



**POLICY DOCUMENT**  
**PROPERTY OWNERS INSURANCE**

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**Your** Policy Wording is made up of individual Sections. This wording should be read together with **Your** current Policy Schedule for precise details of **Your** insurance protection. **We** have also included (under Important Information) details of **Your** right to cancel this **Policy** and also what to do if **You** have a complaint.

# About Your Policy

## Welcome!

Thank you for choosing Pen Underwriting to provide your Property Owners Insurance

This is **Your** Property Owners Insurance Policy Wording, setting out **Your** insurance protection in detail. The Policy Wording must be read together with the Policy Schedule and Statement of Facts as one document. It is an important document so **You** should keep it somewhere safe – **You** will need it if **You** need to make a claim.

Please read it carefully to make sure that it meets **Your** requirements and that the details on the Policy Schedule and Statement of Facts are correct.

**Your** premium has been based upon the information shown in the Policy **Schedule** and recorded in **Your** Statement of Facts.

If after reading **Your** Policy Wording **You** have any questions, any details are incorrect or the Policy does not provide the cover **You** need then **You** must contact **Your** insurance adviser **immediately**.

**Your** insurance relates **only** to those sections of the Policy which are shown in the **Schedule** as being **INCLUDED**.

## Who Are The Insurers?

This Policy has been produced by Pen Underwriting Limited a Managing General Agent of the Insurers stated in **The Schedule**.

The Insurers have delegated authority to Pen Underwriting Limited to underwrite Insurance and handle Claims for **You** on their behalf.

For details of Pen Underwriting Limited's Data Protection and Privacy Policies visit the Pen Underwriting website at [www.penunderwriting.co.uk](http://www.penunderwriting.co.uk)

The insurer that is providing Your Property Owners Insurance Policy will be shown on Your Policy **Schedule**.

Legal Expenses Insurance is provided by Arc Legal Assistance Ltd on behalf of AmTrust Europe Limited.

## Useful Telephone Numbers

### How to make a claim

At Pen Underwriting **We** understand that claims form a critical component of **Our** offering the moment the Policy becomes tangible and **We** are relied upon to deliver upon **Our** commitment to **You**.

**We** have assembled an experienced team who embody **Our** three key principles of:

- **Partnership** – Working together to achieve the optimum outcome to the claim
- **Expertise** – **We** employ staff and engage service providers who are experts in their field
- **No-nonsense** – **We** apply a flexible and proactive approach to the claims process

**You** can notify **Your** claim in any of the following ways paying particular attention to the important claims conditions within the Policy Conditions Section and the other Sections of the Policy:

Telephone: 0333 010 7190

New Claims: [uk.newclaims@penunderwriting.com](mailto:uk.newclaims@penunderwriting.com)

Existing Claims: [uk.penmanchesterclaims@penunderwriting.com](mailto:uk.penmanchesterclaims@penunderwriting.com)

If **You** need to make a legal expenses claim and this section is shown as being operative on the **Schedule**, please refer to the Legal Expenses Insurance Section of this Policy for details.

Please note calls to 0800 numbers from UK landlines and mobiles are free. The cost of calls to 03 prefixed numbers are charged at national call rates (charges may vary dependent on network provider) and are usually included in inclusive minute plans from landlines and mobiles. For OUR joint protection telephone calls may be recorded and/or monitored.

# Policy Introduction

## The Contract of Insurance

**Your** Policy is a contract between **Us**, the insurers, and **You**, the **Policyholder**.

In return for **You** having paid or agreed to pay the premium, **We** will indemnify **You** by payment or, at **Our** option, by reinstatement or repair, in respect of loss, destruction, damage, accident or injury occurring or other insured contingency arising during the **Period of Insurance**, subject to the terms conditions and exclusions contained in the Policy and endorsed on **The Schedule**.

## Important

### 1. Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before this policy was entered into, then:

- (1) where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid;
- (2) where the breach was neither deliberate nor reckless, and but for the breach:
  - (a) We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid
  - (b) We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement and/or
  - (c) We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

### 2. Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

- (1) where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid
- (2) where the breach was neither deliberate nor reckless, and but for the breach:
  - (a) We would not have agreed to the variation on any terms, We may treat this policy as

though the variation was never made, but will return any additional premiums paid

- (b) We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made.

and/or

- (c) We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

## Choice of Law

1. This Policy will be governed by English Law, and **You** and **We** agree to submit to the non-exclusive jurisdiction of the courts of England and Wales (unless **You** live in Jersey in which case the law of Jersey will apply and the Jersey courts will have exclusive jurisdiction).

## Customers With Disabilities

1. This Policy and other associated documentation are also available in large print, audio and Braille. If YOU require any of these formats, in the first instance please contact YOUR insurance advisor.

# Policy Definitions

Wherever the following words or phrases appear in this Policy they will have the meanings defined below. A defined word will start with a capital letter and be printed in bold (e.g. **You**).

Each Section of the Policy contains definitions. They must be read in conjunction with the following Policy Definitions.

## Buildings

Buildings

- (a) including Landlords fixtures and fittings, walls, gates, fences, yards, car parks, road, pavements, outbuildings, underground pipes, cables and wires belonging to **You** or for which **You** are responsible at **The Premises**
- (b) and in respect of residential buildings; landlords fixtures and fittings, domestic outbuildings, garages, swimming pools, hard tennis courts, terraces, patios, driveways, footpaths, walls, fences, gates, hedges, interior decorations, telecommunication aerials, aerial fittings, masts, closed circuit televisions, car parks, cess pits, septic tanks, squash courts, gymnasias used by residents for domestic and leisure purposes, street furniture and lamp posts, solar panels and turbines attached to the buildings.

## Computer and Electronic Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and, or similar devices, whether physically or remotely connected thereto.

## Condition Precedent

A condition which must be complied with before **We** are liable for a claim.

## Consequential Loss

Consequential or indirect loss (that is any **Damage** or additional expense, which happens as a result of, or is a side effect of, the event for which **You** are insured). This includes but is not limited to the following:

- (a) loss of revenue
- (b) loss of earnings
- (c) additional travel costs
- (d) loss assessor fees
- (e) the cost of preparing a claim
- (f) compensation for stress or inconvenience

## Contents

Carpets, domestic furniture and furnishings belonging to **You** or for which **You** are responsible at **The Premises**.

## Cyber Vandal

The person or persons, whether identified or not, responsible for, or involved with, creating a Virus or Similar Mechanism or a Denial of Service Attack, unauthorised access to or use of **Computer and Electronic Equipment**.

## Data

All information which is

- (1) electronically stored, or
- (2) electronically represented, or
- (3) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data,

including but not limited to operating systems, records, programs, software or firmware, code or series of instructions

## Data Storage Materials

Any materials or devices used for the storage or representation of **Data** including but not limited to disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices which may or may not also constitute **Computer and Electronic Equipment**.

## Denial of Service Attack

Any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of **Computer and Electronic Equipment** or **Data**, including but not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, and the generation of excess or non-genuine traffic within, between or amongst networks.

## Employee

Any person who is

- (1) under a contract of service or apprenticeship with **You**
- (2) borrowed by or hired to **You**
- (3) a labour master or supplied by a labour master
- (4) employed by labour only sub-contractors
- (5) self employed
- (6) under a work experience or training scheme
- (7) a voluntary helper while working under **Your** control in connection with **The Business**

(8) an outworker or homeworker when engaged in work on **Your** behalf.

**Endorsement / Endorsements**

An alteration to the terms of the Policy.

**Excess / Excesses**

The amount or amounts shown in **Your** Policy or **The Schedule** which **We** will deduct from each and every claim. **You** will repay any such amount paid by **Us**.

**Failure**

Any partial or complete reduction in the

- (1) performance, or
- (2) availability, or
- (3) functionality, or
- (4) the ability to recognise or process any date or time, of any:
  - (a) **Computer and Electronic Equipment**
  - (b) electronic means of communication
  - (c) web site.

**Insured Person**

**You** or **Your** directors, principals or **Employees**

**Landlords Contents**

Contents belonging to **You** or held in trust for which **You** are responsible, at **The Premises** but not including **Computer and Electronic Equipment**.

**Loss of Data**

Physical or electronic or other loss or destruction or alteration or loss of use, whether permanent or temporary, of or damage to **Data**, of whatsoever nature, in whole or in part, including, but not limited to Loss of **Data** resulting from loss or damage to **Computers and Electronic Equipment** or **Data Storage Materials**, including while stored on **Data Storage Materials**.

**Malicious Contingency**

- (1) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances.
- (2) malicious persons other than thieves and **Cyber Vandals**.

**Money**

Current

- (1) coin, bank and currency notes
- (2) postal and money orders, bankers drafts, cheques and giro cheques

(3) crossed warrants, bills of exchanges and securities for money

(4) postage, revenue, national insurance and holiday with pay s tamps

(5) national insurance and holiday with pay cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions

(6) credit company sales vouchers, luncheon vouchers and trading stamps

(7) VAT invoices.

**Period of Insurance**

From the effective date until the expiry date (both shown in **The Schedule**) or any subsequent period for which **We** accept payment for renewal of this Policy.

**Resident**

The owner, tenant or lessee of any building and any member of their family permanently resident with them.

**Specified Contingency**

Fire

Lightning

Explosion

Aircraft and other aerial devices or articles dropped from them

Earthquake

Storm or flood

Escape of water from any tank apparatus or pipe

Falling trees

Impact

Escape of fuel from any fixed oil heating installation

**The Business**

Activities directly connected with the business specified in **The Schedule**.

**The Premises**

The premises stated in the Statement of Facts and specified in **The Schedule**.

**The Schedule**

The document which specifies details of **The Policyholder, The Premises, Property Insured, Sums Insured, Limits of Indemnity** and any **Excesses, Endorsements** and **Conditions** applying to the Policy.

**Unoccupied**

The **Buildings** or part thereof, that may have become **unoccupied**, untenanted, or which have not been actively used, for a period of more than 30 consecutive days, unless stated otherwise in **The Schedule**.

**Virus or Similar Mechanism**

Program code, programming instruction or any set of instructions with the ability to damage, interfere with, or otherwise adversely affect **Computer and Electronic Equipment or Data, whether** involving self-replication or not, including, but limited to Trojan horses, worms and logic bombs.

**We/Us/Our**

The insurers whose identity is stated in the **Endorsement** entitled Identity of Insurers shown in **The Schedule**.

**You/Your/The Policyholder**

The persons, companies, partnerships or unincorporated associations named in **The Schedule** as **The Policyholder**.

# Property Damage Section

## Definitions

(Also refer to the Policy Definitions at the front of this Policy Wording)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

### Damage

Accidental loss, destruction or damage to the **Property Insured**.

### Defined Contingency

Fire Lightning Explosion.

Aircraft and other aerial devices dropped from them.

Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances.

Malicious persons other than thieves.

Earthquake.

Storm.

Flood.

Escape of water from any tank, apparatus or pipe.

Falling trees.

Impact.

Escape of fuel from any fixed oil heating installation.

Theft or attempted theft.

## Property Damage Excess

The amount or amounts shown in **Your** Policy or **The Schedule** which **We** will deduct from each and every claim at each separate location and will be deducted after the application of Average (See Condition 1).

**You** will repay any such amount paid by **Us**.

## Property Insured

Property insured as detailed in **The Schedule**.

## Cover

### (1) Cover Option A - All Risks

(only applicable if stated as insured in **The Schedule**)

**We** will indemnify **You** in respect of **Damage** to the **Property Insured** occurring during the **Period of Insurance** at **The Premises**.

The **Sum Insured** under each item other than items applying solely to fees, rent, removal of debris, private dwelling houses, churches or buildings in course of erection is separately subject to Average (See Condition 1).

The maximum **We** will pay under this Section will not exceed

- (1) the **Sum Insured** on each Item
- or
- (2) the Total **Sum Insured**
- or
- (3) any other maximum amount payable or limit of liability

specified in **The Schedule**.

## Exclusions

The following Exclusions apply to (1) Cover Option A – All Risks.

(Also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not indemnify you in respect of

- (1) **Damage** to the **Property Insured** caused by or consisting of
  - (a) an existing or hidden defect
  - (b) gradual deterioration or wear and tear
  - (c) frost or change in the water table level
  - (d) faulty design or faulty materials used in its construction
  - (e) faulty workmanship, operating error or omission by **You** or any **employee**

However, **We** will indemnify **You** in respect of any subsequent **Damage** which results from a cause not otherwise excluded.

- (2) **Damage** caused by or consisting of
  - (a)
    - (i) corrosion, rust or rot
    - (ii) shrinkage, evaporation or loss of weight
    - (iii) dampness or dryness
    - (iv) scratching
    - (v) vermin or insects
    - (vi) mould or fungus
  - (b) change in
    - (i) temperature



- (ii) colour
- (iii) flavour
- (iv) texture or finish
- (c) nipple or joint leakage or failure of welds
- (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associating piping
- (e) mechanical or electrical breakdown or derangement of the **Property Insured**.

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

- (i) **Damage** not otherwise excluded which itself results from a **Defined Contingency** or any other accidental cause
- (ii) any subsequent **Damage** which itself results from a cause not otherwise excluded.
- (3) **Damage** caused by pollution or contamination. However, **We** will indemnify **You** in respect of **Damage**, not otherwise excluded, caused by:
  - (a) pollution or contamination which results from a **Defined Contingency**
  - (b) a **Defined Contingency** which results from pollution or contamination.
- (4) **Damage** caused by or consisting of:
  - (a) subsidence, ground heave or landslip
 

However, we will indemnify **You** in respect of **Damage**, not otherwise excluded caused by fire, explosion, earthquake or escape of water from any tank, apparatus or pipe.
  - (b) normal settlement of new structures
  - (c) acts of fraud or dishonesty
  - (d) (i) disappearance
    - (ii) unexplained or inventory shortage
    - (iii) misfiling, misplacing of information or clerical error
  - (e) theft or attempted theft
    - (i) caused by you or your family or an employee
    - (ii) caused by any resident or their guest
    - (iii) to moveable property in the open except for garden furniture up to £500.

- (5) **Damage** to a structure caused by its own collapse or cracking.

However, **We** will indemnify **You** in respect of such **Damage** if it results from a **Defined contingency** and is not otherwise excluded.

- (6) **Damage** to:

- (a) gates
- (b) fences
- (c) moveable property in the open by:
  - (i) wind
  - (ii) rain, hail, sleet or snow
  - (iii) flood
  - (iv) dust.

- (7) **Damage**:

- (a) by fire resulting from its' undergoing any process involving the application of heat
- (b) to that portion of any item caused by its' own self ignition, leakage of electricity, short circuiting, or over-running
- (c) resulting from its' undergoing any process of
  - (i) production or packaging
  - (ii) treatment, testing or commissioning
  - (iii) servicing or repair.

However, **We** will indemnify **You** in respect of such **Damage** if it is caused by fire or explosion.

- (8) **Damage** in respect of china, earthenware, marble or other fragile objects not forming part of the **Buildings**, unless specifically mentioned in **The Schedule**.

However, **We** will indemnify **You** in respect of such **Damage** if it results from a **Defined Contingency** and is not otherwise excluded.

- (9) **Damage** respect of in

- (a) vehicles licensed for road use including accessories on or attached to them
- (b) caravans or trailers
- (c) railway locomotives or rolling stock watercraft or aircraft
- (d) property in the course of construction including materials for use in the construction

- (e) land, roads or pavements, piers, jetties, bridges, culverts or excavations
- (f) livestock
- (g) growing crops or trees

However, **We** will indemnify **You** in respect of **Damage** to such property if the property is specifically stated as insured in **The Schedule** and the **Damage** is not otherwise excluded.

(10) **Damage**

- (a) insured by any marine Policy
- (b) which would be insured under any marine Policy if this Policy did not exist

However, **We** will indemnify **You** in respect of **Damage** not otherwise excluded for any sum beyond the amount which would have been payable under the marine Policy had this insurance not existed.

(11) **Damage** more specifically insured by **You** or on **Your** behalf.

(12) **Consequential Loss** or **Damage**.

However, **We** will indemnify **You** in respect of rent when this cover is specified in **The Schedule** and the **Damage** is not otherwise excluded.

