the **thorough examination / inspection service**

## Fees

1. **We** will charge fees for the provision of the **thorough examination / inspection service** and the fees will be subject to Value Added Tax at the appropriate rate.
2. **You** must pay the fee shown in the **schedule** at the inception and subsequent renewals of the **policy**.
3. If **you** add or delete locations or individual items of machinery to or from the **schedule** during the **period of insurance** the fee may be adjusted.

## Confidentiality

1. Unless agreed otherwise, all reports and similar material prepared by **us** in connection with **our thorough examination / inspection service** will be released only to **you** or **your** designated representative.
2. **We** may use data gathered in connection with **our thorough examination / inspection service** for statistical use.

## Limitation of liability and indemnification

1. Neither **we** nor any of **our** employees will be liable, directly or indirectly for any loss, damage or injury to property or persons resulting from any accident or defect in any machinery; nor will **we** be liable, directly or indirectly for loss, damage or injury of any kind arising from or connected in any way with any **thorough examination / inspection service** or documentation of any **thorough examination / inspection service** or from the omission of any **thorough examination / inspection service**, whether or not such **thorough examination / inspection service** documentation or omission was at **your** request.
2. Neither **we** nor any of **our** employees makes any warranty express or implied concerning the activities described in this **section**.
3. Regardless of anything else in this **section** to the contrary to the fullest extent permitted by law
  - a) **we** will not be liable to **you** for any special, incidental, indirect consequential or exemplary damages, including, but not limited to, loss of profits or revenue, loss of use, loss of opportunity, loss of goodwill, cost of substitute facilities, goods or services, cost of capital, governmental and regulatory sanctions and claims of third parties for such damages.
  - b) **our** total cumulative liability to **you**, whether in tort or in contract, for all claims, losses, damages and expenses resulting in any way from carrying out the **thorough examination / inspection service** will not be greater than the total amount received by **us** from **you** as consideration during the term specified in the **schedule**.
  - c) except in the case of death or personal injury caused by **our** negligence or in other circumstances where liability may not be so limited under applicable law **our** liability under or in connection with this **section** whether arising in contract, tort, negligence, breach of statutory duty or otherwise will not exceed the sum of £5,000,000.
  - d) upon completion of the **thorough examination / inspection service** or termination of the **policy**, the provisions relating to indemnity, waivers, limitations of remedies and limitations of liability including, but not limited to those contained in this **section**, will remain in full force and effect.

## Force Majeure

**We** will not be liable for any delay or the consequences of any delay, if such delay is due to any cause beyond its reasonable control and will be entitled to a reasonable extension of time for performance of the **thorough examination / inspection service**.

## Conditions

1. All matters relating to the validity, performance or interpretation of this **section** will be governed by the laws of England and **we** and **you** submit to the exclusive jurisdiction of the Courts of England.
2. No term of this **section** is intended, either expressly or by implication or other inference, to intend to provide a benefit or right of action upon any third party.

No such third party (whether in existence or not at the date of this **policy**) is named or described within. The Contracts (Rights of Third Parties) Act 1999 is expressly excluded to the fullest extent permitted by law.

3. The provision of the **thorough examination / inspection service** does not relieve **you** of any statutory obligation to have the machinery inspected.
4. Subcontracting of the **thorough examination / inspection services** will only be undertaken with suitably qualified subcontractors with **your** agreement. **We** will retain responsibility for the execution of such work.

ACLD0329P-C (30812 ) (06.10)