(13) the **Excess** as stated in **The Schedule**.

## (2) Cover Option B – Specified Contingencies

(only applicable if stated as insured in the schedule)

**We** will indemnify **You** in respect of **Damage** occurring to the **Property Insured** during the **Period of Insurance** at the **Premises** by each of the following Specified Contingencies.

The **Sum Insured** under each item other than items applying solely to fees, rent, removal of debris, private dwelling houses, churches or buildings in course of erection is separately subject to Average (See Condition 1).

The maximum **We** will pay under this Section will not exceed:

- (1) the **Sum Insured** on each Item or
- (2) the total **Sum Insured** or
- (3) any other maximum amount payable or limit of liability specified in the schedule.

### A Fire

- (1) fire

**We** will not indemnify **You** in respect of **Damage**:

- (a) to the **Property Insured** caused by explosion resulting from fire
- (b) to that portion of the **Property Insured** caused by its own self ignition, leakage of electricity, short circuiting or overrunning
- (c) caused by
  - (i) the **Property Insured's** own spontaneous fermentation or heating. However, **We** will indemnify **You** in respect of **Damage** to coal, coke and wood blocks caused by their own spontaneous fermentation, heating or combustion.
  - (ii) the **Property Insured** undergoing any process involving the application of heat
- (d) caused by riot and, or civil commotion

(2) lightning

(3) explosion

- (a) of boilers
- (b) of gas in a building not being part of any gas works used for domestic purposes or used for lighting or heating the building.

**We** will not indemnify **You** for **Damage** to the **Property Insured** caused by earthquake or underground fire.

### B Explosion

**We** will not indemnify **You** in respect of **Damage**:

- (a) to the **Property Insured** caused by or consisting of the bursting of a boiler, economiser, vessel, machine or apparatus, where the internal pressure is due to steam only and belongs to **You** or is under **Your** control
- (b) to any vessel, machine or apparatus, or its contents, caused by its own bursting.

However, **We** will indemnify **You** in respect of **Damage** not otherwise excluded if the vessel, machine or apparatus is the subject of a contract providing inspection or maintenance required by statutory regulation.

**C Aircraft**

Aircraft and other aerial devices including articles dropped from them

**D Riot, Civil Commotion and Malicious Damage**

Riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons.

**We will not indemnify You in respect of Damage:**

- (a) to the **Property Insured** caused by or resulting from
  - (i) work stoppages
  - (ii) theft or attempted theft caused by malicious persons not acting on behalf of or in connection with any political organisation
- (b) when **The Premises** are unoccupied.

**E Earthquake****F Underground Fire****G Spontaneous Combustion**

Fire caused by the **Property Insured's** own spontaneous combustion including **Damage** to coal and wood blocks.

**H Storm and Flood and falling Trees**

**We will not indemnify You in respect of**

- (a) **Damage** to the **Property Insured** resulting solely from a change in the water table level
- (b) **Damage** to the **Property Insured** caused by
  - (i) Frost
  - (ii) subsidence, ground heave or landslip
  - (iii) escape of water from any tank, apparatus pipe or fixed oil heating installation
- (c) **Damage** to fences, gates and moveable property in the open except where such **Damage** is caused by falling trees

**I Escape of Water / Oil**

Escape of water from any tank, apparatus or pipe or escape of fuel from any fixed oil heating installation

**We will not indemnify You in respect of**

- (a) **Damage** to the **Property Insured** by water discharged or leaking from an automatic sprinkler installation
- (b) **Damage** when **The Premises** are unoccupied
- (c) **Damage** to any tank, apparatus, pipe or fixed oil heating installation.

**J Impact**

Impact by any vehicle or animal or by goods falling there from.

**We will not indemnify You in respect of Damage** to any goods being carried.

**K Sprinkler Leakage**

Water accidentally discharged or leaking from any automatic sprinkler installation in The Premises.

**We will not indemnify You in respect of:**

- (a) **Damage** caused by
  - (i) Freezing while **The Premises** are unoccupied
  - (ii) Explosion, earthquake, subterranean fire or heat caused by fire
- (b) **Damage** to any automatic sprinkler installation(s).

**L Theft or Attempted Theft**

**We will not indemnify You in respect of Damage:**

- (a) caused by or consisting of acts of fraud or dishonesty
- (b) as a result of
  - (i) disappearance
  - (ii) unexplained or inventory shortage
  - (iii) misfiling, misplacing of information or clerical error.

## Exclusions

The following Exclusions apply to (2) Cover Option B - Specified Contingencies.

(also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not indemnify **You** in respect of:

- (1) **Damage** caused by pollution or contamination.

However, **We** will indemnify **You** in respect of **Damage**, not otherwise excluded, caused by

- (a) pollution or contamination which results from a **Defined Contingency**
- (b) a **Defined Contingency** which results from pollution or contamination.

- (2) **Damage** while any building is unoccupied.

However, **We** will indemnify **You** where **Damage** is caused by

- (i) fire
- (ii) lightning
- (iii) earthquake
- (iv) explosion.

- (3) **Damage** in respect of vehicles licensed for road use including accessories on or attached to them.

However, **We** will indemnify **You** in respect of **Damage** to such property if the property is specifically stated as insured in **The Schedule** and the **Damage** is not otherwise excluded.

- (4) **Damage**

- (a) insured by any marine Policy
- (b) which would be insured under any marine Policy if this Policy did not exist.

However, **We** will indemnify **You** in respect of **Damage** not otherwise excluded for any sum beyond the amount which would have been payable under the marine Policy had this insurance not existed.

- (5) **Damage** more specifically insured by **You** or on **Your** behalf.

- (6) **Consequential Loss** or **Damage**.

However, **We** will indemnify **You** in respect of rent when this cover is specified in **The Schedule** and the **Damage** is not otherwise excluded.

- (7) the **Excess** as stated in **The Schedule**.

## Conditions

The following conditions apply to the Property Damage Section. (also refer to the Policy Conditions at the back of this Policy Wording).

### (1) Average

Where a **Sum Insured** is stated to be subject to Average, this means that if at the time of **Damage**, the **Sum Insured** is less than the total value of the property, **You** will:

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

### (2) Fire Extinguishing Appliances

If in relation to any claim for **Damage** caused by or resulting from fire, if **You** have failed to fulfil the following condition, **You** will lose **Your** right to indemnity or payment for that claim.

**You** must maintain all fire extinguishing appliances on **The Premises**, so far as **Your** responsibility extends, in proper working order.

### (3) Our Rights

If **Damage** occurs which may lead to a claim **We** may

- (a) enter or take possession of the building or **The Premises**
- (b) take possession of, or require to be delivered to **Us**, **Property Insured** which **We** will deal with in a reasonable manner without incurring liability or reducing **Our** rights.

**We** will not pay for **Damage** if **You** or anyone acting on **Your** behalf

- (i) do not comply with our requirements
- (ii) hinder or obstruct **Us**.

**You** are not entitled to abandon property to **Us**.

### (4) Statutory Inspection of Plant

Any item of plant and machinery belonging to **You** or under **Your** control which requires to be examined to comply with any Statutory Regulations must be inspected in accordance with such Regulations.

Failure to comply with this will invalidate cover in respect of an explosion originating within and causing damage to the item of plant.

## Clauses

All of the following clauses apply to the Property Damage Section.

### (1) Adjoining Buildings

In respect of **Damage** caused by subsidence, ground heave or landslide, **You** will notify **Us** immediately of any demolition, construction, erection, groundworks or excavation being carried out on any adjoining site. **We** will then have the right to vary the terms or cancel this Cover.

### (2) Automatic Reinstatement of Sum Insured

The **Sums Insured** stated in **The Schedule**, will not be reduced by the amount of any claim unless **We** or **You** give notice to the contrary

**You** must pay the additional premium required to reinstate the **Sums Insured**.

### (3) Basis of Claim Settlement - Reinstatement

Unless otherwise stated in **The Schedule**, in the event of **Damage** the basis upon which **We** will calculate the amount **We** will **pay** for any claim will be the reinstatement of the **Property Insured** lost, destroyed or damaged, subject to the following conditions

- (1) if **Property Insured** under any **Buildings** or **Contents** item described in **The Schedule**, other than, pedal cycles, personal items, rent or motor vehicles if insured, is lost or destroyed,

**We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new. If such **Property Insured** is damaged, **We** will pay for replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, **We** will not pay more than **We** would have done if the property had been completely destroyed.

- (2) the **Property Insured** may be replaced on another site and in a manner suitable to **Your** needs, but this must not increase **Our** liability.
- (3) all work must begin and be carried out as quickly as possible.
- (4) if, at the time of rebuilding or replacement, 85% of what it would have cost to replace the whole of the **Property Insured** under that item, is greater than the **Sum Insured** at the time the **Damage** occurred, **You** will be liable to bear a proportionate share of the loss.

**We** will not pay under this clause

- (1) until **You** have incurred the cost of replacing or repairing the **Property Insured**
- (2) if **You**, or someone acting on **Your** behalf have insured the property under another Policy which does not have a similar basis of reinstatement
- (3) if **You** do not comply with any of the terms of this clause.

### (4) Capital Additions

**We** will indemnify **You** in respect of **Damage** to:

- (1) newly built and, or newly acquired building
- (2) alterations, additions and improvements to buildings and, or machinery, but not in respect of any appreciation in value

situated anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

The maximum **We** will pay in respect of any one location is

- (a) £2,000,000 for any newly built and, or newly acquired building
- (b) £500,000 for alterations, additions and improvements to the building

whichever is the lower

Provided that if such building is a residential building the maximum **We** will pay is 10% of the **Sum Insured** on the buildings in which the residence is contained.

**You** must provide **Us** with details of these extensions as soon as possible, but at least within six months and specifically insure such extensions with **Us**, from the date **Our** liability commenced and pay the appropriate premium.

### (5) Change of Occupancy

**You** must tell **Us** immediately if

- (1) any building stated in **The Schedule** becomes unoccupied
- (2) any unoccupied building stated in **The Schedule**, or any part of it becomes occupied.

### (6) Changing Locks

**We** will indemnify **You** in respect of the cost of changing locks at **The Premises** following loss of keys by theft or attempted theft from

- (1) **The Premises**
- (2) **Your** home
- (3) **Your** director’s homes
- (4) **Your** authorised **Employees** homes

or while in **Your** custody or that of an **Employee** following theft involving violence or threat of violence to **You** or an **Employee**.

The maximum **We** will pay for any one loss is £2,500.

**(7) Construction Heating and Occupation of the Buildings**

Unless otherwise stated in **The Schedule** the buildings are

- (1) constructed of brick, stone or concrete
- (2) roofed with slates, tiles, concrete, metal or asbestos, with no more than 20% of other materials
- (3) heated by
  - (i) low pressure hot water or steam
  - (ii) oil fired space heaters fed from a fuel tank in the open
  - (iii) overhead gas or electrical appliances
  - (iv) gas or electric fires in offices only
 or as expressly varied in accordance with details provided to **Us**.
- (4) occupied for the sole purpose of **The Business** and otherwise only as a private dwelling.

**(8) Contents of Common Parts**

This term includes contents and furnishings owned by **You** or for which **You** are responsible whilst contained in the common parts of the **Property Insured**.

**We** will not indemnify **You** in respect of

- (1) china or other fragile or brittle objects exceeding £1,000 any one article
- (2) computers and data processing equipment
- (3) curios, rare books, works of art or articles of antique furniture exceeding £1,000 in value any one article

unless specifically mentioned as insured in **The Schedule**.

The maximum **We** will pay in respect of any one claim is £25,000, unless otherwise specified in **The Schedule**.

**(9) Contractors Interest**

Where **You** are required to effect insurance on the **Property Insured** in the joint names of **You** and the contractor under the terms of a contract condition then the interest of the contractor in the **Property Insured** as joint **Policyholder** is hereby noted and **You** must provide **Us** with details of any single contract valued in excess of £250,000 prior to work commencing and pay an additional premium if required.

**(10) Damage to Grounds**

**We** will indemnify **You** in respect of reasonable costs and expenses necessarily incurred in reinstating or repairing landscaped gardens and grounds, belonging to **You** or for which **You** are responsible, following **Damage** at **The Premises**.

**We** will not indemnify **You** in respect of

- (1) the cost of moving soil other than as necessary for surface preparation
- (2) the failure of trees, shrubs, plants or turf to become established
- (3) the failure of seeds to germinate
- (4) **Damage** caused by disease, infection or application of chemicals.

The maximum **We** will pay in respect of any one claim is £25,000.

**(11) Debris Removal**

Unless separately insured under this Section, the **Sum Insured** for each item, in **The Schedule**, other than rent if insured, includes costs and expenses **You** incur, with **Our** consent, for:

- (1) removal of debris
- (2) dismantling or demolishing
- (3) shoring up or propping

the parts of the property which have suffered **Damage** insured under this section.

**We** will not indemnify **You** in respect of costs and expenses:

- (1) incurred in removing debris from anywhere other than the site of the **Damage** and the area immediately adjacent to it
- (2) arising from pollution or contamination of property not insured by this Section
- (3) more specifically insured.

**(12) Description of Property**

In determining the item under which property is insured, **We** will accept the description given in **Your** business records.

**(13) Drains**

The **Sum Insured** for each **Buildings** item extends to include an amount necessarily and reasonably incurred by **You**, and which **We** agree to, for cleaning and, or clearing of:

- (1) Drains
- (2) Sewers
- (3) Gutters

for which **You** are responsible, following **Damage** insured by this Section to the **Property Insured**.

The maximum **We** will pay in respect of any one claim is £5,000.

**(14) European Union and Public Authorities**

Following **Damage** insured by this Section to any item described in **The Schedule**, **We** will pay the additional cost of reinstating the **Property Insured** necessary to comply with any:

- (1) European Union Legislation
- (2) Act of Parliament
- (3) Bye-Laws of any Public Authority.

**We** will not indemnify **You** in respect of:

- (1) costs incurred
  - (a) in respect of **Damage** not insured by this Section
  - (b) where notice was served on **You** before the **Damage** occurred
  - (c) where an existing requirement must be completed within a stipulated period
  - (d) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded) which have not suffered **Damage**.
- (2) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye-Law.

The reinstatement of the **Property Insured**:

- (1) must begin and be carried out as quickly as possible

- (2) may be carried out on another site and in a manner suitable to **Your** needs but this must not increase **Our** liability.

If **Our liability** under this Section is reduced by the application of any terms or Conditions of this Policy, **Our liability** under this clause will similarly be reduced.

The maximum **We** will pay under this clause in respect of any one item is the item **Sum Insured** in **The Schedule**.

**(15) Gardening Equipment**

**We** will indemnify **You** in respect of **Damage** to gardening equipment owned by **You** and used in connection with the business at **The Premises**.

The maximum **We** will pay in respect of any one **Period of Insurance** is £10,000.

**(16) Glass**

Where **Buildings** are insured under this Section, cover includes

- (1) breakage (including the cost of boarding up) of fixed glass at **The Premises**, including:
  - (a) the cost of removing and reinstating obstructions to replacing glass.
  - (b) the cost of replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass.
- (2) breakage of fixed:
  - (a) washhand basins, pedestals, baths, sinks
  - (b) lavatory bowls, bidets, cisterns
  - (c) showertrays, splashbacks

at **The Premises**.

**We** will not indemnify **You** in respect of

- (1) breakage of glass:
  - (a) while **The Premises** are unoccupied
  - (b) in transit or while being fitted
  - (c) by workmen carrying out alterations or repairs to **The Premises**
- (2) the **Excess** stated in **The Schedule**.

**17) Loss of Metered Utilities**

**We** will pay for charges for which **You** are responsible, if water, gas or electricity is accidentally discharged from a metered system providing service to **The Premises** as a result of **Damage** insured under this Section.

The maximum that **We** will pay in respect of any one claim is £25,000.

**(18) Loss of Rent and Alternative Accommodation**

**We** will indemnify **You** if a residence cannot be lived in or if access to it is denied as a result of **Damage** in respect of:

- (1) (a) loss of rent, including ground rent and management charges, **You** should have received but have lost
- (b) (i) the cost of similar alternative accommodation incurred by any owner or lessee if this is necessary
- (ii) the cost of accommodation in kennels and, or catteries for dogs and, or cats belonging to any owner or lessee in residence, where such pets are not permitted in any alternative accommodation.
- (2) temporary storage of **Your** furniture

The maximum **We** will pay in respect of any one claim is 25% of the **Sum Insured** for the **Buildings** in which the residence is contained.

**(19) Money and Assault Money**

**We** will pay for loss of **Money** up to the following amounts

	<b>Limit any one loss</b>
(1) any single loss of business Money	
(a) in transit	£2,000
(b) in bank night safes and afterwards within bank premises until at the bank's risk	£2,000
(c) in <b>Your</b> home or the home of any <b>Employee</b> , partner or director	£500
(2) any single loss in respect of crossed cheques, cross postal or money orders, crossed bankers drafts, stamped national insurance cards.	£250,000

**We** will not pay for:

- (1) losses due to the dishonesty of **You**, **Your Employees**, partners or directors
- (2) losses not discovered within seven working days of the loss
- (3) where a more specific insurance is in force, except for any amount in excess of that insurance

- (4) shortages due to clerical or accounting errors
- (5) loss of **Money** from unattended vehicles
- (6) loss or **Damage** outside Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.

**Assault**

**We** will pay:

- (1) the compensation stated below to **You** for **Bodily Injury** to an **Insured Person** caused by the theft or attempted theft of **Money**, which happens in the course of **The Business** and resulting in the following contingencies
  - (a) death £10,000
  - (b) total and permanent loss of sight in one or both eyes £10,000
  - (c) loss of one or both limbs £10,000
  - (d) total disablement which prevents the **Insured Person** from pursuing their normal occupation £100 per week
  - (e) reimbursement of incurred medical expenses up to £250
- (2) up to £250 in respect of such **Insured Person** for **Damage** to their personal effects caused by the theft or attempted theft of **Money**.

**(20) Non-Invalidation**

The insurance by this Section will not be invalidated by any

- (1) act or
- (2) omission or
- (3) alteration

either unknown to **You** or beyond **Your control** which increases the risk of **Damage**.

However, **You** must:

- (a) notify **Us** immediately **You** become aware of any such act, omission or alteration
- and
- (b) pay any additional premium required.

**(21) Other Interests**

Subject to **Your** consent, the interest of all parties who wish to register an interest in the Cover by this Section will be noted provided that all such interests are notified to **Us** within 30 days of any **Damage**.



**(22) Professional Fees**

The **Sum Insured** for each **Buildings**, Blocks of flats, or Machinery Item(s) described in **The Schedule**, includes an amount for professional fees necessarily incurred in reinstating or repairing the **Property Insured**, following **Damage** insured by this Section.

**We** will not indemnify **You** in respect of fees

- (1) more specifically insured
- (2) incurred in preparing a claim.

**(23) Reinstatement to Match**

Where the **Property Insured** has suffered **Damage**, **You** may replace, repair or restore the property with equivalent property which employs current technology, and replacement, repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new. This Section further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored provided that **Our** total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

When the **Property Insured** is damaged or destroyed in part only, **We** will not pay more than the amount representing the cost which **We** would pay for reinstatement if such property had been wholly destroyed.

**(24) Re-Letting Costs**

**We** will indemnify **You** in respect of costs reasonably incurred with our consent in re-letting **The Premises** (including legal fees in connection with the re-letting) following **Damage** as insured by this Section.

The maximum **We** will pay is £2,500 any one **Period of Insurance**.

**(25) Risk Protection Equipment Replacement Costs**

**We** will indemnify **You** in respect of reasonable costs and expenses incurred in refilling, recharging or replacing any:

- (1) portable fire extinguishing appliances
- (2) local fire suppression system
- (3) fixed fire suppression system
- (4) sprinkler installation
- (5) sprinkler heads

and having any fire and, or intruder alarms and closed circuit television equipment re-set as a result of **Damage** as insured under this Section.

**We** will not indemnify **You** in respect of any costs and expenses recoverable from the maintenance company or fire and rescue service.

The maximum **We** will pay in respect of any one claim is £50,000.

**(26) Subrogation Waiver**

In the event of a claim arising under this Section, **We** agree to waive any rights, remedies or relief to which **We** may be entitled by subrogation against:

- (1) any company whose relationship to **You** is either a parent to subsidiary or subsidiary to parent as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of **Damage**
- (2) any company which is a subsidiary of a parent company of which **You** are a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of **Damage**
- (3) any tenant of **Yours** provided that:
  - (a) the tenant of lessee contributes to the cost of insuring the **Property Insured** against the event which caused the **Damage**
  - (b) the **Damage** did not result from a breach of the terms of the lease by the tenant or lessee
  - (c) the **Damage** did not result from a criminal, fraudulent or malicious act of the tenant or lessee.

**(27) Temporary Removal for Cleaning or Renovation**

**We** will indemnify **You** in respect of **Damage** insured by this Section, while temporarily removed for cleaning, renovation or repair or similar purposes

- (1) to another part of **The Premises**
- (2) to any other premises in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum **We** will pay is 10% of the item **Sum Insured** after the deduction of the value of any building included within the item insured.

**We** will not indemnify **You** in respect of:

- (a) property insured elsewhere

- (b) **Damage** occurring elsewhere than at **The Premises** to motor vehicles or motor chassis licensed for normal road use
- (c) property removed for more than 90 consecutive days unless **We** agree a longer period in writing.

**(28) Trace and Access**

**We** will pay costs and expenses incurred with **Our** consent:

- (1) in locating the actual source of **Damage**
- and
- (2) any repairs directly arising from (1)

caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such **Damage** is insured by this Section.

**We** will not indemnify **You** in respect of costs or expenses incurred where **Damage** results solely from a change in the water table level.

The maximum **We** will pay in respect of any one **Period of Insurance** is £25,000.

**(29) Transfer of Interest**

If at the time of **Damage** to a **Building** insured under this Section **You** have entered into a contract to sell **Your** interest in it but:

- (1) the contract has not yet been completed and
  - (2) the **Building** has not yet been insured by or on behalf of the purchaser
- and
- (3) the purchase is subsequently completed.

**We** will indemnify the purchaser to the extent that this Section insures that **Building**.

This will not affect either **Your** or **Our** rights and liabilities up to the date of completion of the purchase.

**(30) Value Added Tax**

The insurance by this Section extends to include Value Added Tax paid by **You** (including 'self-supply' Value Added Tax where appropriate) which is not subsequently recoverable provided that:

- (1) (a) **Your** liability for such tax arises solely as a result of the reinstatement or repair of the buildings following **Damage**
- (b) **We** have paid or have agreed to pay for such **Damage**

- (c) If any payment by **Us** in respect of such **Damage** is less than the actual cost of reinstatement or repair, any payment under this clause resulting from that **Damage** will be reduced in like proportion

- (2) **Your** liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged building
- (3) where an option to reinstate on another site is exercised, **Our** liability under this clause will not exceed the amount of tax that would have been payable had the building been rebuilt on its original site
- (4) **Our** liability under this clause will not include amounts payable by **You** as penalties or interest for non-payment or late payment of tax.

The following amendments are made to this Policy in respect of this clause only

- A. for the purposes of any Condition of Average, rebuilding costs will be exclusive of Value Added Tax.
- B. **Our** liability may exceed the **Sum Insured** where such excess is solely in respect of Value Added Tax.

**(31) Workmen**

Repairs and minor structural alterations may be carried out at **The Premises** without affecting the Cover.

**(32) Seventy-Two Hour Clause**

**Damage** caused by storm, tempest, flood or escape of water from tank, apparatus or pipe under this Section occurring in any one period of 72 (seventy-two) consecutive hours during any one **Period of Insurance** shall constitute one loss for the purposes of the Policy.

**You** shall select the time from which any such period shall commence but no two such selected periods shall overlap. The **Excess** shall apply separately to each selected period.

**Additional Contingency**

The following Additional Contingency applies to the Property Damage Section only if stated in the schedule.

**(1) Subsidence**

**We** will indemnify **You** in respect of **Damage** at **The Premises** caused by Subsidence or ground heave of the site of the **Property Insured** or landslip.

**We** will only indemnify **You** in respect of **Damage** to:

- (1) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios

- (2) walls, gates, hedges or fences
  - if
    - (a) such property is specifically insured by this Section, and
    - (b) if **Damage** also occurs to the building to which such property applies and that building is insured by this Section.

**We will not indemnify You** in respect of:

- (1) **Damage** caused by:
  - (a) collapse, cracking, shrinking or settlement of any building
  - (b) coastal or river erosion
  - (c) defective design or inadequate construction of foundations
  - (d) demolition, structural alteration or repair
  - (e) settlement or movement of made up ground.
- (2) **Damage** as a result of movement of solid floor slabs. However, **We** will indemnify **You** if there is **Damage** to the foundations beneath the exterior walls of **The Premises** at the same time.
- (3) the subsidence **Excess** stated in **The Schedule**.

### Additional Clause

The following Additional Clause applies to the Property Damage Section only if stated in **The Schedule**.

#### Day One (Non Adjustable)

- (1) For each item of **Property Insured** to which this clause applies (as stated in **The Schedule**) the first and annual premiums are based upon the Declared Value as stated in **The Schedule**.

**Declared Value** shall mean:

**Your** assessment of the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of clause (3) the Basis of Settlement-Reinstatement at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for

- (a) the additional cost of reinstatement to comply with
  - (i) European Union Legislation
  - (ii) Act of Parliament
  - (iii) Bye-Laws of any public authority

- (b) professional fees
- (c) debris removal costs.

The **Declared Value** incorporated in each item is stated in **The Schedule**.

- (2) **You** must notify **Us** of the **Declared Value** at the start of each **Period of Insurance**.

If **You** fail to notify **Us** of the **Declared Value** at the start of any **Period of Insurance**, **We** will use the last **Declared Value** notified to **Us** for the following **Period of Insurance**.

- (3) Paragraphs (4) and (5) of Clause (3) the Basis of Settlement- Reinstatement are restated as follows
- (4) if, at the time of the **Damage**, the **Declared Value** is less than the cost of reinstatement of the **Property Insured**, arrived at in accordance with paragraph (1) of this clause, at the start of the **Period of Insurance**, **Our** liability for any **Damage** will be limited to that proportion which the **Declared Value** bears to the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (1) of this clause.
- (5) **We** will not pay under this clause
  - (a) until **You** have incurred the cost of replacing or repairing the property
  - (b) if **You**, or someone acting on your behalf, have insured the property under another Policy which does not have the same basis of reinstatement
  - (c) if **You** do not comply with any of the provisions of this clause.

However the **Sums Insured** will be limited to that shown in **The Schedule**.

- (6) The maximum **We** will pay in respect of each separate location subject to this clause is as stated in **The Schedule**.

# Loss Of Rent Section

(only applicable if stated as insured in **The Schedule**)

## Definitions

(also refer to the Policy Definitions at the front of this Policy Wording).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternate definition is stated to apply.

### Annual Gross Rentals

Gross Rentals during the 12 months immediately before the date of the **Damage**.

### Book Debts

The total last recorded by **You** under the provisions of **Condition Precedent** (2) Debit Recording adjusted for:

- (1) bad debts
- (2) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **Damage**) to **Customers Accounts** in the period between the date to which the last statement relates and the date of the **Damage**, and
- (3) any abnormal condition of trade which had or could have had a material effect on **The Business**.

The figures adjusted will represent as near as possible, the figures which would have been obtained at the date of the **Damage** had the **Damage** not occurred.

### Customer Accounts

**Your** accounts for all customers who trade with **You** on a credit hire purchase basis.

### Damage

Accidental loss or destruction of or damage.

### Defined Contingency

Fire.

Lightning.

Explosion.

Aircraft and other aerial devices dropped from them.

Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances.

Malicious persons other than thieves.

Earthquake.

Storm or flood.

Escape of water from any tank, apparatus or pipe.

Falling trees.

Impact.

Escape of fuel from any fixed oil heating installation.

Theft or attempted theft.

### Gross Rentals

Money paid or payable to **You** by tenants for rental of **The Premises** and for the services provided in connection with **The Business** at **The Premises**.

### Indemnity Period

The period during which **The Business** results are affected due to the **Damage**, beginning with the date of the **Damage** and ending not later than the **Maximum Indemnity Period**.

### Maximum Indemnity Period

The number of months stated in **The Schedule**, unless amended in any Additional Contingency.

### Named Disease

For the purposes of this Extension '**Named Disease**' will mean illness sustained by any person resulting from:

- (1) food or drink poisoning attributable to food or drink supplied from the premises
- (2) one of the following human infectious or human diseases:

Acute encephalitis, Acute poliomyelitis, Chicken Pox, Cholera, Diphtheria, Dysentery, Erysipeloid, Lyme Disease, Leptospirosis, Measles, Meningitis, Meningococcal septicemia, Mumps, Ophthalmia neonatorum, Paratyphoid fever, Rabies, Relapsing fever, Rubella, Scarlet fever, Tetanus, Toxoplasmosis, Tuberculosis, Typhoid fever, Typhus fever, Viral hepatitis, Whooping cough.

### Standard Gross Rentals

**Gross Rentals** during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

**Annual Gross Rentals** and **Standard Gross Rentals** may be adjusted to reflect any trends or circumstances which

- (i) affect **The Business** before or after the **Damage**
- (ii) would have affected **The Business** had the **Damage** not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the **Damage** not occurred.

### Important Note

All terms in this Section exclude Value Added Tax to the extent that **You** are accountable to the tax authorities for Value Added Tax.

## Cover

**We** will indemnify **You** in respect of any interruption or interference with **The Business** resulting from **Damage** occurring during the **Period of Insurance** at **The Premises** not excluded by the terms of the **Property Damage** Section of this Policy

**We** will pay

(1) loss in **Gross Rentals**

the amount by which, due to the **Damage**, the **Standard Gross Rentals** exceed the **Gross Rentals** during the **Indemnity Period** less any savings during the **Indemnity Period** in business charges or expenses, payable out of **Gross rentals**, which reduce or cease due to the **Damage**.

(2) increase in cost of working

any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Rentals** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**. **We** will not pay more than the reduction avoided by the expenditure

However **We** will not indemnify **You** for any interruption or interference lasting less than 12 hours.

The maximum **We** will pay in respect of any one claim is the **Gross Rentals Sum Insured** shown in **The Schedule**.

If at the time of the **Damage** the **Sum Insured** is less than the **Annual Gross Rentals** (proportionately increases where the **Maximum Indemnity Period** exceeds 12 months), **You** will be **Your** own insurer for the difference and bear a rateable share of the loss.

(3) alternative accommodation

the cost of similar alternative accommodation incurred by any **Resident** if this is necessary

(4) kennels and cattery charges

the cost of accommodation in kennels and, or catteries for dogs and, or cats belonging to any **Resident** where such pets are not permitted in any alternative accommodation.

The maximum **We** will pay in respect of any one claim is the **Sum Insured** shown in **The Schedule**.

(5) **Book Debts**

**We** will indemnify **You** in respect of loss sustained by **You** for **Book Debts** directly due to **Damage** at **The Premises** to **Your** books of account, other business books or records.

The amount payable in respect of any one occurrence of **Damage** will not exceed:

- (a) the difference between
  - (i) The **Book Debts**
 and
  - (ii) The total of all the amounts received or traced
- (b) the additional expenditure incurred with **Our** consent in tracing and establishing customers debit balances after the **Damage**
- (c) if **We** require any information to verify a claim **Your** professional accountants at the time of the claim may produce and report details contained in business books or records. Their report will be accepted as prima facie evidence of the details.

**We** will pay **Your** professional accountants charges for

- (i) producing information **We** require for investigating any claim
- and
- (ii) confirming the information in accordance with your business books

The maximum **We** will pay for any claim, including professional accountants fees, is the limit stated in **The Schedule**.

**We** will not indemnify **You** in respect of:

- (1) loss due to records being mislaid or misfiled
- (2) loss arising from deliberate falsification of records
- (3) failure to collect debts which have been traced and established.

## Exclusions

The following Exclusions apply to this Section.

(Also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not indemnify **You** in respect of **Damage** caused by:

- (1) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, **We** will indemnify you in respect of loss resulting from **Damage**:

- (a) caused by a **Defined Contingency** or from any other **Damage** not otherwise excluded
- (b) from an ensuing cause which is not excluded.

- (2) erasure or distortion of information on computer systems or other records
  - (a) while mounted in or on any machine or data processing equipment,
  - or
  - (b) due to the presence of magnetic flux
 unless caused by **Damage** to the equipment in which the records are mounted
- (3) change in the water table level.

### Conditions

The following conditions apply to this Section. (Also refer to the Policy Conditions at the back of this Policy Wording).

#### (1) Alteration

**We** will not indemnify **You** in respect of **Damage** if:

- (1) **The Business** is
  - (a) wound up or carried on by a liquidator or receiver
  - (b) permanently discontinued
- (2) **Your** interest ceases otherwise than by **Your** death.

However, **We** will indemnify **You** if **We** agree otherwise in writing.

#### (2) Claims Procedures

If in relation to any claim **You** have failed to comply with the following Claims Procedures **You** will lose **Your** right to indemnity under this Section.

**You** must:

- (1) take any action reasonably practicable to minimise any interruption of or interference with **The Business** or to avoid or minimise any **Damage**
- (2) at **Your** expense, provide **Us** with:
  - (a) a written claim and
  - (b) details of other insurances covering the **Damage** within 30 days after the expiry of the **Indemnity Period** or such further time that **We** may allow.
  - (c) books, records and documents **We** require to assess **Your** claim
- (3) repay **Us**, any payment on account **We** have already made, if **You** fail to comply with this condition.

#### (3) Property Cover

**We** will not indemnify **You** in respect of any **Damage insured** by this Section unless

- (1) there is in force at the time of the **Damage**, an insurance Policy covering **Your** interest in the property at **The Premises** for the **Damage**
- and
- (2) (a) payment has been made or liability admitted for such **Damage**
  - or
  - (b) payment would have been made or liability would have been admitted for such **Damage** but for the exclusion of losses below a stated amount in such insurance Policy.

### Conditions Precedent

#### (1) Debit Recording

It is a **Condition Precedent** to **Our** liability to make any payment under this Section that at the end of each quarter **You** must record the total amount outstanding in **Your Customers Accounts**.

**You** must keep this information in a different building to that containing **Your** accounting and other business records.

This information may be maintained by **Your** accountant.

### Clauses

The following clauses apply to this Section only.

#### (1) Action by the Police Authority

**We** will indemnify **You** in respect of loss resulting from interruption or interference with **The Business** as a result of prevention of access to **The Premises** by the Police Authority due to a danger or disturbance in the vicinity of **The Premises**.

However **We** will not indemnify **You** for any interruption or interference lasting less than 12 hours.

The maximum **We** will pay under this clause is £100,000 in respect of the total of all losses occurring during the **Period of Insurance**.

The provisions of any Automatic Reinstatement clause will not apply in respect of this clause.

#### (2) Additional Gross Rentals

**We** will indemnify **You** in respect of **Damage** to any newly acquired or newly erected building and, or any

alteration or improvement to a building anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man resulting in loss of **Gross Rentals** as insured by this Section.

The maximum **We** will pay in respect of any one premises is 10% of the **Gross Rentals Sum Insured** or £500,000 whichever is the lower.

**You** must provide **Us** with details of these additional **Gross Rentals** as soon as possible but at least every six months and pay the appropriate additional premium.

**We** will not indemnify **You** in respect of:

- (1) any building more specifically insured
- (2) any appreciation in value.

### (3) Alternative Premises

The **Gross Rentals** during the **Indemnity Period** will include **Gross Rentals** derived elsewhere than from **The Premises** if **The Business** is conducted elsewhere than at **The Premises**.

### (4) Auditors and Professional Accountants

**We** will pay **Your** auditors and professional accountants and solicitors reasonable charges for

- (1) producing information **We** require for investigating any claim and
- (2) confirming the information is in accordance with **Your** business books
- (3) determining **Your** contractual rights under any rent cesser clause or insurance break clause contained in the lease

but not for any other purposes in the preparation of any claim.

The maximum **We** will pay for any claim, including auditors and professional accountants charges, is the **Sum Insured**.

### (5) Automatic Reinstatement

The **Sums Insured** stated in **The Schedule** will not be reduced by the amount of any claim unless **We** or **You** give written notice to the contrary.

However, **You** must pay the additional premium required to reinstate the **Sums Insured**.

### (6) Buildings Awaiting Sale

**Buildings** forming part of the **Property Insured**, that **You** have contracted to sell or have accepted an offer in writing to purchase the interest in the buildings subject to contract, where that sale is cancelled or delayed solely due to the **Damage**.

Under this clause **We** will indemnify **You** in respect of:

- (1) interest payable by **You** on capital borrowed which, but for the **Damage**, would be available, from the proceeds of the sale, for investment in **The Business**
- (2) the additional interest payable by **You** on amounts borrowed at a rate of interest not exceeding 2% above the prevailing Inter Bank Lending Rate
- (3) the investment interest lost by **You** on any proceeds of the sale (after the deduction of any capital borrowed as detailed in (2) above).

**We** will not indemnify **You** if **You** do not make all efforts to complete the sale as soon as possible following the **Damage**.

### Maximum Indemnity Period

Six months

### Indemnity Period

The period during which the results of **The Business** are affected due to the **Damage**, beginning with the date on which, but for the **Damage**, the building would have been sold and ending with the date of completion or the expiry of the **Maximum Indemnity Period** if earlier.

### (7) Contracting Purchaser's Interest

Between **You** contracting to sell **Your** interest in any of **The Premises** and the completion of the purchase by a third party, if **Damage** occurs which is not otherwise insured by the third party, on completion the third party will be entitled to benefit under this Section without prejudice to the rights and liabilities of **You** or **Us**.

### (8) Disease, Infestation and Defective Sanitation

**We** will indemnify **You** in respect of loss of **Gross Rentals** as insured under this Section resulting from the occurrence of

- (1) an illness sustained by any person caused by food or drink poisoning attributable to food or drink supplied from **The Premises**
- (2) a **Named Disease** sustained by any person at **The Premises**
- (3) vermin or pests at **The Premises**
- (4) an accident which causes defects in the drains or other sanitary arrangements at **The Premises**

where use of **The Premises** is restricted on the order or advice of the competent local authority.

(5) murder, suicide or rape at **The Premises**.

**We** will not indemnify **You** in respect of

- (a) costs incurred in cleaning, repair, replacement, recall or checking of property
- (b) loss arising from **The Premises** other than those directly subject to the occurrence, discovery, or accident
- (c) The Maximum Indemnity Period will mean 3 months
- (d) The maximum **We** will pay under this Clause is £25,000 in respect of the total of all losses occurring during the **Period of Insurance**.

**(9) Loss of Attraction**

**We** will indemnify **You** in respect of loss of **Gross Rentals** as insured under this Section resulting from **Damage** to property in the vicinity of **The Premises** by any cause insured under the Property Damage Section which directly causes a loss of custom to **The Business**.

**(10) Loss of Investment Income on Late Payment of Gross Rentals**

If as a result of **Damage** **We** are indemnifying **You** in respect of loss of **Gross Rentals** and the payment by **Us** to **You** is made later than the date on which **You** would normally have expected to receive rent from a lessee, **We** will pay a further amount representing the investment interest lost to **You** during the delay period.

**(11) Managing Agents Premises**

**We** will indemnify **You** in respect of **Damage** to property of **Your** managing agents at their premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

For the purposes of this clause only, **The Premises** shall include any premises occupied by **Your** managing agents for the purposes of their business.

**(12) Payments of Account - Rent**

Claim payments on account may be made to **You** during the **Indemnity Period** in respect of claims for loss of **Gross Rentals** on the date which but for the **Damage** the **Gross Rentals** would have been due from the lessee.

**(13) Prevention of Access**

**We** will indemnify **You** in respect of **Damage** to property in the vicinity of **The Premises** which prevents or hinders use of or access to **The Premises** whether **The Premises** have been damaged or not.

The maximum **We** will pay under this **Clause** is £1,000,000 in respect of the total of all losses occurring during the **Period of Insurance**.

**(14) Public Utilities**

**We** will indemnify **You** in respect of loss of **Gross Rentals** caused by interruption or interference with **The Business** as a result of accidental failure of **Your** supply of

- (1) electricity
- (2) gas
- (3) water at the terminal ends of **Your** suppliers feed to **The Premises**.
- (4) telecommunications services at the incoming line terminals or receivers at **The Premises**.

**We** will not indemnify **You** in respect of accidental failure:

- (1) caused by:
  - (a) the deliberate act of any supply authority
  - (b) the exercise of any supply authority's power to withdraw or restrict supply or services
  - (c) industrial action.
- (2) other than in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.
- (3) lasting less than four hours.
- (4) of telecommunications services caused by
  - (a) atmospheric or weather conditions but this will not exclude accidental failure due to **Damage** to equipment caused by such conditions.
  - (b) failure of any satellite.
- (5) of water supplies caused by drought or other weather conditions but this will not exclude accidental failure due to **Damage** to water supply equipment caused by such conditions.

The maximum **We** will pay in respect of any one claim, and in aggregate for all claims in any **Period of Insurance** for accidental failure is £25,000.

**(15) Subrogation Waiver**

**We** agree to waive any rights, remedies or relief to which **We** may be entitled by subrogation against

- (1) any company whose relationship to **You** is either a parent to subsidiary or subsidiary to parent as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of **Damage**.



- (2) any company which is a subsidiary of a parent company of which **You** are a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (NI) Order, current at the time of the **Damage**.
- (3) any tenant of **Yours** provided that:
  - (a) the tenant or lessee contributes to the cost of insuring the **Property Insured** against the event which caused the **Damage**
  - (b) the **Damage** did not result from a breach of the terms of the lease by the tenant or lessee
  - (c) the **Damage** did not result from a criminal, fraudulent or malicious act or the tenant or lessee.

# Employers' Liability Section

(only applicable if stated as insured in **The Schedule**)

## Definitions

(also refer to the Policy Definitions at the front of this Policy Wording).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

### Bodily Injury

**Bodily Injury** including death, illness, disease or nervous shock.

**Compensation** Damages, including interest.

Costs and Expenses

- (1) fees for **The Insured's** legal representation at
  - (a) any Coroner's Inquest or Fatal Accident Inquiry
  - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) Cost and Expenses
 

incurred with **Our** written consent
- (3) any claimant's legal costs for which **The Insured** is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

### The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or offshore installations within the Continental Shelf around such territories.

### The Insured

- (1) **You**.
- (2) **Your** personal representatives in respect of legal liability **You** incur.
- (3) At **Your** request:
  - (a) any director, partner or **Employee** of **Yours**
  - (b) the officers, committees and members of **Your**:
    - (i) canteen, social, sports, educational and welfare organisations
    - (ii) first aid, fire, security and ambulance services in their respective capacities as such
  - (c) any principal for whom **You** are carrying out a contract to the extent required by the contract conditions
  - (d) those who hire plant to **You** to the extent required by the hiring conditions

or the personal representative of any of these persons in respect of legal liability for which **You** would have been entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which **We** will pay will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### The Limit of Indemnity

The maximum amount, stated in **The Schedule**, including **Costs and Expenses**, which **We** will pay in respect of any one claim or series of claims against **The Insured** arising out of one cause.

### The Territorial Limits

Anywhere in the world in connection with **The Business** conducted by **You** from premises within **The Defined Territories**.

**We** will not provide indemnity in respect of **Bodily Injury** to any **Employee** engaged by **You** outside **The Defined Territories** for the purpose of work by any such **Employee** outside **The Defined Territories**.

## Cover

**We** will indemnify **The Insured** against:

- (1) legal liability to pay **Compensation**
- and
- (2) **Costs and Expenses**

in respect of **Bodily Injury** caused during the **Period of Insurance** to any **Employee** arising out of and in the course of employment by **You** in **The Business** within **The Territorial Limits**.

The maximum **We** will pay is **The Limit of Indemnity**.

## Exclusions

The following Exclusions apply to this Section.

(also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not provide indemnity in respect of:

- (1) work in or on and travel to, from or within any offshore:
  - (a) accommodation, exploration, drilling or production rig or platform.
  - (b) support vessel.

- (2) **Bodily Injury** sustained by any **Employee** when such a person is:
- (a) carried in or upon a vehicle
  - (b) entering or getting on to, or alighting from, a vehicle
- where any road traffic legislation requires insurance or security.
- (3)
  - (a) liquidated damages.
  - (b) penalty clauses.
  - (c) fines.
  - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (4) any liability of whatsoever nature arising out of mining, processing, manufacturing, removing, disposing of, distributing or storing of asbestos or products made entirely or mainly of asbestos.

## Conditions

The following conditions apply to this Section.

(also refer to the Policy Conditions at the back of this Policy Wording).

### (1) Suspension of Cover

**We** may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, **We** may by written notice to **You** suspend all **Our** liability that might otherwise arise from such defect or danger.

## Clauses

The following clauses apply to this Section.

### (1) Additional Activities

**The Business** includes:

- (1) ownership, use and upkeep of **Your** premises.
- (2) upkeep of vehicles and plant owned and used by **You**.
- (3) canteen, social, sports, educational and welfare organisations for the benefit of any **Employee**.
- (4) **Your** first aid, fire, security and ambulance services.
- (5) **Your** participation in exhibitions.
- (6) private work by any **Employee**, with **Your** prior consent, for **You** or for any director, partner or **Employee** of **Yours**.

### (2) Cross Liabilities

**We** will indemnify each party named as **The Policyholder** in

**The Schedule** as if a separate Policy had been issued to each.

The total amount payable will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### (3) Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007

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

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against **You**

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

**We** will not provide indemnity:

- (1) unless the proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which
  - (a) result from any deliberate act or omission by **You**
  - (b) relate to any person other than an **Employee**
- (3) in respect of any:
  - (a) fines.
  - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance Policy.

### (4) Legal Expenses arising from Health and Safety Legislation

**We** will indemnify **The Insured** in respect of:

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against **The Insured**

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work Act etc. 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

**We** will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during **The Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which
  - (a) result from any deliberate act or omission by **You**.
  - (b) relate to the health and safety of any person other than an **Employee**.
- (3) where indemnity is provided by another insurance Policy.

out of and in the course of employment by **You** in **The Business**.

- (2) the judgment was obtained in a court within **The Defined Territories**.
- (3) there is no appeal outstanding to the judgment.
- (4) the **Employee**, or his or her personal representative, assigns the judgment debt to **Us**.

**(5) Our Right of Recovery**

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to **Employees** in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

However, **You** will repay to **Us** all sums **We** would not have been liable to pay but for the provisions of such law.

**(6) Payment for Court Attendance**

**We** will compensate **You** if, at **Our** request, **You**, any director, partner or **Employee** of **Yours**, is attending court as a witness in connection with a claim for which **The Insured** is entitled to indemnity.

The maximum **We** will pay for:

- (1) **You**, each director or partner is £250 per day
- (2) each **Employee** is £150 per day

**(7) Unsatisfied Court Judgments**

**We** will, at **Your** request, pay any **Employee** or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for **Bodily Injury** against any company registered in or any individual domiciled in **The Defined Territories** and which remain unpaid six months after the date of such judgment.

Payment will only be made where:

- (1) the **Bodily Injury** was caused during any **Period of Insurance** to the **Employee** arising

# Property Owner's Liability Section

(only applicable if stated as insured in **The Schedule**)

## Definitions

(also refer to the Policy Definitions at the front of this Policy Wording).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

### Compensation

Damages, including interest.

### Costs and Expenses

- (1) fees for **The Insured's** legal representation at
  - (a) any Coroner's Inquest or Fatal Accident Inquiry
  - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) costs and expenses incurred with **Our** written consent
- (3) any claimant's legal costs for which **The Insured** is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

### Damage

Physical

- (1) loss.
- (2) destruction.
- (3) damage.

### Financial Loss

A pecuniary loss suffered by any tenant of **The Insured** and not caused by **Personal Injury** or **Damage** to property.

### Personal Injury

- (1) **Bodily Injury**.
- (2) wrongful
  - (a) arrest, detention or imprisonment.
  - (b) eviction.
  - (c) accusation of shoplifting.

### Pollution or Contamination

- (1) pollution or contamination of buildings or other structures or of water or land or the atmosphere

and

- (2) all loss, **Damage** to property and **Bodily Injury** directly or indirectly caused by such pollution or contamination.

### Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
- (2) repaired, serviced, cleaned, maintained and inspected or tested
- (3) installed, constructed, erected or transported

by **You** or on **Your** behalf and which is no longer in the custody or control of **The Insured**.

### Property

Material property.

### The Defined territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or offshore installations within the Continental Shelf around such territories.

### The Insured

- (1) **You**.
- (2) **Your** personal representatives in respect of legal liability **You** incur.
- (3) At **Your** request:
  - (a) any director, partner, or **Employee** of **Yours**
  - (b) the officers, committees and members of **Your**:
    - (i) canteen, social, sports, educational and welfare organisations
    - (ii) first aid, fire, security and ambulance services in their respective capacities as such
  - (c) any principal for whom **You** are carrying out a contract, to the extent required by the contract conditions
  - (d) those who hire plant to **You** to the extent required by the hiring conditions

or the personal representatives of any of these persons in respect of legal liability for which **You** would have entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which **We** will pay will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### The Limit of Indemnity

The maximum amount, stated in **The Schedule**, which **We** will pay in respect of any one event or all events of a series consequent on or attributable to one original cause.

In respect of

- (1) **Products Supplied**
- (2) **Pollution or Contamination**

The **Limit of Indemnity** will apply to the total of all events occurring happening in any one **Period of Insurance**.

### The Territorial Limits

Anywhere in the world in connection with **The Business** conducted by **You** from premises within **The Defined Territories**.

### The Works

All works completed or to be completed by **You** or on **Your** behalf including

- (1) all materials incorporated or to be incorporated
- (2) plant, tools, equipment and temporary buildings used or to be used

for the period during which **You** are responsible under contract conditions.

### Cover

**We** will indemnify **The Insured** against:

- (1) legal liability to pay **Compensation**
- and
- (2) **Costs and Expenses** in respect of accidental
    - (a) **Personal Injury**
    - (b) **Damage to Property**
    - (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with **The Business** and which happens during the **Period of Insurance** and within **The Territorial Limits**.

The maximum **We** will pay is **The Limit of Indemnity** and any **Costs and Expenses**. However, in respect of any claim brought in:

- (1) the United States of America or any territory within its jurisdiction
- (2) Canada

the maximum **We** will pay, inclusive of **Costs and Expenses**, is **The Limit of Indemnity**

### Exclusions

The following Exclusions apply to this Section.

(also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not provide indemnity in respect of

- (1) **Personal Injury** to any **Employee** arising out of and in the course of employment by **You** in **The Business**.
- (2) the ownership, possession or use by or on behalf of:
 

**The Insured** of any:

  - (a) aircraft, aerial device or hovercraft.
  - (b) watercraft exceeding 8 metres in length.
  - (c) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation other than
    - (i) where described in the Motor Contingent Liability Clause.
    - (ii) the loading or unloading of any such vehicle, trailer or plant where indemnity is not provided by another insurance Policy.
- (3) **Damage to Property**
  - (a) which **You** own or is loaned, leased, hired or rented to **The Insured**
  - (b) which is held in trust or in the custody or control of
    - (i) **The Insured**
    - (ii) any other party who is carrying out work on **Your** behalf other than in the circumstances described in the Hired or Rented Premises Clause or the Employees' and Visitors' Personal Belongings Clause.
  - (c) which requires to be insured under the terms of Clause 21.2.1. of the Standard Form of Building Contract issued by the Joint Contracts Tribunal or a clause of similar intent under other contract conditions.
- (4) **Damage** to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating
  - (a) **Products Supplied** (other than **Products Supplied** under a separate contract).
  - (b) **The Works**.

- (5) recalling or making refunds in respect of
- (a) **Products Supplied.**
  - (b) **The Works.**
- (7) the carrying out of any work or any **Products Supplied** which affects or could affect:
- (a) the navigation, propulsion or safety of any aircraft or other aerial device
  - (b) the safety or operation of nuclear installations.
- (8) (a) **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**.
- (b) directly or indirectly caused by or arising from **Pollution or Contamination** in the United States of America or Canada.
- All **Pollution or Contamination** which arises out of one incident will be deemed to have happened at the time such incident takes place.
- (9) (a) work in or on and travel to, from or within
- (b) **Products Supplied** to: any offshore:
- (i) accommodation, exploration, drilling or production rig or platform.
  - (ii) support vessel.
- (10) (a) liquidated damages.
- (b) penalty clauses.
- (c) fines.
- (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (11) liability imposed on **You** solely by reason of the terms of any contract conditions or agreement in connection with **Products Supplied**.
- (12) the amount of **Compensation, Costs and Expenses** shown in **The Schedule** as applying in respect of each and every event resulting in **Damage** to Property.

**You** will reimburse any such amount paid by **Us**.

- (13) **Products Supplied** other than:
- (a) the sale or supply of food and drink
  - (b) the disposal of furniture and office equipment previously used in the course of **The Business**

- (14) arising from or in connection with any company domiciled or registered in the United States of America or Canada or their territories or possessions.

## Conditions

The following conditions apply to this Section.

(also refer to the Policy Conditions at the back of this Policy Wording).

### (1) Suspension of Cover

**We** may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, **We** may by written notice to **You** suspend all **Our** liability that might otherwise arise from such defect or danger.

### (2) Bona Fide Subcontractors

**You** shall as a condition precedent to liability in every instance ensure and keep a record that bona fide subcontractors maintain Employers' Liability insurance, where required by statute, and Public and Products Liability insurances for not less than the **Limit of Indemnity** in respect of each such Section as stated in **The Schedule**.

## Clauses

The following clauses apply to this Section.

### (1) Additional Activities

**The Business** includes

- (1) ownership, use and upkeep of **Your** premises.
- (2) upkeep of vehicles and plant which are owned and used by **You**.
- (3) **Your** canteen, social, sports, educational and welfare organisations for the benefit of any **Employee**.
- (4) **Your** first aid, fire, security and ambulance services.
- (5) **Your** participation in exhibitions.
- (6) private work by any **Employee**, with **Your** prior consent, for **You** or for any director, partner or **Employee**.

### (2) Contractual Liability

**We** will indemnify **The Insured** against liability in respect of accidental **Bodily Injury** or **Damage to Property** imposed on **You** solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in **Us**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside **The Defined Territories**.

**(3) Cross Liabilities**

**We** will indemnify each party named as **The Policyholder** in **The Schedule** as if a separate Policy had been issued to each.

The total amount payable will not exceed **The Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

**(4) Data Protection Act 1998**

**We** will indemnify **The Insured** in respect of:

- (1) legal fees and defence costs
- (2) legal liability for **Compensation** to an individual
  - (a) the subject of personal data **The Insured** holds and
  - (b) who suffers damage or distress caused by
    - (i) inaccuracy of data
    - (ii) loss of the data
    - (iii) unauthorised destruction or disclosure of the data
    - (iv) unauthorised access to the data

arising from proceedings brought against **The Insured** under Section 13 of the Data Protection Act 1998.

The maximum **We** will pay for all claims happening during any one **Period of Insurance** is £1,000,000.

**We** will not provide indemnity in respect of

- (1)
  - (a) **Personal Injury** other than as provided by this clause.
  - (b) **Damage to Property**.
  - (c) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence.
  - (d) libel, slander or defamation.
- (2) consequential loss.
- (3) liability
  - (a) as a result of **You** having authorised the destruction or disclosure of the data.

- (b) which could reasonably have been expected to arise as a result of any other deliberate act or omission by **You**.

- (4) any fine or statutory payment.
- (5) liability which arises solely by reason of the terms of any agreement.
- (6) liability in respect of liquidated damages or under any penalty clause.
- (7) legal costs or expenses or financial losses in respect of any order.
  - (a) for rectification or erasure of data.
  - (b) requiring the data to be supplemented by any other statements.

**(5) Defective Premises**

**We** will indemnify **The Insured** in respect of legal liability for accidental **Bodily Injury** or **Damage to Property** arising under:

- (1) the Defective Premises Act 1972
- (2) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001

in connection with any premises which **You** previously owned or occupied for the purposes of **The Business**.

**We** will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

**(6) Employees' and Visitors' Personal Belongings**

**We** will indemnify **The Insured** in respect of legal liability for accidental **Damage to Employees'** and visitors' vehicles and personal belongings which are in the custody or control of **The Insured**.

**We** will not provide indemnity where this **Property** is:

- (1) loaned, leased, hired or rented to **The Insured**.
- (2) stored for a fee or other consideration by **The Insured**.
- (3) in the custody or control of **The Insured** for the purposes of being worked upon.



**(7) Financial Loss – Property Owners**

**We** will indemnify **The Insured** in respect of legal liability for **Financial Loss** as a direct result of the failure to provide any Property or service in connection with **Property Insured** as detailed under the **Property Damage** Section of this Policy.

The maximum **We** will pay, including **Costs and Expenses**, in respect of all claims made against **The Insured** in any one **Period of Insurance** is £500,000.

This indemnity only applies to claims made against **The Insured** during the currency of this clause or within 30 days of its expiry.

**We** will not provide indemnity:

- (1) in respect of **Financial Loss** as a result of
  - (a) circumstances which, at inception of this Property Owner's Liability Section, **The Insured** knew or ought to have known about and which were likely to give rise to a claim.
  - (b) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract or injurious falsehood.
  - (c) passing off or infringement of any trademark, trade name, merchandise mark, registered design, copyright or patent right.
  - (d) libel, slander or defamation.
  - (e) liability under the Data Protection Act 1998 or any subsequent amending legislation.
  - (f) any diminution in value of any **Property**.
  - (g) the failure or partial failure of any managing agent to fulfil their obligations under any contract.
  - (h) any consequence whatsoever directly or indirectly caused by: or contributed to or arising from
    - (i) the presence of  
Asbestos including any product containing asbestos.
    - (ii) the release of  
Asbestos including any product containing asbestos.
- (2) for the first 5% or £1,000, whichever is the greater, of **Compensation, Costs and Expenses** in respect of each and every loss.

**(8) Hired or Rented Premises**

**We** will indemnify **The Insured** in respect of legal liability as a result of accidental **Damage** to premises (including fixtures and fittings) within **The Defined Territories** which are hired, rented or loaned to **The Insured** in connection with **The Business**.

**We** will not provide indemnity in respect of:

- (1) the first £250 of **Compensation, Costs and Expenses** in respect of such **Damage** caused other than by fire or explosion.
- (2) liability imposed on **The Insured** solely by reason of the terms of the hiring or renting agreement.
- (3) **Damage** caused by fire or any other peril against which the hiring or renting agreement specifies that insurance is taken out by **The Insured**.

**(9) Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990**

**We** will indemnify **The Insured** in respect of:

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against **The Insured**

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

**We** will not provide indemnity:

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which result from any deliberate act or omission by **You**.
- (3) where indemnity is provided by another insurance Policy.

**(10) Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007**

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

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against **You**

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

The maximum **We** will pay for all claims happening during any one **Period of Insurance** is £2,500,000.

**We** will not provide indemnity:

- (1) unless the proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which:
  - (a) result from any deliberate act or omission by **You**
  - (b) relate to any person other than an **Employee**
- (3) in respect of any
  - (a) fines.
  - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance Policy.

#### (11) Legal Expenses arising from Health and Safety Legislation

**We** will indemnify **The Insured** in respect of:

- (1) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against **The Insured**

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

**We** will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** within **The Defined Territories** and in connection with **The Business**.
- (2) in respect of proceedings which:
  - (a) result from any deliberate act or omission by **You**.

(b) relate to the health and safety of any **Employee**.

(3) Where indemnity is provided by another insurance Policy.

#### (12) Motor Contingent Liability

**We** will indemnify **You** in respect of **Your** legal liability for accidental **Bodily Injury** and **Damage** to **Property** which arises from any vehicle or trailer attached thereto which is:

- (1) (a) not owned by,
  - (b) not loaned, leased, hired or rented to **You** nor provided by **You**
- (2) which is being used in connection with **The Business** in **The Defined Territories**.

**We** will not provide indemnity:

- (1) in respect of **Damage** to the vehicle or trailer or goods carried in or on the vehicle or trailer.
- (2) while the vehicle is being driven by
  - (a) **You**.
  - (b) any person who to **Your** knowledge or that of **Your** representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
- (3) where indemnity is provided by another insurance Policy.

#### (13) Overseas Personal Liability

**We** will indemnify **You** and, at **Your** request, any director, partner or **Employee** of **Yours** in respect of legal liability for accidental **Bodily Injury** or **Damage** to **Property** incurred in a personal capacity whilst such persons are temporarily outside **The Defined Territories** in connection with **The Business**.

**We** will also indemnify any accompanying spouse and children.

Where **You** are an individual, this indemnity will also apply to **Your** personal liability whilst away from **Your** business premises in connection with **The Business** but within **The Defined Territories**.

**We** will not provide indemnity:

- (1) where liability arises from
  - (a) any agreement unless liability would have existed otherwise.
  - (b) ownership or occupation of land or buildings.
  - (c) the carrying on of any trade or profession.
  - (d) ownership, possession or use of wild animals, firearms (other than sporting guns), mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance Policy.

#### **(14) Payment for Court Attendance**

**We** will compensate **You** if, at **Our** request, **You**, any director, partner or **Employee** of **Yours**, is attending court as a witness in connection with a claim for which **The Insured** is entitled to indemnity.

The maximum **We** will pay for:

- (1) **You**, each director or partner is      £250 per day
- (2) each **Employee** is                              £150 per day

# Terrorism Section

(only applicable if stated as insured in **The Schedule**)

## Definitions

(also refer to the Policy Definitions at the front of this Policy Wording).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

### Act of Terrorism

Act of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's Government in the United Kingdom or any other government de jure or de facto.

### Denial of Service Attack

Any actions or instruction constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems.

This includes but is not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between or amongst networks.

### Hacking

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

### Head/Heads of Cover

Any of the following types of direct insurance cover

- (1) **Buildings** and completed structures
- (2) Other property
- (3) Business Interruption
- (4) Book Debts insured under this Policy.

### Phishing

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

### Private Individual

Any person other than a:

- (1) company, association or partnership
- (2) trustee or body of trustees where insurance is arranged under the terms of a trust
- (3) person who owns **Residential Property** for the purpose of their business as a sole trader
- (4) person who owns **Residential Property** of which in excess of 20 per cent of the property is commercially occupied.

## Important Note

(a) where the **Residential Property** is occupied by a trustee or a sole trader as a private residence and where the property is not a block of flats, each will be deemed to be a **Private Individual** in respect of that same property

and

(b) where two or more persons have arranged insurance on **Residential Property** in their several names and, or the name of the **Policyholder** includes the name of a bank or a building society or other financial institution for the purpose of noting their interest in the property insured, they will be deemed to be a **Private Individual** in respect of that property.

### Residential Property

- (1) Private dwelling houses and flats.
- (2) Household goods and personal effects.

### Treasury

The Lords Commissioners of Her Majesty's Treasury from time to time or any successor relevant authority.

### Virus or Similar Mechanism

Program, code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data, files or operations whether involving self-replication or not.

This includes but is not limited to trojan horses, worms and logic bombs.

### Cover

**We** will indemnify **You** in respect of all losses arising under any **Head of Cover** as a result of destruction or damage to property insured under this Policy directly caused by an **Act of Terrorism** occurring during the **Period of Insurance** at **The Premises** but only in England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands.

The maximum **We** will pay under this Section in any one **Period of Insurance** will not exceed the limit of liability or **Sum Insured** for each of the **Heads of Cover** specified in the Section of this Policy where the **Head of Cover** is otherwise insured.

## Exclusions

The following Exclusions apply to this Section.

(also refer to the Policy Exclusions at the back of this Policy Wording).

**We** will not indemnify **You** in respect of:

- (1) digital or cyber risks, that is any loss whatsoever arising under any **Head of Cover** directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
  - (a) the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof, whether tangible or intangible (including but without limitation any information or programs or software); or
  - (b) any alteration, modification, distortion, erasure, corruption of data processed by any such computer or other equipment or component or system or item.

whether the property of **You** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack**
- (2) any losses arising under any **Head of Cover** directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from riot, civil commotion, war and allied risks defined as war, invasion, act of foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
- (3) losses arising under any **Head of Cover** as a result of loss or destruction of or damage to **Residential Property Insured** in the name of a **Private Individual**.

## Conditions

The following Conditions apply to this Section.

(also refer to the Policy Conditions at the back of this Policy Wording)

- (1) The insurance provided by this Section is subject to all the Definitions, Conditions and Clauses of the Sections of this Policy where the **Head of Cover** is otherwise insured together with the **Policy Definitions** and Policy Conditions, and providing that if there is conflict between this Section and the rest of the Policy, this Section shall prevail.
- (2) **We** will not indemnify **You** under this Section unless and until

- (a) The Treasury issues a certificate certifying that any loss was caused by an **Act of Terrorism**, as defined in this Section or
  - (b) in the event of the Treasury refusing to issue such a certificate a tribunal formed by agreement between **Us** and Pool Reinsurance Company Limited decides that the cause of such loss was an **Act of Terrorism**, as defined in this Section.
- (3) if in relation to any claim **You** have failed to fulfil any of the following conditions, **You** will lose **Your** right to indemnity or payment for that claim:
    - (a) **You** must declare to **Us** all property and, or premises owned by **You** or for which **You** are responsible including all such property and, or premises of subsidiary companies unless it is the practice of any subsidiary company to effect its own insurance
    - (b) **You** must purchase
    - (c) insurance from a Pool Reinsurance Company Limited member company in respect of all such property and, or premises.
  - (4) **We** may cancel the cover provided by this Terrorism Section
    - (a) by sending **You** 30 days written notice to **Your** last known address.

**We** will refund a proportionate part of any premium paid for the unexpired period

or

- (b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement. **We** will not refund any instalment paid.
- (5) in any action or suit or proceedings where **We** allege that any loss is not covered by this Section the burden of proving that such loss is covered shall be upon **You**.
  - (6) If this Policy is subject to any Long Term Agreement or Undertaking, it does not apply to this Section.

## Conditions Precedent

It is a **Condition Precedent** to **Our** liability that:

- (1) **You** must declare to **Us** all property and, or premises owned by **You** or for which **You** are responsible including all such property and, or premises of any subsidiary companies unless it is the practice of any subsidiary to effect its own insurance.
- (2) **You** must purchase Terrorism insurance from a Pool Reinsurance Company Limited member company in respect of all such property and, or premises.

# Legal Expenses Insurance Section

(only applicable if stated as insured in **The Schedule**)

This insurance is underwritten by AmTrust Europe Limited and administered by Arc Legal Assistance Limited.

In the event of a valid claim under this insurance, **We** will appoint **Our** panel solicitors, or their agents, to handle **Your** case. **You** are not covered for any other legal advisers' fees unless court proceedings or a conflict of interest arises. Where it is necessary to start court proceedings or a conflict of interest arises and **You** want to use a legal adviser of **Your** own choice, Legal Costs and Expenses payable by **Us** are limited to no more than (a) **Our Standard Legal Costs and Expenses**; or (b) the amount recoverable under the Civil Procedure Fixed Recoverable Costs regime, whichever is the lower amount.

**Insured Events** must be reported to **Us** within 45 days of the **Insured Event**. Notification will only be deemed to have been made upon receipt by **Us** of a fully completed claim form. Failure to notify the **Insured Event** to **Us** within this time will invalidate the insurance.

The insurance covers **Legal Costs and Expenses** up to the **Maximum Amount Payable** where:-

- a) The **Insured Event** takes place in the **Period of Insurance** and within the **Territorial Limits**.

and

- b) The **Legal Action** takes place in the **Territorial Limits**.

## Important Conditions

If **Your** claim is covered under a section of this policy and no exclusions apply then it is vital that **You** comply with the conditions of this policy in order for **Your** claim to proceed. The conditions applicable to this section are contained under the 'Conditions' section below and should be read carefully. Some of the main conditions to this insurance are that:

### Prospects of Success

There must be a 51% or greater chance of winning the case and achieving a positive outcome. A positive outcome includes, but is not limited to, recovering the amount of money at stake, enforcing a judgment or achieving an outcome which best serves **Your** interests. The assessment of **Your** claim and the prospects of its success will be carried out by an independent **Adviser**. If the **Adviser** determines that there is not a 51% or greater chance of success then **We** may decline or discontinue support for **Your** case.

### Proportional Costs

An estimate of the **Legal Costs and Expenses** to deal with **Your** claim must not be more than the amount of money in dispute. The estimate of the **Legal Costs and Expenses** will be provided with the assessment of **Your** case and will be carried out by the independent **Adviser**. If the estimate

exceeds the amount in dispute then **We** may decline or discontinue support for **Your** case.

### Duty of Fair Presentation

**You** are responsible for disclosing, in a clear, accessible and comprehensive way, all information which **You** should be aware would influence the **Insurer's** decision to provide insurance to **You** on the terms agreed.

### Suspension of Cover

If **You** breach a condition of this insurance contract which is essential to its performance, this insurance contract will be suspended from the time of the breach until the time the breach can be remedied. The **Insurer** will have no liability to **You** for any loss which occurs, or which is attributable to something happening, during the period when this insurance contract is suspended.

## Definitions

Wherever the following words appear in bold and with a capital letter within this Section they will have the following meaning:

### Adviser

**Our** panel solicitor, their agents, or other appropriately qualified person, firm or company appointed by **Us** to act for **You**.

### Data Protection Legislation

The relevant **Data Protection Legislation** in force in the United Kingdom at the time of the **Insured Event**.

### Deposit

The sum of money equal to a minimum one month's **Rent** collected from the **Tenant** in respect of a **Tenancy Agreement** to which it applies and held by **You** or **Your** agent as an indemnity for losses incurred by **You** arising from the **Tenant** failing to perform their obligations set out in the **Tenancy Agreement**.

### Disclosure Breach

Disclosing false information or failing to disclose relevant information in the process of entering into this insurance contract

### Excess

The amount that **You** are required to pay towards any claim. This amount is shown under each section of cover.

### Guarantor

The individual or organisation assigned to the **Tenancy Agreement** that has received a **Tenant Reference** and provided a financial guarantee in the event that the **Tenant** does not perform their obligations under the **Tenancy Agreement**.

### Insured Event

The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance. In criminal cases the

**Insured Event** will be the date that **You** commenced or are alleged to have commenced to violate the criminal law in question.

For the purposes of the **Maximum Amount Payable**, only one **Insured Event** will be regarded as having arisen from all causes or by actions, incidents or events which are related by cause or time.

### Insured Property

The **Insured Property** shown in the underlying property owners insurance schedule to which this policy attaches and as declared to and accepted by **Us** for which the insurance premium has been paid

### Insurers

AmTrust Europe Limited.

### Legal Action

The pursuit of civil legal cases for damages or injunctions and the defence of criminal prosecutions.

### Legal Costs and Expenses

Reasonable legal fees incurred by the **Adviser** up to the hourly rate shown in **Our** fee scale ruling at the time the **Adviser** is instructed and disbursements essential to **Your** case. Legal costs shall be assessed on the standard basis and third party's costs shall be covered if awarded against **You** and paid on the standard basis of assessment.

### Maximum Amount Payable

The maximum payable in respect of an **Insured Event**. This amount is shown under each section of cover.

### Period of Insurance

The **Period of Insurance** declared to and accepted by **Us**, which runs concurrently with the period of the underlying insurance policy to which this legal expenses insurance attaches. For the avoidance of doubt, if the underlying insurance policy is cancelled, suspended or withdrawn, this legal expenses insurance will also be cancelled, suspended or withdrawn.

### Standard Professional Costs and Expenses

The level of **Legal Costs and Expenses** that would normally be incurred in using a specialist panel solicitor or their agents.

### Tenancy Agreement

The written terms of agreement between **You** and **Your Tenant** concerning the lease of the **Insured Property** for commercial use which must be compliant with the Landlord and **Tenant** Act 1954 (Part 2).

### Tenant

The occupier of the **Insured Property** named in the **Tenancy Agreement** as the **Tenant** who has received a **Tenant Reference** confirming that he/she can, solely or jointly with another **Tenant** or **Tenants**, afford to cover the cost of the **Rent** in full.

### Tenant Reference

A full comprehensive referencing check showing a pass on the **Tenant** and **Guarantor** must be obtained from one of **Our** approved tenant referencing companies.

Details of **Our** approved tenant referencing companies are available online at <http://www.arclegal.co.uk/informationcentre/index.php>

### Territorial Limits

United Kingdom.

### We/Us/Our/Ourselves

Arc Legal Assistance Limited who administer claims under this insurance on behalf of the **Insurers**.

### You/Your

The individual or organisation shown in the insurance schedule as the Policyholder and defined in the **Tenancy Agreement** as the 'Landlord' who has paid the premium and been declared to **Insurers**. If **You** die **Your** personal representatives will be covered to pursue cases covered by this insurance on behalf of **You** that arose prior to **Your** death.

## Cover

### Section 1. Tenant Eviction

#### What is insured

**Legal Costs and Expenses** incurred by **You** in a **Legal Action** to evict a **Tenant** who is in breach of the **Tenancy Agreement**.

#### Maximum Amount Payable:

£50,000

#### Excess:

£1000

#### What is not insured

- (1) An **Insured Event** where:-
  - a) There was no written **Tenancy Agreement** in place prior to the **Tenant** being allowed possession of the **Insured Property** or where the terms of the **Tenancy Agreement** are unenforceable.
  - b) **You** are in breach of the terms of the **Tenancy Agreement** or the **Tenant** is pursuing a case against **You** which has a 51% or greater prospect of succeeding.
  - c) Where the terms of the **Tenancy Agreement** have not been guaranteed by a **Guarantor** who is an individual or organisation that has received a **Tenant Reference** and has signed a guarantor agreement assigning them to the obligations of the **Tenancy Agreement**.
  - d) The amount in dispute in relation to a **Tenancy Agreement** falls within the Small Claims Court limit applicable at the date of the **Insured Event**.
  - e) Where **You** are in breach of any rules, regulations or Acts of Parliament relating to the **Deposit**.

- f) Where **Legal Costs and Expenses** have been incurred as a result of **Your** failure to follow the advice of the **Adviser** or arising from **Your** failure to take any action recommended by **Us** or the **Adviser** to recover possession of the **Insured Property** as promptly as possible.
- g) Where **You** have allowed the **Tenant** into possession of the **Insured Property** before the **Tenancy Agreement** has been signed by all parties, a **Tenant Reference** has been obtained, the first month's **Rent** and the **Deposit** have been received in cash or cleared funds.
- h) The amount in dispute is less than £250 including VAT.

(2) **Insured Events:-**

- a) Falling within the jurisdiction of the **Rent** assessment committee, the lands tribunal or the leasehold valuation tribunal.
- b) Relating to:-
  - (i) the compulsory purchase, placing of restrictions or any other action by the government, public or local authority, or
  - (ii) planning law including town and country planning legislation, or
  - (iii) the payment or non-payment of service charges as defined in the Landlord and Tenant Act 1985 (as amended)
- c) Arising because a **Tenancy Agreement** is due to end or where the **Insured Event** relates to the renewal of **Tenancy Agreement**.
- d) Arising from or connected to **Your** performance of **Your** obligations under the **Tenancy Agreement** or where there are insufficient prospects of success in the **Legal Action** due to the terms of the **Tenancy Agreement** being unenforceable.
- e) Disbursements incurred by the **Adviser** are not covered in relation to a **Tenancy Agreement** unless **We** have agreed to cover these at **Our** absolute discretion.

**Section 2. Non-Tenancy Property Infringement**

**What is insured**

**Legal Costs and Expenses** incurred by **You** in a **Legal Action** for nuisance or trespass against the person or organisation infringing **Your** legal rights in relation to the **Insured Property**.

**Maximum Amount Payable:**  
£50,000

**Excess:**  
Nil

**What is not insured**

- a) **Insured Events** where the nuisance or trespass commenced before **You** first purchased this insurance.
- b) Disputes relating to a **Tenancy Agreement** or any other lease or licence to occupy property or land.
- c) **Insured Events** occurring within the first 180 days after **You** first purchased this insurance
- d) **Insured Events** which **You** should reasonably have been aware of occurring before **You** purchased or renewed this insurance

**Section 3. Criminal Prosecution Defence**

**What is insured**

**Legal Costs and Expenses** incurred by **You** in defending a **Legal Action** as a result of a prosecution against **You** in a court of criminal jurisdiction where **You** are charged for committing a criminal offence directly and solely arising from **Your** ownership of the **Insured Property**.

**You** must take all steps to comply with any regulations and keep evidence of compliance.

**Maximum Amount Payable:**  
£50,000

**Excess:**  
Nil

**What is not insured**

**An Insured Event**

- a) Arising from any activities other than those directly and solely arising from **Your** ownership of the **Insured Property**
- b) **Your** actual dishonest, violent, fraudulent or malicious conduct including the actions of any person employed or subcontracted by **You** or acting under **Your** instruction
- c) **Your** common partnership, trust or committee unless this relates directly and solely to **Your** ownership of the **Insured Property**
- d) Non-payment of business rates or debts
- e) Criminal activities of **Tenants**
- f) Structural alterations or renovation to the **Insured Property**
- g) The ownership, possession or use of any vehicle
- h) Seepage, pollution or contamination of any kind
- i) Manslaughter
- j) Health & Safety at Work etc. Act 1974 breaches resulting in prosecution



- k) **Your** Tax, VAT or PAYE contributions or returns a court, tribunal or other party
- l) Something **You** have done, knowing it to be wrongful or ignoring that possibility j) For damages, interest, fines or costs awarded in criminal courts

## Legal Helpline

**You** can use the helpline service to discuss any legal problem occurring within the United Kingdom, the Channel Islands and the Isle of Man, and arising during the period of this policy.

Specialist lawyers are at hand to help **You**. If **You** need a lawyer to act for **You** and **Your** problem is covered under this insurance, the advice line will ask **You** to complete a claim form. If **Your** problem is not covered under this insurance, the advice line may be able to offer **You** assistance under a private funding arrangement.

Simply telephone 0344 770 1044 and quote "Pen Underwriting Landlord's Legal Expenses".

To maintain an accurate record **Your** telephone call may be recorded

## General Exclusions

These exclusions are applicable to the Legal Expenses Insurance Section.

### 1) There is no cover:-

- a) Where the **Insured Event** occurs within the first 90 days of the **Period of Insurance** where the **Tenancy Agreement** commenced before the **Period of Insurance** unless **You** had continuous previous insurance
- b) Where **Your** act, omission or delay prejudices **Your** or the **Insurers** position in connection with the **Legal Action** or prolongs the length of the claim
- c) Arising from a dispute between **You** and **Your** agent or mortgage lender
- d) Where the **Insured Event** began to occur or had occurred before **You** purchased this insurance
- e) Where **You** should have realised when purchasing or renewing this insurance that a claim under this insurance might occur
- f) Where **You** have breached a condition of this insurance
- g) Where **Advisers' Costs** have not been agreed in advance or are above those for which **We** have given **Our** prior written approval
- h) For any claim which is not submitted to **Us** within 45 days of the **Insured Event**
- i) For **Advisers' Costs** incurred in avoidable correspondence or which are recoverable from

- k) Where **You** have other legal expenses insurance cover
- l) For claims made by or against Pen Underwriting, the **Insurers**, the **Adviser** or **Us**
- m) For appeals without the prior written consent of **Us**
- n) Prior to the issue of court proceedings or unless a conflict of interest arises, for the costs of any legal representative other than those of the **Adviser**
- o) Where an estimate of **Your Advisers' Costs** of acting for **You** is more than the amount in dispute
- p) Where **You** commit, or are alleged to have committed, a criminal offence, or **You** are liable to a civil penalty unless this policy expressly covers **You** in the event of such offence or penalty.

### 2) There is no cover for any claim arising from:-

- a) Works undertaken or to be undertaken by or under the order of government or public or local authority
- b) Planning law
- c) The construction of or structural alteration to buildings
- d) Defamation or malicious falsehood
- e) Divorce, matrimonial matters or proceedings including ancillary relief, parental responsibility and contact, or affiliation
- f) Any venture for gain or business project of **Yours** other than in relation to **Your** activities as a Landlord
- g) A dispute between persons insured under this policy
- h) An application for Judicial Review
- i) A novel point of law

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

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

## Conditions

### 1) Cancellation

**You** may cancel this insurance at any time by writing to **Your** insurance adviser providing 14 days written notice. If **You** exercise this right within 14 days of taking out this insurance, **You** will receive a refund of premium provided **You** have not already made a claim against the insurance.

**We** may cancel the insurance by giving fourteen days' notice in writing to **You** at the address shown on the schedule, or alternative address provided by **You**. No refund of premium shall be made. **We** will only invoke this right in exceptional circumstances as a result of **You** behaving inappropriately, for example:

- Where **We** have a reasonable suspicion of fraud
- **You** use threatening or abusive behavior or language or intimidation or bullying of **Our** staff or suppliers
- Where it is found that **You**, deliberately or recklessly, disclosed false information or failed to disclose important information

### 2) Claims

- a) **You** must report claims as soon as possible within 45 days of the **Insured Event**, by completing and submitting the claim form with all relevant information.
- b) If **Rent** is overdue the **Tenant** and any **Guarantor** must be contacted within seven days to establish the reason for the default. If the **Rent** is not paid within a further seven days the **Tenant** and any **Guarantor** must be contacted again. If the **Tenant/Guarantor** cannot be contacted, and it is lawful to do so, **You** or **Your** agent must serve notice of a requirement to undertake an inspection in accordance with **Your** rights within the **Tenancy Agreement** and visit the **Insured Property**. **You** should seek legal advice if **You** are unsure that such an inspection is lawful.
- c) **You** and **Your** agent must act promptly to gain vacant possession of the **Insured Property** and recover **Rent** arrears.
- d) In the event of a claim **You** or **Your** agent must prepare a detailed schedule of dilapidations as soon as possible after the **Tenant** has vacated the **Insured Property**.
- e) **You** and/or **Your** agent must attend any court hearing in relation to an **Insured Event** if requested to do so by **Us** or the **Adviser**. Failure to attend will result in all cover under this insurance being withdrawn with immediate effect and no further claim payments being made.

- f) **We** may investigate the claim and take over and conduct the **Legal Action** in **Your** name. Subject to **Your** consent which shall not be unreasonably withheld **We** may reach a settlement of the **Legal Action**.
- g) **We**, on behalf of **Insurers** have the right under subrogation to pursue **Legal Action** against the **Tenant** or any **Guarantor** to recover **Rent** and **Legal Costs and Expenses**.
- h) **You** must supply at **Your** own expense all of the information which **We** reasonably require to decide whether a claim may be accepted. If court proceedings are required and **You** wish to nominate an alternative **Adviser** to act for **You**, **You** may do so. The **Adviser** must represent **You** in accordance with **Our** standard conditions of appointment available on request.
- i) The **Adviser** will:-
  - i) Provide a detailed view of **Your** prospects of success including the prospects of enforcing any judgment obtained.
  - ii) Keep **Us** fully advised of all developments and provide such information as **We** may require.
  - iii) Keep **Us** regularly advised of **Legal Costs and Expenses** incurred.
  - iv) Advise **Us** of any offers to settle and payments in to court. If contrary to **Our** advice such offers or payments are not accepted there shall be no further cover for **Legal Costs and Expenses** unless **We** agree in **Our** absolute discretion to allow the case to proceed.
  - v) Submit bills for assessment or certification by the appropriate body if requested by **Us**.
  - vi) Attempt recovery of costs from third parties.
- j) In the event of a dispute arising as to **Legal Costs and Expenses**, **We** may require **You** to change **Adviser**.
- k) **Insurers** shall only be liable for costs for work expressly authorised by **Us** in writing and undertaken while there are prospects of success.
- l) **You** shall supply all information requested by the **Adviser** and **Us**.
- m) **You** are liable for any **Advisers' Costs** if **You** withdraw from the **Legal Action** without **Our** prior consent. Any costs already paid by **Us** will be reimbursed by **You**.
- n) Any monies recovered from the **Tenant** or **Guarantor** will be retained by **Us** to pay for any **Advisers' Costs** or **Rent** that has been paid by **Insurers** under this insurance.

**3) Disputes**

If a complaint cannot be dealt with by the Financial Ombudsman Service (see 'How to Make a Claim'), any dispute between **You** and **Us** may, where we both agree, be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator.

**4) Disclosure Breach**

If **You** fail to disclose relevant information or **You** disclose false information in relation to this policy, **We**, or the broker, may:

- a) Cancel the contract and keep the premiums if the **Disclosure Breach** is deliberate or reckless
- b) Cancel the contract but return the premiums proportionately if this contract would not have been entered into had the **Disclosure Breach** been known
- c) Amend the terms of the contract accordingly if the contract would have been entered into on different terms had the **Disclosure Breach** been known
- d) Proportionately reduce the amount **You** are entitled to in the event of a successful claim if a higher premium would have been charged had the **Disclosure Breach** been known

**5) Fraud**

In the event of fraud, **We**:

- a) Will not be liable to pay the fraudulent claim
- b) May recover any sums paid to **You** in respect of the fraudulent claim
- c) May cancel this policy with effect from the fraudulent act and keep all premiums paid to **Us**
- d) Will no longer be liable to **You** in any regard after the fraudulent act.

**6) Prospects of Success**

At any time **We** may, but only when supported by independent legal advice, form the view that **You** do not have a 51% or greater chance of winning the case and achieving a positive outcome. If so, **We** may decline support or any further support.

Examples of a positive outcome are:

- a) Being able to recover the amount of money at stake
- b) Being able to enforce a judgement
- c) Being able to achieve an outcome which best serves **Your** Interests

**7) Proportionality**

**We** will only pay **Advisers' Costs** that are proportionate to the amount of damages that **You** are claiming in the **Legal Action**. **Advisers' Costs** in excess of the amount of damages that **You** are able to claim from **Your** opponent will not be covered.

**8) English Law and Language**

This contract is governed by English Law and the language for contractual terms and communication will be English.

**9) Change in Law**

Cover under this policy is based on laws and regulations in force at the time that it was written. If **We** believe that any subsequent change in law or regulations results in the scope of cover being either restricted or broadened, **We** reserve the right to accept claims where the change restricts the cover under this policy and reject claims where the change provides a benefit which did not previously exist.

**Customer Services Information****How to Make a Claim**

Claims must be notified to the Claims Line 45 days of the **Insured Event**.

Failure to notify the claim within this time will invalidate the insurance cover.

This insurance only covers legal fees incurred by **Our** panel solicitor or their agents appointed by **Us** until court proceedings are issued. If court proceedings are issued or a conflict of interest arises, **You** may nominate another solicitor to act for **You**.

**You** can use the helpline service to discuss any legal problem occurring within the United Kingdom, the Channel Islands and the Isle of Man, and arising during the period of this policy.

In general terms, **You** are required to immediately notify **Us** of any potential claim or circumstances which may give rise to a claim. If **You** are in doubt whether a matter constitutes a notifiable claim or circumstance, **You** should contact the legal advice line for assistance.

**Claims Line**

**You** should telephone **0344 770 1044** and quote "**Pen Underwriting Landlords Legal Expenses**."

A claim form will be sent out by e-mail, fax or post within 24- hours. The claim form is required to be completed and returned along with supporting documentation within five days of it being received. To maintain an accurate record, **Your** telephone call may be recorded.

Claim forms can also be obtained from:

<https://claims.arclegal.co.uk>

### What happens next:

The claim will be assessed and if accepted and deemed appropriate, an Enquiry Agent will visit the **Tenant** and any **Guarantor**. If the Enquiry Agent is unable to reach an agreement with the **Tenant/Guarantor** to remedy his failure to perform his obligations under the **Tenancy Agreement**, **Our** panel solicitors or their agents will be appointed to act for **You**.

**You** or **Your** agent must give all information requested by Us or the **Adviser** within five days of receiving the request for that information.

**You** or **Your** agent must attend any court hearing if requested by the **Adviser**.

This claims procedure should be read in conjunction with the main terms and conditions of the insurance.

## Privacy and Data Protection Notice

### 1. Data Protection

Arc Legal Assistance are committed to protecting and respecting **Your** privacy in accordance with the current **Data Protection Legislation** ("Legislation"). Below is a summary of the main ways in which **We** process **Your** personal data, for more information please visit [www.arclegal.co.uk](http://www.arclegal.co.uk)

### 2. How We Use Your Personal Data and Who We Share it With

**We** may use the personal data **We** hold about **You** for the purposes of providing insurance, handling claims and any other related purposes (this may include underwriting decisions made via automated means), research or statistical purposes. **We** will also use **Your** data to safeguard against fraud and money laundering and to meet **Our** general legal or regulatory obligations.

### 3. Sensitive Personal Data

Some of the personal information, such as information relating to health or criminal convictions, may be required by **Us** for the specific purposes of underwriting or as part of the claims handling process. The provision of such data is conditional for **Us** to be able to provide insurance or manage a claim. Such data will only be used for the specific purposes set out in **Our** Privacy Statement, which is available to view on the website address detailed above.

### 4. Disclosure of Your Personal Data

**We** may disclose **Your** personal data to third parties involved in providing products or services to **Us**, or to service providers who perform services on **Our** behalf. These may include, where necessary, affinity partners, brokers, agents, third party administrators, reinsurers, other insurance intermediaries, insurance reference bureaus, credit agencies, medical service providers, fraud detection agencies, loss adjusters,

external law firms, external auditors and accountants, regulatory authorities, and as may be required by law.

### 5. Your Rights

**You** have the right to ask **Us** not to process **Your** data for marketing purposes, to see a copy of the personal information **We** hold about **You**, to have **Your** data deleted (subject to certain exemptions), to have any inaccurate or misleading data corrected or deleted, to ask **Us** to provide a copy of **Your** data to any controller and to lodge a complaint with the local data protection authority.

### 6. Retention

**Your** data will not be retained for longer than is necessary, and will be managed in accordance with **Our** data retention policy. In most cases the retention period will be for a period of seven (7) years following the expiry of the insurance contract, or our business relationship with **You**, unless **We** are required to retain the data for a longer period due to business, legal or regulatory requirements.

If **You** have any questions concerning **Our** use of **Your** personal data, please contact **The Data Protection Officer**, please see website for full address details.

### Customer Service

**We** aim to get it right, first time, every time. If **We** make a mistake, **We** will try to put it right promptly. If **You** are unhappy with the service that has been provided, **You** should contact **Us** at the address below. **We** will always confirm to **You**, within five working days, that **We** have received **Your** complaint. Within four weeks **You** will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided. Within eight weeks **You** will receive a final response or, if this is not possible, a reason for the delay plus an indication of when a final response will be provided. After eight weeks, if **You** are not satisfied with the delay and **Your** business turnover is below £1,000,000, **You** may refer **Your** complaint to the Financial Ombudsman Service. **You** can also refer to the Financial Ombudsman Service if **You** cannot settle **Your** complaint with **Us** or before **We** have investigated the complaint if both parties agree.

**Our** contact details are:  
Arc Legal Assistance Ltd  
PO Box 8921  
Colchester CO4 5YD

Tel 01206 615000  
Email [customerservice@arclegal.co.uk](mailto:customerservice@arclegal.co.uk)

The Financial Ombudsman Service contact details are:  
Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Tel 08000 234 567  
Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

## Compensation

**We** are covered by the Financial Services Compensation Scheme (FSCS). If **We** fail to carry out **Our** responsibilities under this policy, **You** may be entitled to compensation from the Financial Services Compensation Scheme. Information about the scheme is available at [www.fscs.org.uk](http://www.fscs.org.uk) or by phone on 0800 678 1100 or 020 7741 4100

## Authorisation

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority. Arc Legal's Firm Reference Number is 305958.

This can be checked on the Financial Services Register by visiting the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768.

This policy is underwritten by AmTrust Europe Limited, Registered Office: 10th Floor Market Square House, St James's Street, Nottingham, NG1 6FG, Registered Number: 1229676. AmTrust Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, financial services number: 202189. These details can be checked on the Financial Services Register at [www.fca.org.uk](http://www.fca.org.uk).

# Policy Exclusions

Each Section of the Policy contains Exclusions. They must be read in conjunction with the following Policy Exclusions which apply to all Sections, other than Legal Expenses Insurance Section, unless otherwise stated.

**We will not provide indemnity in respect of**

- (1) any consequence whatsoever which is the direct, or indirect result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event:
  - (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, mutiny, rebellion, revolution, military rising, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.
  - (b) nationalisation, confiscation, requisition, seizure or destruction by any government or any public authority
  - (c) any action taken in controlling, preventing, suppressing or in any way relating to (1) (a) and, or (1) (b) above.

However,

- (1) exception (1) (b) does not apply to the Property Owners Liability Section when insured by this Policy
- (2) Exception (1) (a), (b) and (c) do not apply to the following Sections, when insured by this Policy
  - (a) Terrorism
  - (b) Employers' Liability
- (2) death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any **Consequential Loss** or any legal liability
  - (a) directly or indirectly caused by or contributed to by or arising from
    - (i) ionising radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
    - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
  - (b) directly or indirectly caused by or contributed to by or arising from the use of or threatened use of any weapon

- (i) dispersing radioactive material and, or ionising radiation

or

- (ii) using atomic or nuclear fission and, or fusion or other like reaction.

However,

- (1) exception (2) (b) above does not apply to the following Sections, when insured by this Policy
  - (a) Employers' Liability
  - (b) Property Owners Liability
- (2) in relation to the Employer's Liability Section, exception (2) (a) above only applies when **You** under a contract or agreement have undertaken to
  - (a) indemnify another party
  - (b) assume the liability of another party.
- (3) Exclusions (2) (a) and (b) do not apply to the Terrorism Section, when insured by this Policy.
  - (3) (a) **Money**
  - (b) securities or bonds
  - (c) jewellery or precious stones
  - (d) precious metals or bullion
  - (e) furs or curios
  - (f) rare books or works of art
  - (g) goods held in trust or on commission
  - (h) documents or manuscripts
  - (i) business books or computer systems records
  - (j) explosives
  - (k) property in transit unless specifically mentioned.

However, Exclusions (3) (a) to (k) do not apply to the following Sections, when insured by this Policy

- (1) Terrorism
- (2) Employers' Liability
- (3) Property Owner's Liability

- (4) any claim which arises directly or indirectly from or consists of the Failure or inability of any
- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
- (b) media or systems used in connection with anything referred to in (4) (a) above whether **Your** property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and, or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of
- (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (4) (a) and (4) (b) above.

However,

- (1) **We** will not exclude any claim for subsequent loss or destruction of or damage to any property or **Consequential Loss** which itself results from a **Defined Contingency** arising under any of the following Sections, but only to the extent that such claim would otherwise be insured under that Section
- (a) Property Damage All Risks
- (b) Loss of Rent
- (2) Exclusions (4) (a) and (b) do not apply to the following Sections, when insured by this Policy
- (a) Terrorism
- (b) Employers' Liability

The following definition only applies to this exclusion

#### **Defined Contingency**

fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious

persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, or theft.

- (5) any claim (other than in respect of **Personal Injury** as defined under the Property Owner's Liability Section) arising directly or indirectly from, or in connection with, or consisting of

(a) **Loss of Data**

However, **We** will not exclude any claim arising directly or indirectly from, or in connection with, or consisting of **Loss of Data**, which claim is not otherwise excluded and which results from a **Malicious Contingency** involving physical force and violence or a Specified Contingency where either is insured under any of the following Sections of the Policy and only to the same extent that such claim is insured under that Section

- (i) Property Damage All Risks
- (ii) Loss of Rent

Exclusion (5) (a) above does not apply to the Property Owners Liability Section, when insured by this Policy.

- (b) any loss, destruction or damage, Failure of **Loss of Data** resulting directly or indirectly from, or in connection with: **Virus or Similar Mechanism, Denial of Service Attack**, unauthorised access to or use of **Computer and Electronic Equipment**.

However, **We** will not exclude any claim in respect of any subsequent physical loss or destruction of or damage to property other than **Computer and Electronic Equipment** and **Data Storage Materials**, which is not otherwise excluded and which results from a **Malicious Contingency** involving physical force and violence or a **Specified Contingency** where either is insured under any of the following Sections of the Policy and only to the same extent that such subsequent physical loss or destruction of or damage to property is insured under that Section

- (i) Property Damage All Risks
- (ii) Loss of Rent

Exclusion (5) (a) and (5) (b) above do not apply to the following Sections, when insured by this Policy

- (1) Terrorism
- (2) Employers' Liability

- (6) any liability, death, injury loss, destruction or damage or any cost or expense of whatsoever nature or wheresoever arising resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- (a) Terrorism
  - (b) civil commotion in Northern Ireland
  - (c) any action taken in controlling, preventing, suppressing or in any way relating to (6) (a) and, or (6) (b) above.

Except as stated in **Special Provisions – Terrorism** below.

### **Terrorism**

Any consequence whatsoever which is directly or indirectly caused by nuclear and/or chemical and/or biological and/or radiological means, or anything connected with those means, and which is the direct or indirect result of Terrorism, or anything connected with Terrorism, whether or not such consequence has been contributed to by any other cause or event.

Terrorism means:

- the use or threat of force and/or violence and/or
- actual or threatened harm or damage to life or to property caused or occasioned by any person or group of persons in whole or in part for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear or is claimed to be caused or occasioned in whole or in part for such purposes.

### **Special Provisions - Terrorism**

Subject otherwise to the terms, conditions and exclusions of this Policy the exclusions in 6 (a) and 6 (c) (in so far as it relates to 6(a)) above shall not apply to the following Sections

- (a) Property Damage and, or Loss of Rent in respect of houses and flats insured in the name of an individual who does not own such property in **The Business** of a sole trader but provided that the exclusions in 6 (a) and 6 (c) shall apply to such property in respect of harm or damage to life or to property (or the threat of such harm or damage) by nuclear and, or chemical and, or biological and, or radiological means
- (b) Employers' Liability but the **Limit of Indemnity** for the purposes of this **Special Provision – Terrorism** is limited to £5,000,000 including Costs and Expenses
- (c) Property Owners Liability but the **Limit of Indemnity** for the purposes of this **Special Provision – Terrorism** is limited to £2,000,000 or any other

amount specified in **The Schedule** for Property Owners Liability whichever is the lower

- (d) Terrorism, when insured by the Terrorism Section of this Policy.



# Policy Conditions

Each Section of the Policy contains Conditions. They must be read in conjunction with the following Policy Conditions which apply to all Sections, other than Legal Expenses Insurance Section, unless otherwise stated.

## Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in Us automatically being discharged from any liability, then such a breach shall result in any liability We might have under this Policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred, and up until the date and time at which the breach is remedied. This means that We will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

## Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this Policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of:

- loss of a particular kind, and/or
- loss at a particular location, and/or
- loss at a particular time,

then We agree that We may not rely on the non-compliance to exclude, limit or discharge Our liability under this Policy if You show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

### (1) Alteration of risk

If

- (a) there has been any alteration to the **Property Insured** and, or **The Premises** and, or **The Business** after the effective date of this insurance which increases the risk of loss, liability, destruction, damage, accident or injury

or

- (b) **Your interest** ceases except by will or operation of law

**We** will at **Our** option avoid the Policy from the date of such alteration or when **Your** interest ceases.

### (2) Arbitration

If **We** accept liability but **You** disagree with the amount **We** offer to pay, the claim will be referred to an arbitrator who will be appointed in accordance with statutory provisions.

### (3) Cancellation

Following the expiry of **Your** Statutory 14 day right to cancel (also known as the “cooling-off period”),

**You** continue to have the right to cancel **Your** policy at any time during its term.

If **You** do cancel **Your** Policy after the “cooling-off period”, **You** will be entitled to a refund of the premium **You** paid subject to a deduction for the time for which **You** have been covered. This will be calculated in proportion to the period for which **You** have been on cover.

If **You** wish to cancel **Your** Policy at any time, please contact **Your** insurance adviser.

**We** may cancel the cover provided by this Section by sending **You** 30 days written notice to **Your** last known address.

**We** will refund a proportionate part of any premium paid for the unexpired period provided that there has been no

- (1) claim(s) made under this Section for which **We** have made a payment or which are still under consideration
- (2) incident(s) which **You** are aware of and are likely to give rise to a claim which has already been or is yet to be reported to **Us**

during the current **Period of Insurance**.

### (4) Contribution

Applicable to the Employers’ Liability Section and Property Owners Liability Section

- (a) If the insurance provided by these Sections is also covered by another Policy (or would be but for the existence of these Sections), **We** will only indemnify **You** in respect of any excess beyond the amount which would be payable under such other insurance had these Sections not been effected.

Applicable to all other Sections insured by this Policy other than Legal Expenses Insurance Section

- (b) Where any loss, destruction, damage or liability covered by the Policy is also covered by another Policy, (or would be but for the existence of this Policy), **We** will only pay a rateable share of the loss.
- (c) If the other insurance is subject to a condition of Average and this Policy is not, this Policy will become subject to the same condition of Average.
- (d) If the **Property Insured** covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment **We** make will be limited to the proportion of loss, destruction or damage as the **Sum Insured** bears to the value of the property.

**(5) Discharge of Liability**

**We** may at any time pay

- (a) the **Limit of Indemnity**

or

- (b) the **Sum Insured**

or

- (c) a smaller amount for which a claim can be settled, after deduction of any sum already paid.

**We** will not be liable for any further payment except for costs and expenses incurred prior to the payment of the claim with **Our** consent.

**(6) Fraud**

If a claim made by **You** or anyone acting on **Your** behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, **We** may:

- (1) refuse to pay the claim,
- (2) recover from **You** any sums paid by **Us** to **You** in respect of the claim,
- (3) by notice to **You** cancel the policy with effect from the date of the fraudulent act without any return of premium.

If **We** cancel the policy under (3) above, then **We** may refuse to provide cover after the time of the fraudulent act. This will not affect any liability **We** may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than **You** and a claim made by such person or anyone acting on their behalf is fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, **We** may:

- (1) refuse to pay the claim,
- (2) recover any sums paid by **Us** in respect of the claim (from **You** or such person, depending on who received the sums or who benefited from the cover provided),
- (3) by notice to **You** and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover.

If **We** cancel a person's cover under (3) above, then **We** may refuse to provide cover after the time of the fraudulent act. This will not affect any liability **We** may have under such cover occurring before the time of the fraudulent act.

**(7) Identification**

The Policy and **The Schedule** will be read as one contract.

A particular word or phrase which is not defined will have its ordinary meaning.

**(8) Reasonable Precautions**

**You** shall take all reasonable care:

- (a) for the safety of the **Property Insured**
- (b) to prevent accidents or disease
- (c) to comply with all statutory obligations and regulations imposed by any authority
- (d) to prevent the sale or supply of goods which are defective in any way.

**(9) Reinstatement**

When **We** decide, or are required to reinstate or replace any property **You** will, at **Your** expense, provide any

- (a) plans
- (b) documents
- (c) books
- (d) information

which **We** require.

**We** will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount **We** will pay in respect of any one item is the **Limit of Indemnity** or the **Sum Insured** for that item.

**(10) Subrogation**

Anyone making a claim under this Policy must, at **Our** request and expense, do everything **We** reasonably require to

- (a) enforce a right or remedy or
- (b) obtain relief or indemnity

from other parties to which **We** will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

**We** may require **You** to carry out such actions before or after **We** make any admission of or payment of a claim.

**(11) Index Linking**

- (a) Renewal.

Where it states in **The Schedule** that index linking applies, the amounts insured will be adjusted for movements in the following indices. **We** may select alternative measures if any of these indices are unavailable

- (i) any building and tenants improvements item

The General Building Cost index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors

- (ii) other items

The Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department.

- (b) Claims.

These adjustments will continue during the

- (i) **Period of Insurance**

- (ii) period of repair, replacement or reinstatement

provided that such work is carried out and completed without undue delay.

## (12) Subjectivity

The Policy, Statement of Facts and, or declaration made by **You**, and **The Schedule**, should be read together and form the contract of insurance between **You** and **Us**.

- (a) **We** will clearly state in **The Schedule** if the Cover provided by the Policy is subject to **You**
  - (i) providing **Us** with any additional information requested by the required date(s),
  - (ii) completing any actions agreed between **You** and **Us** by the required date(s),
  - (iii) allowing **Us** to complete any actions agreed between **You** and **Us**.
- (b) If required by **Us**, **You** must allow **Us** access to **The Premises**, **Your** Contract Sites, and, or **The Business**, to carry out survey(s), within 60 days of the inception or renewal date, unless **We** agree otherwise in writing.

Upon completion of these requirements (or if they are not completed by the required dates), **We** may, at **Our** option:

- (i) modify **Your** premium
- (ii) issue a mid-term amendment to **Your** Policy or Section terms and conditions,
- (iii) require **You** to make alterations to **The Premises** insured by the required date(s),

- (iv) exercise **Our** right to cancel **Your** Policy,
- (v) leave the Policy or Section terms and conditions, and **Your** premium, unaltered.

**We** will contact **You** with **Our** decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by **You** and, or any decision by **Us** will take effect. **Our** requirements and decisions will take effect from the date(s) specified unless and until **We** agree otherwise in writing. If **You** disagree with **Our** requirements and, or decisions, **We** will consider **Your** comments and where **We** consider appropriate, will continue to negotiate with **You** to resolve the matter to **Your** and **Our** satisfaction. In the event that the matter cannot be resolved:

- (i) **You** have the right to cancel this Policy from a date agreed by **You** and **Us** and, providing no claims have been made, **We** will refund a proportionate part of the premium paid for the unexpired period of cover.
- (ii) **We** may, at **Our** option, exercise **Our** right under Policy Condition (3) Cancellation.

Except where stated all other Policy and Section terms and Conditions will continue to apply.

The above Conditions do not affect **Our** right to void the Policy if **We** discover information material to **Our** acceptance of the risk. Please refer to the **IMPORTANT** note within Policy Introduction page of **Your** Policy Wording.

## (13) Jurisdiction

All disputes arising out of or in connection with this Policy, including but not limited to any disputes relating to the formation, validity and interpretation and application of the terms, conditions, limits and exclusions of this Policy, shall be subject to the exclusive jurisdiction of the Courts of England and Wales (unless you live in Jersey in which case the law of Jersey will apply and the Jersey courts will have exclusive jurisdiction).

## (14) Language

The contractual terms, conditions, exclusions and other information relating to this Policy will be in the English language.

## (15) Sanctions

Pen Underwriting Limited (Pen) is committed to complying with financial and trade sanctions legislation and export controls, anti-money laundering and anti-boycott laws applicable to **Our** business (collectively, Sanctions).

Pen is unable to provide underwriting, claims handling, risk consulting or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Pen or its affiliates to any sanction, prohibition or restriction under sanctions laws or regulations. In addition, **We** are generally restricted from providing broking, claims handling or other services that relate

to Cuba and Iran - including because of significant difficulties in processing payments and other commercial and reputational considerations.

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

Any Insurance Intermediary or broker who undertakes any insurance intermediation activity in relation to this policy are required to similarly comply with laws applicable to **Us** in respect of any services provided to PEN or on PEN's behalf.

To comply with Sanctions, Pen may be required to take actions such as freezing the funds of parties subject to Sanctions and making licence applications or notifications to relevant regulators. Other third parties Pen deals with, such as financial institutions, may also apply their own policies or restrictions to comply with Sanctions and Pen will not be liable for this or for similar steps taken by third parties.

# Complaints Procedure

(not applicable to Legal Expenses Insurance Section)

## Our promise of service

It is always the intention to provide a first class standard of service. However it is appreciated that occasionally things go wrong.

If **You** complaint is about the way **Your** Policy was sold to **You**, please contact **Your** broker to report **Your** complaint.

If **You** have a complaint regarding **Your** claim, please telephone **Us** on the number shown in **Your** claims documentation.

Alternatively for any other type of complaint. **You** can contact the Pen Underwriting Limited Complaints Officer quoting **Your** policy or claim number.

Pen Underwriting Limited  
Complaints Officer  
3 Atlantic Quay  
20 York Street Glasgow  
G2 8AE

Telephone: 0141 285 3539  
Email: [pencomplaints@penunderwriting.com](mailto:pencomplaints@penunderwriting.com)

**We** will try to resolve **Your** complaint by the end of the next working day. If **We** are unable to do this, **We** will write to **You** within three working days to either:

- tell **You** what **We** have done to resolve the problem; or
- acknowledge **Your** complaint and let **You** know when **You** can expect a full response

**We** will also let **You** know who is dealing with the matter. **We** will always aim to resolve **Your** complaint within four weeks of receipt. If **We** are unable to do this **We** will give **You** the reasons for the delay and indicate when **We** will be able to provide a final response. If **We** cannot resolve the differences between us, eight weeks from you first raising the complaint.

Upon receipt of the letter if **You** remain dissatisfied **You** may refer **Your** complaint to the Financial Ombudsman Service if:

- **You** have an annual turnover of less than EUR 2million and fewer than 10 employees and,
- if for any reason **You** are still dissatisfied with **Our** final response, or
- if **We** have not issued **Our** final response within eight weeks from **You** first raising the complaint.

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Following the complaints procedure does not affect **Your** right to take legal action.

## Financial Services Compensation Scheme

In the event that **We** are unable to meet **Our** liabilities **You** may be entitled to compensation from the Financial Services Compensation Scheme. This depends on the type of insurance, the size of **Your** business and the circumstances of the claim.

Further information is available from the Financial Services Compensation Scheme. Their telephone number is **0800 678 1100** or **020 7741 4100**.

Alternatively, more information can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

# General Data Protection Regulation Privacy Notice

Pen Underwriting Limited are the data controller of any personal data **You** provide to **Us**. **We** collect and process personal data in order to offer and provide insurance services and policies and to process claims. Personal data is also used for business purposes such as fraud prevention and detection, financial management, to generate risk modelling, conduct analytics including to advise, improve and develop our products and services and to comply with **Our** legal and regulatory obligations. This may involve sharing information with, and obtaining information from, **Our** group companies and third parties such as (re)insurers, other brokers, loss adjusters, credit reference agencies, service providers, professional advisors, **Our** regulators or fraud prevention agencies.

**We** may record telephone calls to help **Us** to monitor and improve the service **We** provide as well as for regulatory purposes.

Please see **Our** Privacy Notice for further information on how **Your** personal data is used, shared, disclosed and retained, **Your** rights in relation to **Your** personal data and how to contact **Our** Data Protection Officer. **Our** Privacy Notice can be found at <https://www.penunderwriting.co.uk/Privacy-Policy>. From time to time **We** may make important updates to **Our Privacy Notice** and these may in turn affect the way **We** use and handle **Your** data. Please ensure **You** review **Our** Privacy Notice periodically to ensure **You** are aware of any changes.

If **You** are entering into this agreement in the course of **Your** business, or as a charity, for charitable purposes and providing information on other individuals to **Us**, for example **Your** employees and/or any other party that would be covered under the insurance policy **We** may be placing or services **We** may provide to **You**, **You** shall ensure that individuals whose personal data **You** are providing to **Us** have been provided with fair processing notices that are sufficient in scope and purpose, and that **You** have obtained all appropriate consents, where required, or are otherwise authorised, to transfer the personal data to **Us** and enable **Us** to use the personal data and process the personal data for the purposes of this agreement and as set forth in **Our** Privacy Notice. **You** must not share personal data with **Us** that is not necessary for **Us** to offer, provide or administer **Our** services to **You**.

